RESILIENT AND READY

HEG Limited

53rd Annual Report 2024-25

At HEG, resilience isn't just a reflection of where we have been - it's the reason we are ready for where we are going.

Over the years, we have faced headwinds that tested our strength - volatile markets, shifting demand curves, economic slowdowns, and supply - side disruptions. Yet, every challenge was met not with hesitation, but with hard hats and high conviction.

We expanded, when others paused.
We upgraded, when others waited. We reimagined our possibilities - because staying still was never an option.

We are Resilient - As we've endured, evolved, and emerged stronger.
We are Ready - As we've prepared, positioned, and powered up for what's next.

This is not just our story.
This is our time.

HEG - RESILIENT & READY.

CONTENT

RESILIENCE
DEFINES US

Our 'Never Say Die' spirit gives us the strength to navigate challenges with determination and adaptability. It allows us to learn, grow, and turn obstacles into opportunities, striving to improve.
With each challenge, we emerge stronger and more committed towards progressing to a brighter future.

READINESS
DRIVES US

Our 'Active Thinking' philosophy enables us to conceptualise beyond the immediately visible and proactively prepare for the evolving market demands.

It facilitates the construction of a foundational infrastructure platform that transcends conventional practices, thereby providing us with a notable competitive advantage.

Our methodology establishes new benchmarks within the industry through scalability, strategic allocation of capital, and swift execution.

Collectively, these elements ensure that we are adequately prepared for what's next.

The potent combination of Resilience and Readiness positions us as a Future-Ready organisation.

THE WORLD'S LARGEST SINGLE SITE GRAPHITE ELECTRODE PLANT

ABOUT US

Headquartered in **Noida**, India.

The Manufacturing facility is at **Mandideep**, Madhya Pradesh.

Products are **UHP** (Ultra High Power) and **HP** (High Power) electrodes used in Electric Arc Furnaces.

Marketing presence in India and 35 countries across the world

Equity shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

OUR RECOGNITION

Youngest entrant in the global graphite electrode space.

The world's largest single-site graphite electrode manufacturer.

Catering to the Top 25 steel producers of the world.

Recognised as the highest exporter in the product category for last 25 years.

Playing a defining role in decarbonising the steel sector globally.

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.

NUMBERS THAT DEFINE US

100,000 TPA
Graphite Electrode Capacity

ISO 9001:2015
Quality Management

ISO 14001:2015
Environmental Management Systems

ISO 45001:2018
Occupational Health and Safety Management Systems

₹2,153 crore
Revenue from Operations

67%
Proportion of Revenue from Exports

₹388 crore
EBITDA

₹101 crore
Net Profit

₹319 crore
Net Cash Flow from Operations

₹9,334 crore
Market Capitalisation on the BSE (March 31, 2025)

Between

150,000 to 200,000 tons

Incremental Demand expected for Graphite Electrodes by 2030.

EAF share (excl. China) increased from 44% in 2015 to

50% now

Decarbonisation is now an irreversible trend with more and more EAF capacities coming up.

AT HEG, WE ARE READY FOR THIS INTERESTING OPPORTUNITY.

WE HAVE THE SCALE.

We have progressively increased our capacity.

From 60,000 to 80,000 tons to 100,000 tons. All in one location

WE ENJOY A GLOBAL PRESENCE.

We are present in 35 nations globally.

We have strong business relations with the Top 25 steel manufacturers.

We have consistently exported over two-thirds of our output, whether our capacity was 60,000 or 80,000 or 100,000 tons.

WE HAVE A COST ADVANTAGE.

Our single-site 100,000 tons capacity provides considerable economies of scale.

We operated our facilities consistently at 80% utilisation.

WE AIM TO CAPITALISE ON THIS OPPORTUNITY EFFECTIVELY AND EFFICIENTLY.

STATEMENT FROM THE CHAIRMAN'S OFFICE

Our robust foundation adequately positions us to capitalise on forthcoming opportunities. As we persist in adapting to market demands, we remain confident in our capacity to generate enduring value for our shareholders and positively contribute to the decarbonisation of the steel sector.

Dear Shareholders,

It is with great pleasure that I address you, reflecting on the journey of growth and learning that we have undertaken over the past year. This address holds a special place in my heart it is more than a report on our financial performance. In fact, it allows me to attempt to express my passion for what I believe will unfold over the next 3 to 5 years.

THE YEAR THAT WAS...

Fiscal Year 2025 represented a significant milestone for our company as we reinforced our position within the challenging graphite electrode sector. Our business is intrinsically linked to the steel industry, particularly in relation to the steel manufactured via the Electric Arc Furnace (EAF) method, which is predominant in Western world and Middle East.

Steel production exhibited subdued performance throughout the year, particularly in our focus regions, attributable to intense human conflict and various geopolitical challenges, which shifted the focus from development initiatives to de-risking measures.

The other important factor that impacted the global steel sector was the substantial surge in steel production and, consequently, exports by China. The development intensified competition in international markets, pressured global prices and amplified challenges for producers in other regions struggling with tepid domestic demand.

As a result, the graphite electrode sector endured significant headwinds regarding offtake and margins.

We were no strangers to this global trend. We too reported a dip in our financial performance.

Revenue from operations dropped from ₹2,395 crore in FY24 to ₹2,153 crore in FY25. Likewise, EBITDA and Net Profit declined from ₹526 crore to ₹388 crore and ₹232 crore to ₹101 crore over the same period.

Notwithstanding the subdued numbers, I am pleased with our overall performance. We approached the subdued trend with poise and confidence. While most of our peers in the industry operated at 60-65%, capacity utilisation, we were able to maintain our operational level at 80% despite expanding capacity from 80,000 to 100,000 tons.

We believe that we are amongst the lowest cost producer of graphite electrodes globally – and we believe we have further strengthened this position as we now operate the single largest plant of Graphite Electrodes in the western world with a capacity of 100,000 tons. In a difficult market condition, this has helped us to maintain highest capacity utilisation in the industry.

THE PERIOD THAT COULD BE...

Despite short-term pressures, decarbonisation is now an irreversible trend in the entire world. Steel produced through EAF emits one fourth of carbon v/s the same steel produced through the Blast Furnace route. With most of the world putting more and more focus on environment and reduction of carbon, we remain optimistic about the long-term growth potential for graphite electrode demand.

According to the World Steel Association, EAF steel production (w/o China) rose from about 44% to 50% between 2015 and 2024. With more and more electric arc furnaces being installed, this is likely to rise at an accelerated phase as the de carbonisation push intensifies.

Increased demand: An analysis of the global steel sector indicates that approximately 50 million tons of new Green field Electric Arc Furnace capacities are likely to be operational in the next few years between now and end of 2027/28 while about 10 mmt has already been operational.

From several other announcements made by some of the large steel companies, another 30 to 40 mmt of additional Electric Arc Furnaces are likely to be installed post 2028. This augurs well for our company.

Reduced supply: The capacity of Graphite electrodes has seen a decline over the course of the past 12 to 18 months. There have been four plant closures and another four plants have reduced their capacities in the western world, resulting in a cumulative capacity reduction of 120,000 tons – this accounts for approximately 16-18% of the Global total capacity, excluding China and Russia.

The anticipated imbalance in the graphite electrode sector, characterised by increasing demand alongside decreasing supply bodes well for our industry prospects in medium to long term.

OUR RESILIENCE & READINESS

I am pleased to state that HEG is poised to capitalise on the positive trend likely to unfold over the coming years. My optimism stems from our resilience and readiness for whatever lies ahead.

Our resilience: In our five-decade journey, we have experienced and endured multiple sectoral cycles, each enriching our knowledge and enhancing our strength to endure. Even when others were pushed to the brink of closure and beyond, we not only prevailed but also strengthened our growth levers. We scaled capacities, improved product quality, reduced costs, fostered relationships, and widened our reach.

Today, our resilience resides within our team, which is prepared for every possible eventuality and opportunity for future growth.

Our readiness: We have a strong presence in most of the EAF steel companies worldwide – small or big.

Exports have accounted for between 65 to 70% of our total sales for number of years.

Over the past few years we have kept expanding our capacities to meet the expected future demand and we are fully ready for a rebound in performance with the sectorial trend reversal.

OUR NEW VERTICAL

Our graphite anode plant project has gained momentum. We possess the requisite land parcel and relevant site permissions. The groundwork has commenced. We have finalised the machinery, and orders will be placed within the current year. The ₹1,850 crore project, financed through a debt-equity balance, is expected to be operational by 2027.

The opportunity: Currently, anode powder – a critical material for lithium-ion battery production is entirely imported from China. Credible research indicates that India's domestic demand for anode powder is projected to reach 100,000 to 140,000 tons annually by 2030, driven by the scaling up of local cell manufacturing. With commercial operations in place, we will be well-positioned to capture a share of this growing market and contribute to the development of a localised, resilient battery supply chain.

Our edge: We possess significant advantages in this business space. Our team, technology, and processes are well-established. Our research and development efforts spanning over two decades, along with our pilot plant, have enabled us to stabilise our processes for producing high-quality products.

Most significantly, our presence in India allows us to manage costs effectively, facilitating a seamless entry into the global market.

Our capacity: In the initial phase, we intend to establish a capacity of 20,000 tons, with the potential to double it within the next four to five years, considering the prevailing economic conditions and the sector dynamics.

OUR RESTRUCTURING

The Board has approved the Scheme of Arrangement under which the Graphite business will be transferred to HEG Graphite Limited, which will also be listed on the stock exchanges. The anode business will remain under HEG Limited. We have filed the application with the stock exchanges. This restructuring will be completed in the current year.

HEG Limited and HEG Graphite Limited will chart independent paths as two distinct, publicly listed entities. Given their fundamentally different growth drivers, risk profiles, and capital needs, this strategic demerger enables each business—Graphite and Green Energy—to focus on its unique strengths. It unlocks value by allowing dedicated management, sharper strategic focus, and better capital allocation.

This marks a significant step in our sustainability journey and positions both companies for agile, competitive growth. Shareholders will benefit from owning shares in two specialised companies, each with enhanced investment potential and long-term value creation opportunities. We believe this is the right move for our company, our employees, and our shareholders, and we look forward to the future it will create for both businesses.

In conclusion, the coming few years instil a sense of optimism within us. Our robust foundation adequately positions us to capitalise on forthcoming opportunities. As we persist in adapting to market demands, we remain confident in our capacity to generate enduring value for our shareholders and positively contribute to the decarbonisation of the steel sector.

As we chart our course for the future, I express my deepest gratitude to the growing HEG family and our valued stakeholders. Your unwavering support and commitment have been the bedrock of our success.

Warm regards,

Ravi Jhunjhunwala
Chairman, Managing Director & CEO

KEY PERFORMANCE INDICATORS

Total Income
(₹ in crore)

FY 23	2,576
FY 24	2,537
FY 25	2,279

EBITDA
(₹ in crore)

FY 23	729
FY 24	526
FY 25	388

Net Worth
(₹ in crore)

FY 23	4,077
FY 24	4,145
FY 25	4,160

Earnings per share
(₹)

FY 23	23.60
FY 24	12.00
FY 25	5.25

Net Profit
(₹ in crore)

FY 23	456
FY 24	232
FY 25	101

Net Cash from Operations
(₹ in crore)

FY 23	114
FY 24	615
FY 25	319

Return on capital employed
(In %)

FY 23	13.27
FY 24	7.19
FY 25	3.86

Dividend payout
(₹ in crore)

FY 23	154
FY 24	164
FY 25	87

MANAGEMENT DISCUSSION AND ANALYSIS

AN ECONOMIC OVERVIEW

The Global Economy

The global economic landscape has demonstrated resilience amid varying performance levels across nations, although with a mix of cautious optimism and lingering uncertainties, particularly against the backdrop of heightened geopolitical instability.

In 2024, the global economy recorded a real GDP growth rate of 3.3%, reflecting resilience despite intensifying downside risks. However, a slowdown in momentum became evident as policy uncertainties and geopolitical tensions escalated, setting a cautious tone for 2025.

Regional Progress: China's economic performance lagged projections. Conversely, the US market sustained strong momentum, supported by resilient consumer demand. India, the world's fifth-largest economy with a GDP of US$3.91 trillion, displayed remarkable resilience in 2024, despite challenges like high inflation and global uncertainties.

Inflation: Global headline inflation declined to 5.7% in 2024, down from 6.8% in 2023 and 8.7% in 2022. . Despite easing inflation, levels remain above pre-pandemic rates, and the 2025 forecast is now 4.34%. There are notable differences among countries, as advanced economies may return to inflation targets sooner than emerging markets. The key challenge in 2025 is preventing global fragmentation and managing policy shifts without undermining long-term growth.

Manufacturing: In 2024, the global manufacturing sector exhibited a performance characterised by variability. China continued to serve as a significant catalyst, demonstrating robust expansion. European manufacturing also experienced mixed results. Manufacturing in the United States yielded mixed outcomes, with various indicators suggesting growth while others indicated a potential slowdown. Overall, global manufacturing sustained a modest expansion, with an anticipated growth rate of 0.6%.

Commodities: Commodity price trends in 2024 offer a mixed outlook. Ample supply and sluggish demand have kept commodity prices relatively stable in the latter half of 2024. Oil prices have faced continued pressure in late 2024, largely due to a lacklustre forecast for global demand and abundant supply.

Trade: Global trade hit a record US$33 trillion in 2024, expanding 3.7% (US$1.2 trillion), according to the latest Global Trade Update by UN Trade and Development. Services drove growth, rising 9% for the year and adding US$700 billion, nearly 60% of the total growth. Trade in goods grew 2%, contributing US$500 billion. Most regions saw growth, except for Europe and Central Asia.

Currency Fluctuation: Fluctuations in currency values and exchange rates are influenced by a myriad of factors, including adjustments in interest rates, inflationary trends, political developments, and global economic expansion. While the U.S. dollar demonstrated resilience, experiencing a rise of 7% in 2024 notwithstanding two Federal Reserve rate cuts, other currencies faced considerable volatility.

3.3%
Global GDP growth in 2024

0.6%
Global Manufacturing Expansion in 2024

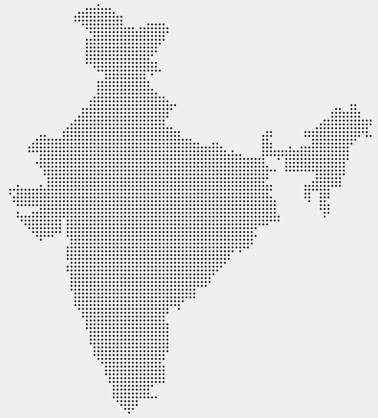
5.7%
Global inflation in 2024

2.8%
Global GDP growth in 2025

Outlook: The global economy is expected to grow by 2.8% in 2025 and 3.0% in 2026. Global headline inflation will likely decline more significantly in 2025. Medium-term risks are mainly downside, while near-term risks are mixed. Policy interventions could disrupt disinflation trends, delaying monetary easing and affecting fiscal and financial stability.

Global headline inflation is projected to reach 4.3% in 2025 and 3.6% in 2026, with advanced economies reaching target levels of 2.5% by 2025. In line with this, crude prices are likely to decline in 2025. However, nonfuel commodity prices are set to rise by 2.5%, supporting growth in key resource-driven sectors.

Economic policy shifts and evolving trade dynamics will likely drive businesses to adapt, innovate, and compete in a rapidly changing global market. The IMF underscores the importance of proactive policymaking to support a smooth disinflation process and enhance market confidence. These create a dynamic business environment, encouraging strategic planning and resilience across industries.

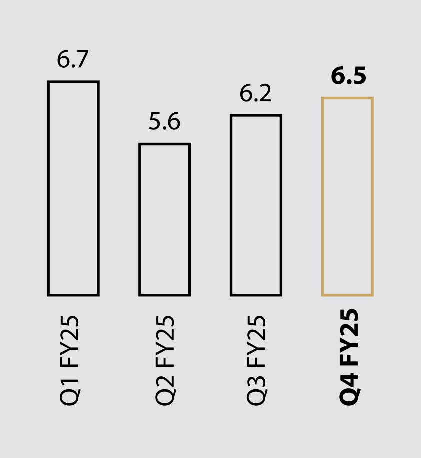


The Indian Economy

India's economic narrative for the fiscal year 2025 demonstrates notable resilience and consistent progress, with GDP growth anticipated to be 6.5%, notwithstanding global uncertainties and trade disruptions. Increasing Goods and Services Tax (GST) collections, heightened e-way bill generation, and an enhancement in consumer sentiment underscore the sustained momentum, particularly evident in the concluding quarter. A resurgence in manufacturing, along with stable rural demand propelled by rising household consumption, presents a depiction of strengthening economic activity, establishing a solid foundation for future growth.

The inflation landscape brightened considerably, offering relief to policymakers and consumers alike. Retail inflation eased to 4.6% in FY25, down from 5.4% the previous year, eases to a 6-year low of 3.2% in April'25, aided by favourable weather, relatively stable commodity prices, an improved supply chain, and a sharp decline in vegetable prices. In contrast, wholesale inflation rose to 2.3% during the same period.

Real GDP growth (%)



India's growth rate Index for eight core industries increased by 4.5% during fiscal year 2025. The net GST collections increased by 9.4 % to ₹22.08 trillion in FY25, indicating increasing economic activity despite global economic challenges.

India's services exports have been the key driver behind the notable growth in overall exports. However, manufactured goods exports experienced a significant slowdown due to subdued demand in key destination markets and the impact of aggressive trade and industrial policies in major economies.

Gross Foreign Direct Investment (FDI) inflows grew nearly 14%, highlighting the economy's appeal to international investors. This surge stems from investor-friendly policies, a large domestic market, and a stable economic environment. Moreover, India has ample foreign exchange reserves covering about 11 months of imports and nearly 90% of external debt, strengthening financial resilience and currency stability.

Outlook: FY26 appears optimistic, with GDP growth projected at 6.5%. The government's fiscal roadmap, targeting a 4.4% deficit, aligns with its vision to make India the world's third-largest economy by 2030. The government's commitment to fiscal consolidation remains unwavering, supporting its goal of keeping the budget gap below 4.5% by FY26.

This trajectory may encounter challenges due to geopolitical volatility, trade disruptions, and fluctuations in commodity prices. Domestically, the primary drivers include private investment, consumer sentiment, and corporate wages. Enhanced agricultural performance, easing food inflation, and macroeconomic stability could stimulate rural demand.

The Steel Sector

Global Steel Sector

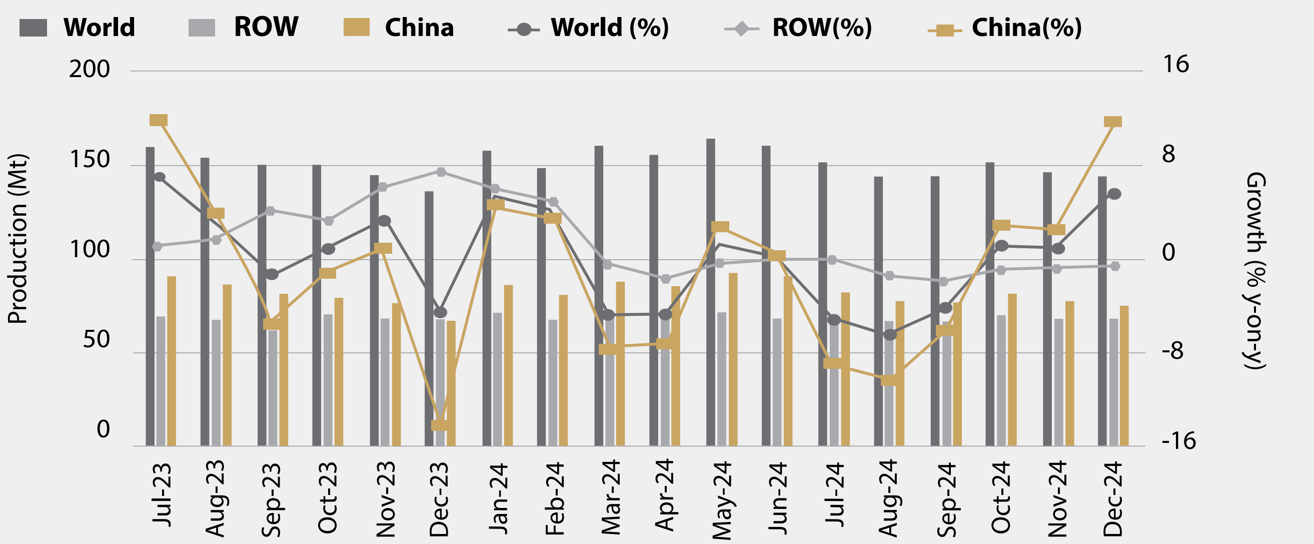
The global steel industry has been navigating a challenging environment marked by geopolitical tensions, disruptions in supply chains, and fluctuating demand. In 2024, ongoing conflicts in Israel and Gaza, the situation in Ukraine, heightened tensions in the Red Sea – including Suez Canal disruptions caused by Houthi rebels, have intensified global trade challenges. For the steel industry, these developments have led to rising transportation costs, disruptions in raw material supply chains, and a slowdown in production. These effects are further intensified by prevailing economic uncertainties and evolving trade restrictions, adding additional pressure on global steel industry.

These disruptions, resulted in a 0.8% decline in total crude steel production to 1,882.6 million metric tons (mmt) in 2024 from 1,897.9 mmt in 2023. China remained the dominant producer, though its 1.7% decline in output reflects the impact of strict regulations and a slowdown in domestic demand.

Several major economies, including Japan (3.4% decline), U.S. (2.4% decline), Russia (7% decline), and South Korea (4.7% decline), experienced production drops due to weakened demand. Although Germany's steel production rose by 5.2%, it remains well below pre-crisis levels, having declined significantly over the past 2–3 years due to the Russia-Ukraine war and high energy costs.

Turkey, which makes more than 70% of its steel via recycled-content electric arc furnaces (EAFs), registered a 9.4% increase in steel production in 2024.

Crude steel production



Sr. No	Country	2024	2023	Y-o-Y
1	China	1,005.1	1,022.5	-1.7%
2	India	149.6	140.8	6.3%
3	Japan	84.0	87.0	-3.4%
4	United State	79.5	81.4	-2.4%
5	Russia	70.7	76.0	-7.0%
6	South Korea	63.5	66.7	-4.7%
7	Germany	37.2	35.4	5.2%
8	Turkey	36.9	33.7	9.4%
9	Brazil	33.7	32.0	5.3%
10	Iran	31.0	30.7	0.8%
	Total World	1,882.6	1,897.9	-0.8%
	World ex china	877.5	875.4	0.2%

Source : World Steel Association.Estimates are subject to revision in the next update. The table above represents 71 countries.

India emerged as a prominent driver of growth, increasing its steel production by 6.3% (CY2024), driven by rising infrastructure projects and strong government support. This growth highlights India's expanding role in the global steel market, positioning it as a key player in the coming years.

The steel industry faces a volatile landscape influenced by economic conditions, trade policies, and technological advancements. Despite short-term uncertainties, developing economies like India provide a model for growth, demonstrating that investment in infrastructure, sustainability, and innovation are essential for future stability and expansion within the industry.

Outlook: The global steel industry is projected to see a gradual recovery in 2025, with demand expected to grow by 1.2% after decline last year. This recovery will be driven by increased infrastructure projects, industrial expansion, and rising demand from key sectors such as automotive and construction.

China's steel demand is expected to remain sluggish in 2025 due to a weak property sector and slowing infrastructure investment. Domestic steel consumption is projected to decline by 1%, a smaller drop than the estimated 3% decline in 2024.

India's steel demand is expected to grow by 8-9% in 2025, surpassing other major economies. This growth will be supported by increased steel-intensive construction in housing and infrastructure and steady demand from the engineering sector. EU steel demand is expected to recover in 2025, though consumption will remain below pre-pandemic levels. Also, North American automotive production is expected to see a steady recovery in 2025, contributing to a rise in demand for key steel product segments.

As infrastructure development and industrial expansion continue to drive consumption, the industry's resilience and adaptability will be key to sustaining long-term growth.

China's Dominance in World Steel

China remains the world's largest steel producer and exporter, but 2024 showed sharp contrasts between the domestic market and external supplies. The country's steel production decreased by 1.7% year-on-year, to 1,005 mmt,.

Exports, on the other hand, reached a record high of 110.72 mmt, up 22.7% from 2023. These imbalances clearly reflect the Chinese economy's deep structural problems and significantly impact the global steel market.

Even though China has reduced steel production, exports continue to grow amid weak domestic demand. The main factor behind the decline in consumption is the slowdown in the construction and industrial sectors, which are usually the main consumers of steel. The Chinese government continues to implement a strict debt control policy, which restricts financing new infrastructure projects, thereby reducing the demand for steel in the domestic market. At the same time, rising energy costs and stricter environmental standards have also led to a decline in production.

However, this situation did not prevent China from actively increasing its exports. In 2024, the country exported 110.72 mmt of steel to foreign markets, an all-time record. The growth was driven by attractive prices offered by Chinese producers amid weak global demand.

The increase in exports amid a decline in domestic production indicates a change in the strategies of Chinese steel companies. Instead of adapting to weak domestic demand, they are actively looking for foreign markets.
This puts additional pressure on the global steel market, especially in the face of oversupply.

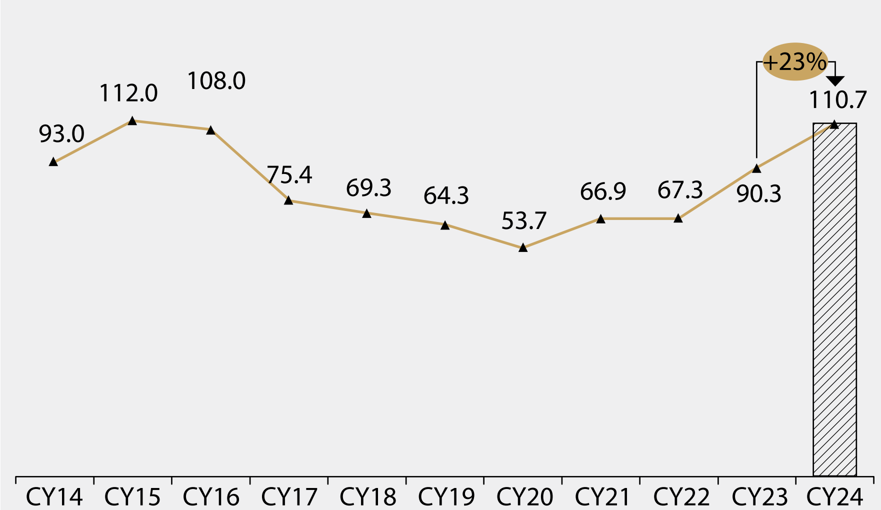
WHAT DOES THIS MEAN FOR THE GRAPHITE ELECTRODE INDUSTRY?

This suggests that production in Ex-China regions (where about 50% of steel is produced using the EAF route) dropped.

As a result, the demand for graphite electrodes dropped in rest of the world except China.

China's Finished steel exports in 2014-2024

China's Steel Exports Reached 110.7 mmt in 2024 - Highest Ever Since 2015



Indian Steel Sector

Despite global supply chain challenges, the Indian steel industry has exhibited remarkable resilience, supported by domestic demand, strategic capacity expansions, and sustained infrastructure development. With steady growth and increasing investments, the sector continues to fortify its presence in domestic and international markets, reaffirming its role as a key pillar of industrial and economic advancement.

The steel industry has emerged as a key pillar of India's economic growth, supporting diverse sectors as the country advances toward becoming a global manufacturing hub through initiatives like "Make in India." Contributing approximately 2% to the national GDP, India is now the world's second-largest steel producer, further solidifying its position in the global market.

India's steel production rose from 140.8 mmt in CY2023 to 149.6 mmt in CY2024, reflecting a 6.3% increase over the previous year. This growth momentum continued, with India steel demand expected to grow by 8-9% - 2025, underscoring the sector's sustained expansion and strengthening capacity.

During April'24 to February'25, India's finished steel consumption was around 137.8 mmt . This represented a significant increase, with a growth rate of 11.3% year-over-year

During FY2025, India exported 4.9 mmt of finished steel, while imports stood at 9.5 mmt, highlighting the evolving trade dynamics in the sector. Indian steel companies faced challenges due to fears of a global slowdown and rising imports, which impact profitability. However, a revival is expected in the coming quarters, driven by lower raw material costs and a safeguard duty on imports.

Estimates for 2025: Steel demand in India will continue to outpace other major steel-consuming economies in calendar year 2025 with a growth of 8-9%, driven by a shift towards steel-intensive construction in the housing and infrastructure sectors along with better demand from engineering, packaging and other segments according to rating agency CRISIL's report.

Long-term perspective: Long-term growth is anticipated, supported by infrastructure demand and softening Chinese exports, though global uncertainties remain a major concern. India's steel consumption is projected to reach 206 mmt by 2030, with per capita steel usage expected to rise to 160 kgs. The industry is expanding its steel capacity through new steel plants. This aligns with India's long-term vision of achieving 300 mmt annually in steelmaking capacity by 2030.

Demand Catalysts

Infrastructure development:
Large-scale investments in roads, highways, railways, airports, and urban projects under government initiatives like Gati Shakti, Bharat-mala, and Smart Cities Mission are driving steel demand.

Manufacturing & Industrial expansion:
The "Make in India" initiative and the Production-Linked Incentive (PLI) schemes are enhancing domestic manufacturing capabilities and augmenting the demand for steel across various sectors, including automotive, machinery, and capital goods.

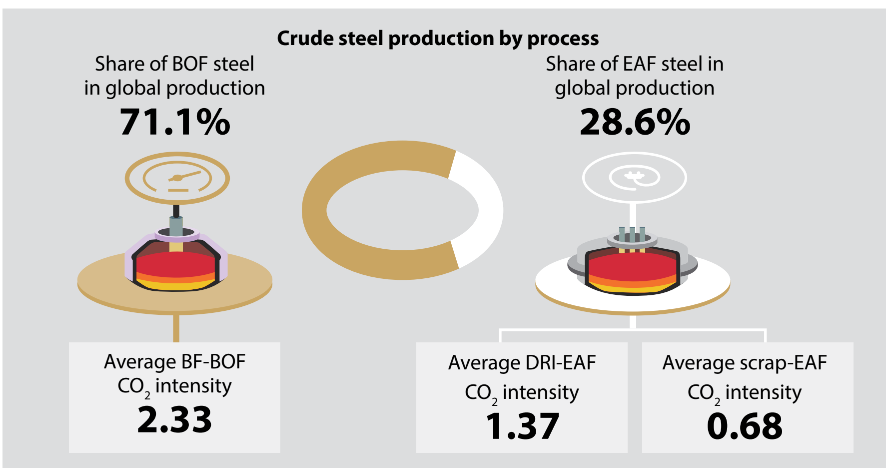
Urbanisation & Real-estate growth:
The rapid expansion of urban areas, the increasing demand for housing, and ongoing commercial real estate projects are significantly propelling the consumption of steel within the construction and building materials sectors. With India's population reaching 1.44 billion and the urban population anticipated to rise to 675 million by the year 2035, the demand for steel in infrastructure and development is poised for substantial growth significantly.

Defence & Aerospace : Increasing investments in defence manufacturing and aerospace are generating demand for high-grade steel used in military and aviation applications.

The EAF Steel Sector

Decarbonisation in the steel industry is essential for reducing its carbon footprint. Advanced technologies such as electric arc furnaces, hydrogen-based steelmaking, carbon capture, and increased recycling and renewable energy use are promoting sustainability. With regulatory support and industry initiatives, the shift towards low-carbon steel production is gaining momentum.

The global steel industry is a major contributor to greenhouse gas emissions, accounting for approximately 7-9% of



global anthropogenic CO_2 emissions. To align with the Paris Agreement's climate goals, the steel industry must reduce its emissions by 93% by 2050. Achieving this ambitious target necessitates the adoption of innovative technologies and substantial investments in decarbonisation efforts.

Electric Arc Furnaces (EAFs) are pivotal in decarbonising the steel industry by offering a sustainable alternative to traditional blast furnace methods. Unlike conventional processes that rely heavily on coal and iron ore, EAFs primarily utilise scrap steel and electricity, leading to a substantial reduction in carbon emissions.

As of 2023, EAFs accounted for approximately 29% of global crude steel production. This method is notably more environmentally friendly.EAFs using scrap typically emit around 0.5 – 0.6 t CO2/t steel, compared to higher emissions from traditional blast furnace-basic oxygen furnace (BF-BOF) routes. The CO2 emission intensity of BF-BOF route is nearly 3 to 4 times higher than EAF route.

In 2024, 49% of the world's steelmaking capacity (excluding china) was based on electric arc furnaces (EAFs). By 2030, EAF based steel production globally will comprise 36% of total steel, reflecting the industry's shift towards more sustainable and low-carbon technologies.

Adoption of the EAF Route by Key Steel-producing Regions

Europe: The European steel industry is transforming from blast furnace-basic oxygen furnace (BF-BOF) route to electric arc furnace (EAF) steelmaking to reduce carbon emissions and enhance sustainability. EAF's share of European steel production expected to increase from about 45% to over 50% by 2030, showing a commitment to eco-friendly practices. This transition includes adding over 40 mmt of new green steelmaking capacities, mainly through EAF or EAF-direct reduced iron (DRI), expected to be operationalised between 2025 and 2030. The shift to EAF steelmaking is crucial for Europe's decarbonisation strategy and meeting global climate goals.

The US: EAF-based steelmaking is reshaping the U.S. market and industry by driving a shift towards more sustainable and cost-efficient steel production. Its reliance on recycled scrap steel reduces dependence on raw material imports, strengthening domestic supply chains and improving market resilience. The US has experienced a significant shift in steel production methods, with Electric Arc Furnaces (EAFs) now accounting for approximately 70% of domestic steel output making US as one of the largest EAF steel manufacturer. The flexibility of EAF technology allows producers to quickly adapt to fluctuating demand, making the U.S. steel industry more competitive globally. By 2030, North America, is expected to add about 25 mmt of new EAF capacity.

China: China's steel industry is transitioning to more sustainable practices by adopting Electric Arc Furnace (EAF) technology. As of January 2024, China has about 151 mmt per annum of EAF capacity, while 913 mmt per annum relies on traditional methods. By 2030, China aims for EAF steel production to exceed 20%, supporting its goals to peak CO_2 emissions before 2030 and achieve carbon neutrality by 2060.

Other regions: Asia-Pacific is at the forefront of EAF adoption, with increasing investments in green steel production and circular economy initiatives.
The demand for high-quality steel, government policies on carbon reduction, and advancements in automation are shaping the industry's future. The Electric Arc Furnace (EAF) share in global steel production is projected to increase in Asia-Pacific region leading the transition towards sustainable steelmaking.

The Graphite Electrode Sector

Graphite electrodes play a vital role in global decarbonisation efforts by driving the shift towards low-carbon steel production and are an essential component for producing steel in Electric Arc Furnaces (EAFs). Graphite electrode is required due to its high thermal conductivity, low electrical resistance and oxidation resistance, ensuring efficient and reliable performance in high-temperature industrial applications.

In electric arc furnaces (EAFs), graphite electrodes are essential for conducting electricity and generating the intense heat needed to melt raw materials, primarily in steelmaking and ferroalloy production. When connected to a power source, these electrodes create an electric arc between their tip and the metal scrap inside the furnace, producing temperatures as high as 3,000°C. This extreme heat efficiently melts metals, making EAFs a more sustainable alternative to traditional blast furnaces.

Despite its advantages and increasing relevance in the global drive to a decarbonised world, Graphite electrodes are manufactured by a handful of players globally (excl. China). This is owing to the extremely guarded technology and limited availability of needle coke worldwide. These realities prevent the entry of new players in this business space. Resonac, GrafTech International and HEG Limited dominate the market, leveraging advanced manufacturing technologies and strong supply chain networks. HEG was the last entrant into this space about five decades ago and is now the third-largest graphite electrode company with largest graphite electrode plant at one location in the western world

HEG continues to be amongst the lowest cost producer of electrodes, more so with our last expansion which brought our capacity to 100,000 mt.

GREEN STEEL IN INDIA

India's Steel Ministry announced a formula for defining 'green steel,' categorising it into three groups based on the quantity of carbon emissions per metric ton of the alloy produced. Steel produced with carbon dioxide emissions of less than 2.2 tons per tonne of finished steel would be defined as "green steel," while that produced with emissions below 1.6 tons per ton would be classified as "five-star green-rated steel" – the best among the three.

In the near term, the outlook for graphite electrodes remains challenging due to geopolitical instability and muted steel production and demand however the long-term outlook for the graphite electrodes industry is very promising.

The demand for graphite electrodes is expected to grow steadily as the steel industry increasingly embraces the electric arc furnace (EAF) method for production.

With countries and regions intensifying their efforts toward decarbonisation, projections indicate that around 170–180 million tons of EAF capacity (excluding China) will be introduced by 2030.

This shift is anticipated to generate an additional requirement of approximately 200,000 tons of graphite electrodes to support the expanding infrastructure.

This transition underscores the crucial role graphite electrodes will play in the steel industry's evolution toward sustainability.

SWOT Analysis

Strengths

- Graphite Electrodes are irreplaceable in EAF steelmaking. steel makers using the EAF route.
- A streamlined industry dominated by a handful of global players.

Weaknesses

The graphite electrode industry is intrinsically linked to steel demand, as its usage is driven primarily by the level of steel production.

Opportunities

As the world transitions towards Green Steel, the demand for Graphite Electrodes is expected to scale.

Threats

Supply-chain disruptions and alternative methods like hydrogen-based-steel making may lessen the importance.

About the Company

HEG Limited, though a 53-year-old company, is the youngest player in the graphite electrode space globally. Its manufacturing facility, near Bhopal in Central India, houses a 100,000 tons manufacturing capacity, the largest plant at a single location in the Western world. The Company is consistently exporting about 70% of its production to global steel majors.

Operational Performance

The Company's FY25 performance was shaped by a subdued market environment driven by global economic volatility and trade disruptions.

Having stabilised the plant operations post expansion to 100,000 tons, the Company operated the plant at about 80% capacity utilisation with a base level of 100,000 tons in FY25 against 80% at 80,000 tons, in FY24.

Electrode pricing remained under pressure due to subdued demand, even as needle coke prices stayed stable for the past two to three quarters. Although sales volumes increased, overall performance was impacted by lower realisations compared to the previous fiscal year, resulting in a narrowing of profitability.

Financial Performance

The subdued global steel market impacted the Company's financial performance as subdued demand resulted in considerable price erosion and reduced profitability.

Hence, Revenue from Operations dipped from ₹2,395 crore in FY24 to ₹2,153 crore in FY25. EBITDA dropped from ₹526 crore to ₹388 crore over the same period. Net Profit decreased from ₹232 crore in FY24 to ₹101crore in FY25. The Net Cash Flow from Operations also dropped from ₹615 crore in FY24 to ₹319 crore in FY25.

Networth stood at ₹4,160 crore as of March 31, 2025, against ₹4,145 crore as of March 31, 2024. The Return on Networth stood at 2.44% in FY25 against 5.63% in FY24. With a rebound in the fortunes of the global steel sector in the current year, the performance is likely to witness an uptick.

Key Ratios

Particulars	2024-25	2023-24	Variance	Reasons for change
Operating Profit Margin (%)	2.80	8.74	-67.93%	Operating profit margin has decreased due to fall in sale prices and loss on fair value of investments booked in other expenses.
Return on Net Worth (%)	2.44	5.63	-56.68%	Net profit has decreased due to lower margins and loss on fair valuation of investments.
Net Profit Margin (%)	4.74	9.73	-51.28%	Net profit margin has decreased due to reduced margins and loss on fair valuation of investments.
Interest Coverage Ratio	4.77	9.82	-51.41%	Earning before interest has decreased due to reduced margins and loss on fair valuation of investments.
Current Ratio	2.19	2.23	-1.93%	-
Debt-Equity Ratio	0.14	0.15	-5.90%	-
Debtors Turnover Ratio	4.51	4.77	-5.53%	-
Inventory Turnover Ratio	0.74	0.87	-15.56%	-

Internal Control and Its Adequacy

The Company maintains a comprehensive internal control system to achieve its objectives, evaluate risks, and ensure reliable financial and operational reporting. A well-structured framework of checks and balances protects assets, ensures compliance with regulations, and fosters ongoing procedural and systemic enhancements.

The Company utilises an ERP system equipped with integrated controls to facilitate timely financial reporting. A systematic auditing process periodically assesses internal controls, as well as legal, regulatory, and environmental compliance. The internal audit team evaluates the effectiveness of these controls and implements necessary improvements. Furthermore, the Audit Committee of the Board supervises financial and audit controls.

Quality Management

At HEG, Quality Management is fundamental to the Company's culture. It goes beyond simply ensuring superior products—it's about consistently exceeding customer expectations. By eliminating defects and adding value at every production stage, HEG is committed to delivering the highest-quality products with unwavering excellence.

Quality Management flows seamlessly from leadership to the shop floor and vice versa. HEG fosters a culture where everyone is encouraged to contribute innovative ideas to enhance product and service quality.

At The Shopfloor: HEG's manufacturing unit operates efficiently, utilising standard operating procedures (SOPs). This structured approach enables centralised control, ensuring streamlined operations and improved performance. The Company follows a dual approach to quality, focusing on both processes and products. HEG's products maintain high quality due to stringent processes applied across manufacturing and other operations, effectively reducing wastage. Quality checks are conducted at each stage, from selecting raw materials to manufacturing and post-production, maintaining high standards. Quality training is regularly provided across all levels to ensure adherence to excellence. HEG remains proactive in identifying upskilling opportunities, ensuring customer satisfaction and long-lasting business relationships that reflect its consistent quality standards.

At the Top Floor: HEG has adopted business process automation across the organisation to minimise human errors and ensure timely and efficient customer service internally and externally. A detailed system of checks and balances at every level improves product quality and operational performance.

The senior marketing and management teams regularly engage with key customers to gather feedback to enhance product quality. Experts carefully examine this feedback before integrating it into operational processes to support ongoing improvement. HEG's commitment to excellence has positioned it as a reliable service provider to the world's top 25 steel producers.

Innovation

The Research and Development team is led by esteemed scientists, who are instrumental in facilitating substantial advancements in process optimisation and enhancing product quality. Furthermore, the team is engaged in the development of innovative carbon materials and alternatives aimed at improving energy efficiency, thermal regulation, and environmental management. With a steadfast commitment to growth and profitability, the R&D team collaborates with prominent research centres to investigate novel and sustainable strategies for future expansion.

ESG - Charting a Sustainable Future:

HEG's Journey Through Environmental Stewardship, Social Empowerment, and Governance Excellence This year, our mission places sustainability at the core of our graphite manufacturing, recognising that stewardship of natural resources is vital to our success. We are enhancing energy efficiency, reducing our consumption and emissions, and actively supporting global efforts to combat climate change. We are responding to customer needs, focusing especially on the rising demand for eco-friendly options, which aligns us with market trends and enhances our competitive edge. We have strengthened our sustainable practices and enhanced the resilience and adaptability of our business, allowing us to manage market volatility and regulatory shifts. We have published our first ESG Report for the year 2023–24 and will continue to update it every year.

Human Resources

The proficient, accountable, and highly driven team at HEG is indispensable for sustainable growth. The organisation places a high priority on ensuring that employees are well-informed, engaged, and connected.

The Company is unwavering in its dedication to employee development, with the Human Resources department concentrating on ongoing technical, business, and behavioural skill enhancement. Employees are encouraged to participate in dynamic team-building activities that foster collaboration and teamwork. The organisation commemorates festivals and national events to reinforce team dynamics beyond the workplace. Furthermore, the Information Technology department has developed applications that improve organisational transparency and customer connectivity.

Risk Management

HEG implements a comprehensive risk management process to effectively identify and mitigate business risks. Its structured Enterprise Risk Management (ERM) framework is integral to decision-making and the assurance of long-term profitability. The ERM framework adheres to an annual cycle characterised by the establishment of objectives, an ongoing identification of key risks, the formulation of mitigation strategies, the monitoring of leading indicators, and the resolution of potential gaps.

HEG एच.ई.जी. लिमिटेड

दैनिक भास्कर INDUSTRY EXCELLENCE AWARDS

एचईजी लिमिटेड को इनोवेशन, एक्सपोर्ट और सामाजिक दायित्व के लिए मुख्यमंत्री से मिला सम्मान

मध्यप्रदेश के औद्योगिक नक्शे पर चमकते नामों में से एक है एचईजी लिमिटेड। 1972 में मंडीदीप से शुरू हुई यह यात्रा आज वैश्विक मानचित्र पर अपनी पहचान बना चुकी है। यह सिर्फ एक इंडस्ट्री नहीं, बल्कि तकनीक, गुणवत्ता और सेवा का प्रतीक बन चुकी है। दैनिक भास्कर इंडस्ट्री एक्सीलेंस अवॉर्ड 2025 से नवाजा जाना इसकी श्रेष्ठता का प्रमाण है।

बदलाव की बुनियाद पर खड़ा है यह औद्योगिक स्तंभ

एचईजी लिमिटेड का सफर एक साधारण क्षमता वाले प्लांट से शुरू होकर विश्व के सबसे बड़े ग्रेफाइट इलेक्ट्रोड उत्पादन केंद्र तक पहुंचा है। दस हजार टन से शुरू होकर आज एक लाख मीट्रिक टन की उत्पादन क्षमता इसका औद्योगिक समर्थ्य दर्शाती है। इसके उत्पाद स्टील निर्माण की रीढ़ है, जो इलेक्ट्रिक आर्क फर्नेस के माध्यम से पर्यावरण के प्रति भी उत्तरदायी है। जहां दुनिया प्रदूषण कम करने की दिशा में प्रयासरत है, वहीं एचईजी अपने उत्पादों से ग्रीनहाउस गैसों के उत्सर्जन को कम करने में उल्लेखनीय योगदान दे रहा है। इसका 70% से अधिक निर्यात 35 से अधिक देशों में होता है, जो इसे एक ग्लोबल इंडस्ट्रियल ब्रांड बनाता है।

इकोनॉमी के साथ पर्यावरण का भी रखती है ध्यान

ग्रेफाइट इलेक्ट्रोड का इस्तेमाल जिस इलेक्ट्रिक आर्क फर्नेस में होता है, वह परंपरागत ब्लास्ट फर्नेस की तुलना में कही कम प्रदूषण फैलाता है। इसका मतलब यह है कि एचईजी न सिर्फ उद्योग चला रही है, बल्कि पृथ्वी को भी प्रदूषण से बचाने में भूमिका निभा रही है। बदलते वैश्विक परिदृश्य में यह भूमिका और भी महत्वपूर्ण हो जाती है।

निर्यात में भी अग्रणी

भारत से विश्व तक एचईजी लिमिटेड अपने कुल उत्पादन का 70 प्रतिशत से अधिक हिस्सा अमेरिका, यूरोप, साउथ ईस्ट एशिया और मिडिल ईस्ट जैसे विकसित देशों में निर्यात करती है। यह न केवल भारतीय उत्पादों की गुणवत्ता का परिचायक है, बल्कि देश की विदेशी मुद्रा बढ़ाने में भी मदद करता है। अंतरराष्ट्रीय बाजारों में एचईजी की साख मजबूत है।

एचईजी लिमिटेड को मिला सम्मान

एचईजी लिमिटेड को ग्रेफाइट इलेक्ट्रोड निर्माण के क्षेत्र में उत्कृष्ट कार्य करने के लिए दैनिक भास्कर इंडस्ट्री एक्सीलेंस अवॉर्ड 2025 से सम्मानित किया गया। यह सम्मान एक प्रतिष्ठित कार्यक्रम में देश के नामचीन उद्योगपतियों के बीच मध्यप्रदेश के मुख्यमंत्री डॉ. मोहन यादव जी द्वारा दिया गया और कंपनी के एग्जीक्यूटिव डायरेक्टर श्री मनीष गुलाटी ने इसे ग्रहण किया।

किसानों की आमदनी बढ़ा रहा ग्लोबल विकास ट्रस्ट

कंपनी द्वारा समर्थित एनजीओ ग्लोबल विकास ट्रस्ट ने अब तक पिछले 5 सालों में 5.4 करोड़ फलदार पेड़ लगाए है। यह पहल किसानों को पारंपरिक खेती से हटकर फलों की खेती की ओर प्रेरित करती है। नतीजतन, कई किसानों की आमदनी 10 गुना तक बढ़ी है। यह पहल पर्यावरण, कृषि और ग्रामीण अर्थव्यवस्था तीनों के लिए लाभकारी सिद्ध हो रही है।

सामाजिक सरोकारों में भी आगे

एचईजी लिमिटेड ने इस्कॉन द्वारा संचालित 'अक्षय पात्र' नामक एक स्वचालित रसोई की स्थापना की है। इस रसोई की स्थापना में कंपनी ने ₹14 करोड़ का निवेश किया है और प्रतिवर्ष लगभग ₹7.5 करोड़ की राशि व्यय कर रही है, जिसके माध्यम से 900 सरकारी स्कूलों में पढ़ने वाले लगभग 50,000 बच्चों को पोषक आहार प्रदान किया जा रहा है। यह पहल केवल भोजन तक सीमित नहीं है बल्कि बच्चों की सेहत, पढ़ाई और भविष्य को भी संवार रही है।

शिक्षा के क्षेत्र में भी बेजोड़ योगदान

एचईजी लिमिटेड ने अपने कर्मचारियों एवं आसपास के क्षेत्र के बच्चों के लिए 2,500 छात्रों की क्षमता वाला एक सीबीएसई स्कूल स्थापित किया है। यह नया स्कूल ₹24 करोड़ की लागत से निर्मित किया गया है। यह स्कूल किफायती फीस में उच्च स्तरीय शिक्षा प्रदान करता है, जिससे भविष्य की पीढ़ी को सशक्त किया जा रहा है।

एक आदर्श इंडस्ट्रियल ब्रांड – व्यावसायिकता के साथ सेवा भावना

एचईजी लिमिटेड सिर्फ एक व्यापारिक संगठन नहीं, बल्कि समाज, पर्यावरण और शिक्षा की त्रिवेणी है। इसकी सफलता केवल आंकड़ों में नहीं, बल्कि उसके हर उस प्रयास में दिखती है जो समाज को बेहतर बनाने के लिए किया जा रहा है।

OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Celebrating a Year of Impact: Our Commitment to Purpose and Progress

At HEG, our Corporate Social Responsibility (CSR) is more than just a commitment — it embodies everything we stand for. We believe that true growth transcends financial success and is rooted in the positive impact we create. From expanding access to healthcare and education to alleviating poverty, our actions embody sustainable, inclusive development as the foundation for lasting success. We implement eco-friendly practices and foster an inclusive workplace, ensuring all stakeholders feel valued. This year's CSR highlights milestones and lives impacted through our initiatives.

1 The Akshaya Patra

2 Global Vikas Trust

3 Graphite School

4 Apna Ghar Ashram

5 Ashoka University

6 Sabhyata Foundation

The Akshaya Patra: Sustaining Smiles, Empowering Futures

HEG continues its proud association with The Akshaya Patra Foundation, advancing our shared vision of eradicating classroom hunger and empowering the next generation through nutrition and education. What began as a modest initiative serving 1,500 students in five government schools has evolved into the world's largest NGO-run school feeding program, operating 75 automated kitchens across 16 states and 2 union territories.

Today, Akshaya Patra provides nutritious mid-day meals to 22 lakhs + underprivileged children across 24,000+ schools—all within a 40-kilometre radius of its kitchens—every school day. These meals do more than nourish; they encourage school attendance, reduce dropout rates, and empower families by breaking the cycle of poverty through education.

HEG's flagship CSR initiative—the first Akshaya Patra kitchen in Madhya Pradesh, built at a cost of ₹14 crores —has become a beacon of hope for children in the Bhopal and Raisen districts. Since its inauguration, the kitchen has served mid-day meals to approximately 50,000 students across 900 government schools.

The kitchen is equipped with semi-automated, state-of-the-art infrastructure and ensures the highest hygiene standards, efficiency, and scalability. This centralised model allows for safe preparation and seamless distribution, ensuring that no child in the region goes hungry.

In April 2024, Akshaya Patra reached a historic milestone of 400 crores of cumulative meals served— a globally recognised and felicitated achievement at the United Nations Headquarters in New York.

As we reflect on this remarkable journey, we reaffirm our commitment to driving change through collaboration and compassion. Together, with Akshaya Patra, we are building not just stronger communities, but a more stronger, more hopeful India—nourished by every plate, uplifted by every child, and built one boundless tomorrow every time.

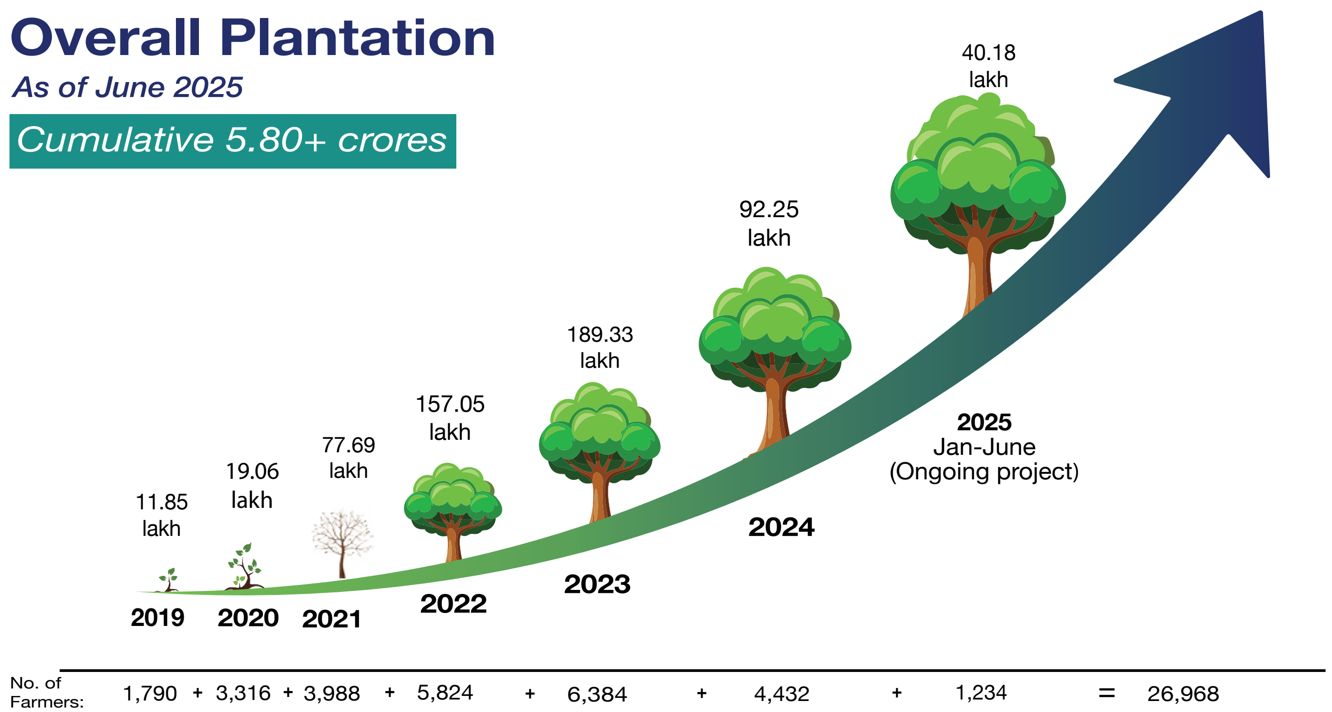
"HEG/Akshaya Patra Bhopal has served 1.7 cr meals to school children as on date since the establishment of the kitchen."

Global Vikas Trust: Mitigating Economic Deprivation through Sustainable Agriculture

HEG is proud to partner with Global Vikas Trust (GVT), a non-profit organisation founded by Mr. Mayank Gandhi, whose mission is to transform rural India through sustainable agriculture. What began in Parli, Maharashtra—once known for the highest number of farmer suicides—has now become a replicable model of hope and prosperity. With HEG's support, GVT expanded its impact to Madhya Pradesh, **empowering over 30,000 farmers across India** to transition from traditional crops to fruit-based horticulture.

Together with GVT, we continue to advance inclusive rural development, promote environmental stewardship, and build resilient agricultural communities—planting the seeds for a stronger, self-reliant India.

According to a recent study by the Tata Institute of Social Sciences, this model has led to a tenfold increase in farmer income—from an average of ₹38,723 to ₹3,93,986 per acre—underscoring the transformative potential of sustainable farming and market-driven linkages.



Empowering Education through Graphite School

At HEG, we believe that quality education is the foundation of community progress. In the mid-1970s, when our plant in Mandideep became operational, the region lacked access to formal schooling. Recognising this gap, our founder, Mr. L.N. Jhunjhunwala envisioned and established Graphite Higher Secondary School—a commitment that has stood strong for nearly four decades.

Responding to growing community demand and the school's rising reputation, HEG inaugurated a new campus in 2023, built at a cost of ₹22 crore, expanding capacity from 1,300 to 2,500 students. The new facility features modern infrastructure and an enhanced academic environment, further solidifying the school's position as the most sought-after institution in the area.

1. Academic Excellence

The year witnessed stellar academic performance, with students achieving remarkable results in Class 10 and 12 board exams. This success reflects the dedication of both faculty and students, and reinforces the school's standing as a hub of academic excellence in the region.

2. Infrastructure & Innovation

HEG's ongoing investments have enabled the school to offer state-of-the-art classrooms, laboratories, libraries, and sports facilities—creating a dynamic and holistic learning ecosystem that inspires and empowers.

3. Holistic Development & Experiential Learning:

This year, Graphite School introduced several standout initiatives under Holistic Development & Experiential Learning, including Brainiac Splash 2024 – Interdisciplinary Innovation Exhibition, the Dome Planetarium Program, the Seed Bank Initiative by the SDG Club, Visit to Scope Global Skills University for Class XII students, etc.

Apna Ghar Ashram: A Home for the Homeless

Established in 2000 by Dr. Bharadwaj, Apna Ghar Ashram is a sanctuary for the homeless and destitute, offering food, shelter, clothing, and medical care—all free of cost. Known affectionately as Prabhujans (children of God), the residents find not just a safe haven, but a loving family environment where dignity and respect prevail.

Driven by unwavering dedication, **Apna Ghar has grown to operate 62 branches across 11 states, caring for over 12,500 Prabhujans nationwide.** In 2019, with support from HEG, a new centre was launched in Bhopal to serve 50 Prabhujans. Recently, the Ashram moved to a larger facility, **now providing care and shelter to 125 Prabhujans.**

Over the past five years, HEG has been privileged to support the care of 550 Prabhujans, with 150 successfully reunited with their families—restoring hope and rebuilding lives even in the most challenging circumstances.

Ashoka University: Strengthening India's Foundation

HEG is proud to continue its long-standing support for Ashoka University, a visionary institution that has redefined higher education in India. Born from the collective dream of some of the country's leading industrialists in 2007, Ashoka was established to provide world-class, holistic liberal education—accessible to both Indian and international students, right here in India.

Ashoka's mission goes beyond academic excellence. It champions inclusivity through need-based scholarships, ensuring that no deserving student is denied a quality education due to financial constraints. With a strong emphasis on critical thinking, research, and leadership, Ashoka nurtures the changemakers and thought leaders of tomorrow.

HEG is honoured to be one of the founding contributors to this transformative initiative and remains deeply committed to supporting the university's journey. Through our continued partnership, we reaffirm our belief that empowering young minds through education is key to building a brighter, stronger India.

Advancing Sustainable Tourism and Cultural Heritage – Sabhyata Foundation

HEG partnered with Sabhyata Foundation to promote sustainable tourism and heritage conservation. In the past two years, we supported the restoration of the **Red Fort** with a ₹70 crore investment and are now focused on the **Bhimbetka Rock Caves**, a nearby UNESCO World Heritage site.

Recognising our expertise, the Government of India has entrusted us with projects at **Safdarjung Tomb, Purana Qila, Humayun's Tomb, Mehrauli Archaeological Park, and Gandikota Fort.**

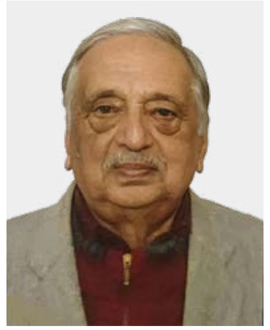
Through **Bhilwara Sur Sangam**, our annual classical music festival, we celebrate India's rich cultural heritage, now in its 11th year, with performances by leading artists.

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
Non-Executive Director
DIN: 00038490

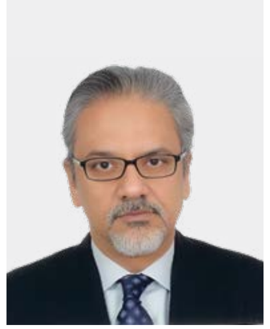
Vinita Singhania
Non-Executive Director
DIN: 00042983

Satish Chand Mehta
Independent Director
DIN: 02460558

Sandip Somany
Independent Director
DIN: 00053597

Dr. Nand Gopal Khaitan
Independent Director
DIN: 00020588

Shekhar Agarwal
Non-Executive Director
DIN: 00066113



P.S. Dasgupta
Independent Director
DIN: 00012552

Jayant Davar
Independent Director
DIN: 00100801

Ramni Nirula
Independent Director
DIN: 00015330

Board's Report

Dear Members,

Your Directors have the pleasure of presenting their 53rd Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2025.

1. Financial Results

(₹ in Crores)

Particulars	2024-25	2023-24
Net sales	2,137.34	2,379.82
Other operating income	15.37	15.08
Total income from operations (Net)	2,152.71	2,394.90
Other income	126.68	141.67
Total income	**2,279.39**	**2,536.57**
Profit before finance cost, depreciation and amortization	**387.56**	**525.63**
Finance cost	39.20	35.74
Profit before depreciation and amortization	**348.36**	**489.89**
Depreciation and amortization	200.54	174.65
Profit/(Loss) before tax	147.82	315.24
Provision for taxation:		
Current tax	48.42	74.58
Deferred tax	(1.91)	9.12
Net Profit/(Loss) for the period	**101.31**	**231.54**
EPS (Basic) (₹)	**5.25**	**12.00**

Note: No amount transferred to reserves.

2. Overall Performance

The Company recorded net sales of ₹2,137.34 Crore during the financial year 2024-25 as compared to ₹2,379.82 Crore in the previous financial year. The Net Profit during the financial year 2024-25 was ₹101.31 Crore as compared to a net profit of ₹231.54 Crore in financial year 2023-24 translating to Basic Earnings Per Share at ₹5.25 for the financial year 2024-25 as against ₹12.00 in financial year 2023-24.

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

According to data from the World Steel Association, total global steel production remained largely unchanged in CY 2024 compared to CY2023, at 1,882.6 mmt versus 1,897.9 mmt, indicating no significant year-on-year growth.

Steel production outside of China was recorded at approximately 877.5 mmt in CY2024, broadly in line with 875.4 mmt in CY2023.

China's steel production declined by 1.7% to 1,005.1 mmt in 2024 from 1,022.5 mmt in 2023, primarily due to sustained weak domestic demand.

Owing to this, Chinese steel exports increased significantly to 110.7 mmt in 2024, up from 90.3 mmt in 2023 and 67 mmt in 2022, thereby intensifying competitive pressures on global steel producers.

Among major steel-producing regions, the United States registered a 2.4% decline in production, totalling 79.5 mmt in 2024 compared to 81.4 mmt in 2023.

India, now firmly established as the world's second-largest steel producer, reported a 6.3% increase in production, reaching 149.6 mmt in 2024, supported by robust domestic demand—particularly from the infrastructure and real estate sectors. It is noteworthy that in India, steel production is predominantly conducted via the blast furnace route, with a substantial portion also produced through induction furnaces, which do not fall within our customer base.

Owing to subdued industrial and manufacturing activity, steel prices remained under pressure across most key consuming markets throughout the year.

Despite ongoing pricing pressures on graphite electrode demand, the Company operated at a utilization rate of 77% in 2024-25, the highest among all western graphite electrode manufacturers.

Needle coke prices remained stable during the year and expected to remain at similar level for the first half of 2025-26.

While short-term prospects for graphite electrodes remain muted—primarily due to geopolitical uncertainties impacting industrial activity in developed markets—the long-term outlook remains positive, driven by the global shift toward EAF-based steelmaking.

To date, more than 100 mmt of new greenfield EAF capacity has been announced globally. Of this, approximately 11 mmt is operational, and an additional 54 mmt is expected to come online between 2025 and 2027.

We anticipate that graphite electrode demand will gradually increase by 190,000–200,000 mt by 2030, representing a significant rise over the current Ultra High Power (UHP) demand (ex-China) of approximately 500,000–600,000 mt.

We remain among the most cost-competitive and high-quality producers of graphite electrodes globally. With our extensive customer base, we are fully prepared to capture emerging opportunities.

Power Generation

The Company has captive power generation capacity of 86 MW (comprising two thermal power plants and a hydroelectric power facility).

The thermal plants remained closed for most of the year 2024-25 due to un-economical price of coal generated power.

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

The turnover of the Power Segment marginally decreased to ₹32.66 crore in FY 2024-25 from ₹33.83 crore in FY 2023-24.

4. Change in Share Capital

During the FY 2024-25, pursuant to the approval of Shareholders through Postal Ballot on September 20, 2024, the Authorized Share Capital of the Company stood sub-divided/ split as per below details:

Authorized Share Capital before sub-division/split:

₹70,00,00,000 (Rupees Seventy Crores) divided into:

(a) 5,50,00,000 (Five Crore Fifty Lac) Equity Shares of ₹10/- (Rs. Ten) each, and

(b) 15,00,000 (Fifteen Lac) Preference Shares of ₹100/- (Rs. One hundred) each.

Authorized Share Capital after sub-division/split:

₹70,00,00,000 (Rupees Seventy Crores) divided into:

(a) 27,50,00,000 (Twenty Seven Crores Fifty Lakhs) Equity Shares of ₹2/- (Rs. Two) each, and

(b) 15,00,000 (Fifteen Lakhs) Preference Shares of ₹100/- (Rs. One Hundred) each.

During the year under review, the Issued, Subscribed and Paid-up Equity Share Capital of your Company was re-organized from ₹38,59,55,060/-(Rupees Thirty Eight Crore Fifty Nine Lakhs Fifty Five Thousand and Sixty Only) divided into 3,85,95,506 (Three Crore Eighty Five Lakhs Ninety Five Thousand Five hundred and Six Only) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each to ₹38,59,55,060/-(Rupees Thirty Eight Crore Fifty Nine Lakhs Fifty Five Thousand and Sixty Only) divided into 19,29,77,530 (Nineteen

Crore Twenty Nine Lakh Seventy Seven Thousand Five Hundred Thirty) Equity Shares of Face Value of ₹2/- (Rupees Two Only) each due to sub-division/split of 1 (One) Equity Share of the Company of the face value of ₹10/- (Rupees Ten Only) each fully paid into 5 (Five) Equity Shares of the Company of face value of ₹2/- (Rupee Two Only) each fully paid up.

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 2024-25.

7. Significant Developments

The Board of Directors of the Company at its meeting held on 22 May 2024 had approved the Composite Scheme of Arrangement amongst HEG Limited ("the Company") and HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors ("Scheme").

The proposed Scheme inter alia provides for:

(a) the demerger of the Demerged Undertaking (i.e. Graphite Business) from the Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Company in consideration thereof, and

(b) amalgamation of the Transferor Company with the Company and issue of equity shares by the Company to the shareholders of the Transferor Company (except the Company itself) in consideration thereof. The Appointed Date for the Scheme is 1st April 2024.

Thereafter, the Company had filed the requisite application with the stock exchanges (viz. BSE Limited and National Stock Exchange of India Limited) under Regulation 37 of the listing Regulations ("Regulation 37 Application").

Taking into consideration the business needs, the board of directors of the Transferor Company vide its resolution dated 10 March 2025 has approved the execution of definitive agreements in connection with the issue of further shares to proposed investors.

In view of the aforesaid, the companies involved in the Scheme have modified the Scheme basis SEBI's observation, after taking into account, inter alia, the updated valuation reports issued by the registered valuer and fairness opinion issued by the merchant banker on the modified scheme.

The Company has thereafter filed fresh Regulation 37 application with the stock exchanges in relation to the modified Scheme. The Scheme is, inter alia, subject to receipt of approval from the statutory and regulatory authorities, including BSE Limited, National Stock Exchange of India Limited, jurisdictional National Company Law Tribunal and the shareholders and creditors (as applicable) of the Companies involved in the Scheme.

Pending receipt of final approvals, no adjustments have been made in the financial results for the year ended 31st March 2025.

8. Subsidiary, Associate Companies or Joint Ventures

a) Subsidiary Company

The Company has the following 3 (Three) Wholly Owned Subsidiaries (WOS):

i. TACC Limited

TACC Limited had no business operations during the financial year 2024-25 and Net Loss was ₹0.21 Crore.

ii. HEG Graphite Limited

HEG Graphite Limited had no business operations during the financial year 2024-25 and Net Loss was ₹0.04 Crore.

iii. Bhilwara Infotechnology Limited

Bhilwara Infotechnology Limited had a consolidated turnover (Revenue from Operations) of ₹25.37 crore and Profit after Tax was ₹0.87 crore as per their audited consolidated financial statements for the financial year ended 31st March, 2025.

In terms of provisions of Section 136(1) of the Companies Act, 2013, the audited financial statements of TACC Limited, HEG Graphite Limited and Bhilwara Infotechnology 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 companies 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 companies 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.

b) Associate Companies or Joint Ventures

There is One Associate of the Company namely Bhilwara Energy Limited.

Bhilwara Energy Limited had a consolidated turnover (Revenue from Operations) of ₹577.71 crore and Net Profit (attributable to owners of the parent) was ₹32.18 crore as per their audited consolidated financial statements for the financial year ended 31st March, 2025.

The Company has no Joint Ventures.

During the FY 2024-25, Bhilwara Infotechnology Limited ("BIL") an associate company have become the Wholly Owned Subsidiary Company pursuant to purchase of the remaining shares of BIL by the Company from the existing shareholders of BIL.

No Company has become/ceased to be Joint Venture during the financial year 2024-25.

Performance of Associate Company & Subsidiary Companies 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.

9. 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.

10. Dividend

Your Directors are pleased to recommend a final dividend at the rate of ₹1.80/- per equity share on 19,29,77,530 equity shares of face value of ₹2 each for the financial year ended 31st March, 2025 subject to the approval of the Shareholders at the ensuing 53rd 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.

11. 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 2024-25 does not contain any qualifications, reservations or adverse remarks.

12. Management Discussion and Analysis

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

13. 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.

14. 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.

15. 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.

16. Public Deposits

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

17. 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 2024-25 which would impact the going concern status of the Company and its future operations.

18. 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.

19. Directors and Key Managerial Personnel

i. DIRECTORS

(a) Appointment/ Cessation

Dr. Nand Gopal Khaitan (DIN: 00020588), Shri Sandip Somany (DIN: 00053597) and Shri Priya Shankar Dasgupta (DIN: 00012552) were appointed as Independent Directors by the Shareholders through Postal Ballot on September 20, 2024 for a period of first term of five consecutive years w.e.f. August 13, 2024 till August 12, 2029 (both days inclusive).

Shri Manish Gulati (DIN:08697512) was re-appointed by the shareholders as Whole Time Director designated as Executive Director, liable to retire by rotation in terms of Sections 152 of the Act, through Postal Ballot on December 27, 2024 for a period of five years with effect from March 1, 2025 to February 28, 2030. Shri Manish Gulati, will continue to act as Key Managerial Personnel of the Company in terms of Section 2(51) of the Companies Act, 2013 and rules thereto.

Shri Jayant Davar (DIN: 00100801) was re-appointed as an Independent Director in 52nd AGM held on 7th August, 2024 for the second term of five consecutive years with effect from 14th August, 2024 upto 13th August, 2029.

Shri Davinder Kumar Chugh, Independent Director, resigned from the Board with effect from May 22, 2024.

Dr. Kamal Gupta has completed his second term as Independent Director on August 29, 2024. Dr. Kamal Gupta was appointed as Non-Executive Non-Independent Director w.e.f. November 14, 2024 and the Shareholders have approved the same through Postal Ballot on December 27, 2024.

(b) Retire by Rotation/Continuation of Director

Shri Riju Jhunjhunwala (DIN: 00061060) and Shri Shekhar Agarwal (DIN: 00066113) 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.

Smt. Vinita Singhania (Presently Aged: 73 Years 2 Months) (DIN: 00042983), Director of the Company will attain the age of 75 years in FY 2026-2027, therefore upon the recommendation of Nomination & Remuneration Committee, the Board has recommended continuation of Smt. Vinita Singhania (DIN: 00042983) as Non-Executive Non-Independent Director subject to approval of shareholder by passing special resolution pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015.

The Board confirms that independent directors 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, 2025:

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

b) Shri Manish Gulati, Executive Director

c) Shri Ravi Kant Tripathi, Chief Financial Officer

d) Shri Vivek Chaudhary, Company Secretary

20. 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.

21. Nomination and Remuneration Policy

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

22. Meetings of the Board

The Board of Directors met seven times in the financial year 2024-2025 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.

23. 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 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.

24. Committees of the Board

The Board has following statutory committees:

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

*Name of Corporate Social Responsibility Committee has been changed as "Corporate Social Responsibility and ESG Committee" with effect from February 11, 2025.

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 2024-25.

25. 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.

26. 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, 2024 was conducted by M/s. N.D. Birla & Co. (M. No. 7907). The said Cost Audit Report was filed on 10th September, 2024.

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 19th May, 2025, 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 2025-2026 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.

27. 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 2024-25. 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.

Further, in terms of the SEBI (Listing Obligations & Disclosure Requirements) (Third Amendment) Regulation, 2024, the Board upon the recommendation of Audit Committee has recommended appointment of M/s. GSK & Associates as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from the financial year 2025-26 till the financial year 2029-30. The appointment will be subject to shareholder's approval at the ensuing AGM and therefore is included in the notice convening the ensuing Annual General Meeting.

28. 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.

29. 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.

30. 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. During the year, the name of CSR Committee has been changed to Corporate Social Responsibility and ESG Committee and also new members from Board have been inducted in the Committee. Shri Manish Gulati, Executive Director will also act as Chief Sustainability Officer.

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 that the Company has established first mega kitchen "Akshaya Patra" in MP- Akshaya Patra in Bhopal. The Kitchen has been serving meals to 900 schools feeding 50,000 children every day under Central and MP Government Mid Day Meal Scheme and number of meal served till today is 1.60 Crores +. Another key project is the empowerment of farmers by encouraging farmers to change to fruit cropping under NGO called Global Vikas Trust in the states of MP and Maharashtra which is resulting in improvement in their income between 8 to 10 times resulting in bringing them out of poverty and higher familial and societal status. The Company also runs Graphite school at Mandideep, Bhopal, which is CBSE affiliated and run by the Trust funded by the Company and is a testament to our commitment to education and community welfare. It has a modern facility that offers a superior educational environment for approximately 1,900 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.

31. 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 2025-2026.

32. 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 2024-25 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.

33. 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

34. 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.

35. Investor Education and Protection Fund (IEPF)

As required under Section 124 of the Companies Act, 2013 the unclaimed interim dividend amount aggregating to ₹80.21 Lakh lying with the Company for a period of seven years pertaining to the financial year ended on 31st March, 2018, was transferred during the Financial Year 2024-25, to the Investor Education and Protection Fund established by the Central Government. The details of same are given in Corporate Governance Report under head Shareholder Information.

36. 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.

37. 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

38. 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 23 workshops or awareness programmes against sexual harassment of women at the workplace. No complaint of Sexual Harassment was received during the financial year 2024-25.

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.

39. 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 53rd AGM and the Annual Report of the Company for the financial year ended 31st March, 2025 including therein the Audited Financial Statements for the year 2024-25, 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 utilization better than most peers in this space. A higher utilization 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.

40. 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: 19th May, 2025
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 2024-25	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Ravi Jhunjhunwala (Chairman, Managing Director & CEO)	15%	111.26
2	Manish Gulati (Executive Director)	15%	49.59
3	Ravi Kant Tripathi (Chief Financial Officer w.e.f. November 13, 2024)	14%	NA
4	Vivek Chaudhary (Company Secretary)	10%	NA
5	Gulshan Kumar Sakhuja (resigned as Chief Financial Officer w.e.f. September 18, 2024)	-	NA

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

Sl. No.	Name of Director	% increase in Remuneration in the financial year 2024-25	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Riju Jhunjhunwala (Non-Executive Director)	Nil	2.10
2	Shekhar Agarwal (Non-Executive Director)	40.00	2.67
3	Kamal Gupta (Non-Executive Director)	Nil	4.01
4	Vinita Singhania (Non-Executive Director)	16.67	1.34
5	Satish Chand Mehta (Non-Executive & Independent Director)	76.92	4.39
6	Ramni Nirula (Non-Executive & Independent Director)	92.31	4.77
7	Jayant Davar (Non-Executive & Independent Director)	35.29	4.39
8	Dr. Nand Gopal Khaitan (Non-Executive & Independent Director)	Nil	2.10
9	Sandip Somany (Non-Executive & Independent Director)	Nil	1.14
10	Priya Shankar Dasgupta (Non-Executive & Independent Director)	Nil	0.38

* 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 ₹3,93,240/- 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 1,113 as on 31st March, 2025.

f) The average increase of employee's salary for the FY 2024-25 (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, 2025.

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	1,095.44*	B.Com (Hons.), MBA	46	69	08.09.1979	-
2	Manish Gulati	Executive Director	296.13**	MBA (Marketing & Finance), BE (Electronics), BSc (Statistics)	32	55	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive, 0.5 Yr.
3	Atul Laxman Moghe	Vice President – Maintenance & Power	108.65	BE (Electronics)	32	54	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.
4	Jasvinder Singh Khosla	Vice President – Operations (Nipple Plant) / Specialties	108.07	BE (Mech)	33	55	25.11.2020	GIL Nasik, AVP(Works), 3.5 Yrs
5	Virendra Srivastava	Vice President - Operations	93.64	B.Sc. (PCM), BE-Mechanical	35	57	14.05.1991	Hindustan Enterprises, Telearganj, Allahabad, Production Engineer, 0.6 Yr.
6	Prashant Kumar Jha	General Manager - Commercial	85.63	ICWA, PGDBM	25	51	15.07.2011	M/s. Timex Group Ind. Limited, Noida, Manager, 2.9 Yrs.
7	Ravi Kant Tripathi	Chief Financial Officer	68.92	B.Com (Taxation), ICWA, LLB	32	54	11.07.1994	Bharat Zinc Ltd. Bhopal, Accountant, 1 Yrs
8	Rajesh Jetha	Sr. General Manager – IT	68.35	MCA	29	55	17.11.1997	NSMG Pvt Ltd, New Delhi, S/w Engineer, 2 Yrs
9	Manoj Kumar Gupta	General Manager – Design	67.54	BE (MECH), M.TECH (MECH)	32	55	07.02.2011	Hindalco Industries, Bharuch, Manager Maintenance, 5.6 Yrs
10	Axay Saxena	General Manager-HR & IR	62.43	MBA(HR), MCA, B.SC.	26	50	24.08.1999	Netcom, Bhopal, S/w Engineer, 0.5 Yrs

* includes commission of ₹662.88 Lakhs
** includes commission of ₹108.33 Lakhs

b) Statement related to employee employed throughout the year and in receipt of remuneration aggregating ₹1.02 Crores or more during the FY 2024-25

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	1,095.44*	B.Com (Hons.), MBA	46	69	08.09.1979	-
2	Manish Gulati	Executive Director	296.13**	MBA (Marketing & Finance), BE (Electronics), BSc (Statistics)	32	55	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive,0.5 Yr.
3	Atul Laxman Moghe	Vice President – Maintenance & Power	108.65	BE (Electronics)	32	54	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.
4	Jasvinder Singh Khosla	Vice President – Operations (Nipple Plant) / Specialties	108.07	BE (Mech)	33	55	25.11.2020	GIL Nasik, AVP(Works), 3.5 Yrs

*includes commission of ₹662.88 Lakhs
**includes commission of ₹108.33 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	Remuneration (₹ in Lakhs)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held, Organisation, 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; 1. Replacement of conventional type star-delta motor starter with variable frequency drive (VFD) of 150 HP motor of RH-03 (ID Fan) and energy units saved - 249660 KWh/annum then resulting in savings of 13.50 Lacs/annum. 2. Replacement of existing type of chiller-compressor unit with new scroll type chiller compressor with reduced capacity in FI shop and energy units saved - 55801 KWh/annum then resulting in savings of 3.00 Lacs/annum. (Total Energy Saving in KWH/annum – 305461) (Total Saving in Rupees in lacs/annum – 16.50)	
(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	2024-25	2023-24
i)	Foreign Exchange Earned	1,28,923.67	1,52,754.12
ii)	Foreign Exchange Used	80,784.37	67,906.91

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 amendedfrom 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 the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

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) maybe 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 tile 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 theterms 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 member 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, 2025

[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, 2025, 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, 2025 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, 2018; (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. 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 and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016 as amended from time to time.
- 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 during the year under review:

- Shri Davinder Kumar Chugh, resigned as an Independent Director of the Company w.e.f. 22nd May, 2024.
- Shri Jayant Davar (DIN: 00100801) was re-appointed as an Independent Director of the Company for another term of five years w.e.f 14th August, 2024 to 13th August, 2029 by the Board of Directors in their meeting held on 22nd May, 2024 subject to the Shareholder's approval, which was duly obtained at the Annual General Meeting held on 07th August, 2024.
- The Board of Directors approved the draft Composite Scheme of Arrangement ("Scheme") amongst HEG Limited "Transferee Company" and New Co Limited (to be incorporated as a wholly owned subsidiary company of HEG Limited) "Resulting Company" and Bhilwara Energy Limited "Transferor Company" and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 in their meeting held on 22nd May, 2024.
- HEG Graphite Limited a wholly owned subsidiary of HEG Limited was incorporated on 04th June, 2024 to carry on the business of manufacturing of Graphite Electrodes.
- Shri Nand Gopal Khaitan (DIN: 00020588), Shri Sandip Somany (DIN: 00053597) and Shri Priya Shankar Dasgupta (DIN: 00012552) were appointed as an Additional Directors of the Company under Non-Executive Independent Director category for a term of five years w.e.f 13th August, 2024 to 12th August, 2029 by the Board of Directors in their meeting held on 13th August, 2024 subject to the Shareholder's approval, which was duly obtained via Postal Ballot on 20th September, 2024.
- The Board of Directors in their meeting held on 13th August, 2024 approved Sub-division/ split of each equity share of face value of ₹10/- each, fully paid-up into 5 (Five) equity shares of face value of ₹2 /- each, by altering of Capital Clause of the Memorandum of Association of the Company, subject to the Shareholder's approval, which was duly obtained via Postal Ballot on 20th September, 2024.
- The Board of Directors in their meeting held on 13th August, 2024 took note about the show cause notice received from Office of the Deputy Commissioner (SGST) Mandideep Circle, Bhopal Division-2, issued to the Company, for the tax period July 2017 to March 2018 proposing for recovery of the IGST refunds along with penalty amounting to ₹282.34 Crores. The Company submitted a detailed reply to the show cause notice, along with all requisite documents. Subsequently, the GST authorities have dropped the proposed penalty, as communicated in their letter dated 04th February, 2025.
- The Board of Directors in their meeting held on 13th September, 2024 has approved the enhancement of existing investment limit by way of Secondary Market Transaction/ Overseas Portfolio Investment Scheme of Foreign Exchange Management (Overseas Investment) Rules, 2022 from ₹200 Crores (Rupees Two Hundred Crores Only) to ₹250 Crore (Rupees Two Hundred and Fifty Crore only) in one or more tranches in the securities of Listed Indian Companies and/ or Overseas Companies/Body Corporates from time to time.
- Shri Gulshan Kumar Sakhuja, Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company resigned from the Company w.e.f. 18th September, 2024.

- Shri Ravi Kant Tripathi was appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company by the Board of Directors in their meeting held on 13th November, 2024 with immediate effect.
- Dr. Kamal Gupta was appointed as an Additional Director of the Company under Non-Executive Non-Independent Director category w.e.f. 14th November, 2024 by the Board of Directors in their meeting held on 13th November, 2024 subject to the Shareholder's approval, which was duly obtained via Postal Ballot on 27th December, 2024.
- Shri Manish Gulati (DIN: 08697512) was re-appointed as Whole Time Director of the Company for a period of five years w.e.f 01st March, 2025 to 28th February, 2030 by the Board of Directors in their meeting dated 13th November, 2024 subject to the Shareholder's approval, which was duly obtained via Postal Ballot on 27th December, 2024..
- The Board of Directors in their meeting held on 13th November, 2024 has approved the acquisition of remaining equity shares of Bhilwara Infotechnology Limited, an Associate Company for making it as a Wholly Owned Subsidiary of the Company.
- The Board of Directors at their meeting held on 11th February, 2025 has approved the enhancement of investment limits in the securities of Indian and Foreign Listed Companies from from ₹250 Crore (Rupees Two Hundred and Fifty Crore Only) to ₹350 Crore (Rupees Three Hundred and Fifty Crore Only). The said investment will be made through secondary market transactions/ overseas portfolio investment scheme of Foreign Exchange Management (Overseas Investment) Rules, 2022.
- The Board of Directors in their meeting held on 11th February, 2025 has approved a grant of Inter-Corporate Unsecured Loan of ₹100 Crore (Rupees One Hundred Crore Only) in one or more tranches to the Bhilwara Energy Limited, an Associate Company at an interest rate of 9% p.a. for the tenure of 1 (One) year and payable by way of Bullet payment (principal plus interest) on the date of maturity.
- Pursuant to the observations raised by SEBI and communicated to the Company by BSE Limited regarding the proposed infusion of funds into the Transferor Company, the Board of Directors, in their meeting held on 10th March 2025, considered and approved the Modified draft Composite Scheme of Arrangement among the Company and HEG Graphite Limited and Bhilwara Energy Limited, along with their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- The Board has approved the execution of share subscription and shareholders' agreement amongst HEG Limited, Singularity Growth Opportunities Fund II, Bhilwara Energy Limited ("BEL") and existing shareholders of BEL ("SSSHA"), in connection with investment of an aggregate amount of approx. ₹250 Crores in their Meeting held on 10th March, 2025.
- The Company has received the Notice dated 17th March, 2025 from BSE and NSE for levy of penalty of ₹1,01,480 (Rupees One Lakh One Thousand Four Hundred and Eighty Only) (inclusive of GST) by each exchange for alleged violation of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. The Company is in the process of submitting a waiver application to the designated Stock Exchange (i.e., NSE), along with the requisite supporting documents and response from designated Stock Exchange still awaited.

For GSK & Associates
(Company Secretaries)
FRN: P2014UP036000

Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)
PR No.: 2072/2022
UDIN: F004229G000375622

Date: 19th May, 2025
Place: New Delhi

Annexure-VI to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

(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. 30 of Board's Report**
2. **Composition of Corporate Social Responsibility & ESG 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	4
2.	Shri Satish Chand Mehta	Non-Executive (Independent Director)	4	4
3.	Smt. Vinita Singhania	Non- Executive Director	4	4
4.	Dr. Kamal Gupta*	Non- Executive Director	-	-
5.	Shri Manish Gulati*	Executive Director	-	-

*Dr. Kamal Gupta and Shri Manish Gulati have been appointed as member of Corporate Social Responsibility and ESG Committee w.e.f. February 11, 2025

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/2025/05/Composition-of-CSRESGCommittee.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/csr-projects-approved-by-the-board/

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.**	:	₹4,64,90,13,750
	(b)	**Two percent of average net profit of the company as per sub-section (5) of section 135.**	:	₹9,29,80,275
	(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)].**	:	₹9,29,80,275

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** : ₹7,99,08,337#
₹55,15,685 and ₹25,17,992 was spent during financial year on ongoing projects from Unspent CSR Account for FY 2023-24 and FY 2022-23 respectively. For details please refer point no. 7 below

(b) **Amount spent in Administrative overheads.** : ₹4,98,724

(c) **Amount spent on Impact Assessment, if applicable.** : NIL

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)].** : ₹8,04,07,061

(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.
₹7,23,73,384	₹2,06,06,891	30th April, 2025	-	-	-

(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			₹9,29,80,275
(ii)	Total amount:			₹9,29,80,275
	Spent for the Financial Year	:	₹7,23,73,384	
	Transferred to Unspent CSR Account as per Section 135(6) for ongoing projects	:	₹2,06,06,891	
(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	2023-24	55,15,685	55,15,685	55,15,685	-	-	-	-
2	2022-23	1,09,59,101	21,34,049	25,17,992*	-	-	-	-
3	2021-22	15,83,38,160	8,83,38,160	9,51,13,505*	-	-	-	-

* Figure includes interest accumulated & spent from Unspent CSR Account.

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

Place: Noida (U.P.)
Date: 19th May, 2025

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, 2025, the details are as under:

Category of Directors	No. of Directors	% of total Directors
Independent Directors	6	50
Non Independent Non Executive Directors	4	33
Executive Directors	2	17
Total	**12**	**100**

As on 31st March, 2025, 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 31.03.2025	No. of Board Meetings Attended/ Held	Whether attended the last AGM (Yes/ No)
Shri Ravi Jhunjhunwala	Chairman, Managing Director & CEO -Promoter Executive	7	2 (including 1 as Chairman)	7/7	Yes
Shri Riju Jhunjhunwala	Vice-Chairman Promoter Non-Executive	7	1	6/7	Yes
Shri Shekhar Agarwal	Promoter Non-executive	4	3	7/7	Yes
Shri Manish Gulati	Executive Director	1	0	7/7	Yes
****Dr. Kamal Gupta	Non-Executive	2	0	5/5	Yes
***Dr. Nand Gopal Khaitan	Independent	5	5 (including 1 as Chairman)	3/4	NA
Shri Satish Chand Mehta	Independent	1	0	7/7	Yes
Smt. Ramni Nirula	Independent	2	1	7/7	Yes
Shri Jayant Davar	Independent	1	1	7/7	Yes
Smt. Vinita Singhania	Non-Executive	5	2	7/7	Yes
***Shri Priya Shankar Dasgupta	Independent	2	1	1/4	NA
***Shri Sandip Somany	Independent	9	3	3/4	NA

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.

***Appointed as Independent Director w.e.f. 13th August, 2024.

****Dr. Kamal Gupta has completed his second term as Independent Director on August 29, 2024. He was thereafter appointed as Non-Executive Non-Independent Director w.e.f. 14th November, 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 2024-25 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 Promoter-Non-executive	RSWM Limited Maral Overseas Limited BSL 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	-	-
Shri Nand Gopal Khaitan	Non-Executive Non-Executive Independent Independent Non-Executive	Mangalam Cement Limited AGI Greenpac Limited Shyam Metalics And Energy Limited Hindware Home Innovation Limited Reliance Chemotex Industries Ltd
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	Independent	Jain Irrigation Systems Limited
Smt. Ramni Nirula	Independent Independent	Usha Martin Limited Kirloskar Brothers Limited
Shri Jayant Davar	Managing Director	Sandhar Technologies Limited
Shri Manish Gulati	-	-
Shri Priya Shankar Dasgupta	Independent	Vindhya Telelinks Limited
Shri Sandip Somany	Managing Director Non-Executive Independent Chairperson & Non-Executive	AGI Greenpac Limited JK Paper Limited Indraprastha Medical Corporation Limited Hindware Home Innovation Limited

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 2025, 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 Govern-ance, Forex Management, Administra-tion, Decision Making.**	**Financial and Manage-ment Skills.**	**Technical / Profes-sional Skills and specialized knowl-edge 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	Dr. Nand Gopal Khaitan	✓	✓	✓	✓	✓	✓
6	Shri Satish Chand Mehta	✓	✓	✓	✓		✓
7	Smt. Ramni Nirula	✓	✓		✓		✓
8	Smt. Vinita Singhania	✓	✓	✓			✓
9	Shri Jayant Davar	✓	✓	✓	✓		✓
10	Shri Manish Gulati	✓	✓	✓	✓	✓	✓
11	Shri Priya Shankar Dasgupta	✓	✓	✓	✓	✓	✓
12	Shri Sandip Somany	✓	✓	✓	✓		✓

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)	2,365
Shri Riju Jhunjhunwala	6,780
Shri Jayant Davar	20
Shri Sandip Somany (Jointly with his wife Mrs. Sumita Somany)	76,250

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. Seven Board Meetings were held during the financial year ended the 31st March, 2025 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, 2024, 22nd May, 2024, 13th August, 2024, 13th September, 2024, 13th November, 2024, 11th February, 2025, 10th March, 2025.

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 16th May, 2024.

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.
32. 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 Audit Committee as on March 31, 2025 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	Non-Executive Director
4	Smt. Ramni Nirula	Member	Independent Director
5	Dr. Nand Gopal Khaitan	Member	Independent Director
6	Shri Jayant Davar	Member	Independent Director

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, 2025, Eight (8) 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 16th May, 2024, 22nd May, 2024, 22nd May, 2024, 13th August, 2024, 13th September, 2024, 13th November, 2024, 11th February, 2025, 10th March, 2025. The attendance at the above Meetings out of total meeting eligible to attend was as under:

Sl. No.	Name of Director	No. of meetings attended out of total meeting eligible to attend
1	Shri Satish Chand Mehta	8/ 8
2	Shri Shekhar Agarwal	7/ 8
3	Dr. Kamal Gupta*	4/ 5
4	Smt. Ramni Nirula**	8/ 8
5	Dr. Nand Gopal Khaitan***	3/ 4
6	Shri Jayant Davar****	1/ 1

*Second term of Dr. Kamal Gupta as Independent Director has been completed on August 29, 2024. Further, Dr. Kamal Gupta has been appointed as Non-Executive Non-Independent Director w.e.f. November 14, 2024.
**Member since May 16, 2024.
***Member since August 13, 2024.
****Member since February 11, 2025.

(iv) 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 as on March 31, 2025 is as under:

Sl. No.	Name of Director	Designation	Category
1	Shri Satish Chand Mehta	Chairman	Independent Director
2	Smt. Ramni Nirula	Member	Independent Director
3	Dr. Nand Gopal Khaitan	Member	Independent Director

The Company Secretary acts as Secretary of the Committee.

iii. Meetings and Attendance

During the financial year ended 31st March, 2025, four (4) 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, 2024, 13th August, 2024, 13th November, 2024, 11th February, 2025.

The attendance at the above Meetings out of total meeting eligible to attend was as under:

Sl. No.	Name of Director	No. of meetings attended out of total meeting eligible to attend
1	Shri Satish Chand Mehta	4/4
2	Smt. Ramni Nirula	4/4
3	Dr. Nand Gopal Khaitan*	2/2
4	Dr. Kamal Gupta**	2/2

*Member since August 13, 2024.

**Member upto August 29, 2024.

(v) 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 as on March 31, 2025 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	Shri Jayant Davar	Member	Independent Director
4	Shri Sandip Somany	Member	Independent Director

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

iii) Meetings and Attendance

During the financial year ended 31st March, 2025, four (4) meetings were held on 23rd April, 2024, 23rd July, 2024, 30th October, 2024, and 21th January, 2025.

The attendance at the above Meetings out of total meeting eligible to attend was as under:

Sl. No.	Name of Director	No. of meetings attended out of total meeting eligible to attend
1	Shri Riju Jhunjhunwala	4/4
2	Shri Ravi Jhunjhunwala	3/4
3	Shri Jayant Davar@	2/3
4	Shri Sandip Somany#	2/2
5	Dr. Kamal Gupta$	2/2
6	Shri Davinder Kumar Chugh*	0/1

@Member since May 16, 2024.
#Member since August 13, 2024.
$Member upto August 29, 2024.
*Shri Davinder Kumar Chugh has ceased to be a member of Stakeholders Relationship Committee w.e.f. May 16, 2024.

The Company received 48 complaints from Shareholders during the financial year 2024-25 and all 48 were resolved to the satisfaction of the shareholders as on date of this report.

(vi) Corporate Social Responsibility and ESG 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. The Board of Directors in its meeting held on February 11, 2025 changed the name of Corporate Social Responsibility Committee as "Corporate Social Responsibility and ESG Committee".

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 as on March 31, 2025 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
4	Dr. Kamal Gupta	Member	Non-Executive Director
5	Shri Manish Gulati	Member	Executive Director

iii. Meetings and Attendance

During the financial year ended 31st March, 2025, 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, 2024, 13th August, 2024, 13th November, 2024, 11th February, 2025. The attendance at the above Meetings out of total meeting eligible to attend was as under:-

Sl. No.	Name of Director	No. of meetings attended out of total meeting eligible to attend
1	Shri Ravi Jhunjhunwala	4/4
2	Smt. Vinita Singhania	4/4
3	Shri Satish Chand Mehta	4/4
4	Shri Manish Gulati*	-
5	Dr. Kamal Gupta#	-

*Member since February 11, 2025.
#Member since February 11, 2025.

(vii) 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

The Composition of Risk Management Committee as on March 31, 2025 is as under:

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

iii. Meetings and Attendance

During the financial year ended 31st March, 2025, two (2) 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 22nd May, 2024 and 13th November, 2024. The attendance at the above Meeting out of total meeting eligible to attend was as under: -

Sl. No.	Name of Director	No. of meetings attended out of total meeting eligible to attend
1	Shri Ravi Jhunjhunwala	2/2
2	Dr. Kamal Gupta#	1/1
3	Smt. Ramni Nirula	2/2
4	Dr. Nand Gopal Khaitan@	1/1

#Member upto August 29, 2024 and thereafter again joined as member w.e.f. February 11, 2025.
@Member since August 13, 2024.

(viii) 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 11th February, 2025 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.

(ix) 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 2024-25 (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	Yes	Resigned from the position of Chief Financial Officer w.e.f. September 18, 2024
6	Mr. Ravi Kant Tripathi	Chief Financial Officer	Yes	Appointed/Re-designated as Chief Financial Officer w.e.f. November 13, 2024.
7	Mr. Rajesh Jetha	Sr. General Manager - IT	No	-
8	Mr. Axay Saxena	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	-

(x) 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.

(xi) 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/2025/05/Familiarization-Programme_FY-2024-25.pdf

(xii) Remuneration of Directors

i. Details of Remuneration paid to the Directors for the financial year ended 31st March, 2025.

(₹ in Lakhs)

Name of Director	Salary	Benefits	Commission	Bonuses	Stock Option & Pension	Sitting Fee	Total
Shri Ravi Jhunjhunwala	335.81	96.75	662.88	-	-	-	1095.44
Shri Shekhar Agarwal	-	-	-	-	-	10.50	10.50
Dr. Kamal Gupta	-	-	-	-	-	15.75	15.75
Smt. Vinita Singhania	-	-	-	-	-	5.25	5.25
Shri Riju Jhunjhunwala	-	-	-	-	-	8.25	8.25
Shri Satish Chand Mehta	-	-	-	-	-	17.25	17.25
Smt. Ramni Nirula	-	-	-	-	-	18.75	18.75
Shri Jayant Davar	-	-	-	-	-	17.25	17.25
Shri Manish Gulati	150.26	37.54	108.33	-	-	-	296.13
Dr. Nand Gopal Khaitan	-	-	-	-	-	8.25	8.25
Shri Priya Shankar Dasgupta	-	-	-	-	-	1.50	1.50
Shri Sandip Somany	-	-	-	-	-	4.50	4.50

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.

(xiii) 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 2024-25."

(xiv) 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.

(xv) 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

(xvi) 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) The Company has received the notice from National Stock Exchange of India Limited (NSE) vide email reference no. NSE/LIST-SOP/COMB/FINES/0307 dated March 17, 2025 and from BSE Limited (BSE) vide email reference no. SOP-CReview/Dec 24-Q dated March 17, 2025, towards alleged non-compliance of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. Pursuant to above notices both NSE and BSE has levied a penalty of ₹1,01,480 (inclusive of GST) each. The Company has filed a waiver application along with the supporting documents on March 20, 2025 to the designated stock exchange for this matter i.e. NSE and the same is with NSE for their decision.

Except as mentioned above no other 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, 2025 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 Three (3) Wholly Owned Subsidiary Company namely:

i. TACC Limited (incorporated on 26th December, 2022)

ii. HEG Graphite Limited (incorporated on 04th June, 2024)

iii. Bhilwara Infotechnology Limited (incorporated on 14th March, 2000)

As on financial year ended 31st March, 2025, 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, 2025. 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 2024-25, 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

The Company had made the disclosure of Share Subscription and Shareholders' Agreement executed on March 10, 2025, by and amongst, HEG Limited ("Company"), Singularity Growth Opportunities Fund II ("Singularity"), Bhilwara Energy Limited ("BEL") and existing shareholders of BEL ("SSSHA").

The Complete disclosure can be accessed from below mentioned weblink:
https://hegltd.com/wp-content/uploads/2025/03/Outcome10032025_Agreement-1.pdf

Except as mentioned above 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.

(xvii) 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, 2025 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:

S. No.	Name of Directors	DIN	Date of Appointment
1	RAMNI NIRULA	00015330	31/10/2018
2	VINITA SINGHANIA	00042983	31/10/2018
3	JAYANT DAVAR	00100801	14/08/2019
4	MANISH GULATI	08697512	01/03/2020
5	RAVI JHUNJHUNWALA	00060972	08/09/1979
6	KAMAL GUPTA	00038490	14/11/2024
7	SHEKHAR AGARWAL	00066113	15/07/1996
8	SATISH CHAND MEHTA	02460558	23/06/2016
9	RIJU JHUNJHUNWALA	00061060	30/04/2009
10	PRIYA SHANKAR DASGUPTA	00012552	13/08/2024
11	NAND KHAITAN	00020588	13/08/2024
12	SANDIP SOMANY	00053597	13/08/2024

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: F005376G000372897

Place: New Delhi
Date: 19th May, 2025

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, 2025 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
Chairman, Managing Director & CEO
DIN: 00060972

Ravi Kant Tripathi
Chief Financial Officer
ICMAI M.No. 17534

Place: Noida (U.P.)
Date: 19th May, 2025

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 1, 2025.

2. We have examined the compliance of conditions of Corporate Governance by HEG Limited (hereinafter the "Company"), for the year ended March 31, 2025, 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 March 31, 2025.

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, read with the matter referred in the para 9 below, 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, 2025.

9. During the year, the Company has been levied penalty by National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE) for non-compliance with Regulation 17(1A) of the LODR Regulations which states that no listed company shall appoint a person as a non-executive director who has attained the age of 75 years unless the members of the Company pass a special resolution. The Company backed by a legal opinion obtained from a legal firm is of the view that Regulation 17(1A) and 17(1C) which states that listed entity shall ensure that approval of shareholders for appointment of a person on the board of directors is taken at the next general meeting or within a period of 3 months from the date

of appointment whichever is earlier, .have to be read harmoniously with provisions of Section 152(2) and 161(1) of the Companies Act, 2013 which will make it clear that a person above the age of 75 years can be appointed as a non-executive director by the board of directors. The Company has made representation to both NSE and BSE for waiver of penalty levied by them.

Other Matter and Restriction on Use

10. 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.

11. 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

Sd/-
(Sunny Singh)
Partner
Membership No. 516834
ICAI UDIN: 25516834BMMNCZ2122

Place: Noida
Date: 19th May, 2025

(xviii) 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
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
7th August, 2024	2023-2024	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.	2:30 P.M.	Yes

No Extra-ordinary General Meeting took place during the financial year 2024-25.

(xix) Postal Ballot

During the financial year 2024-2025, the Company has issued 2 (Two) Postal Ballot, details of which are given herein under:

I. Postal Ballot notice dated August 13, 2024

(i) The Company has issued Postal Ballot Notice dated August 13, 2024, in compliance with Section 110 read with Section 108 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), notifications, circulars issued thereunder or re-enactment thereof, for the time being in force) ("Rules"), Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ("SS-2"), in accordance with the requirements prescribed by the Ministry of Corporate Affairs ("MCA") for holding general meetings/ conducting postal ballot process through e-Voting vide General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 (hereinafter collectively referred to as the "MCA Circulars") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and all other applicable Laws and Regulations, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time, to transact the below mentioned special businesses by the Members of HEG Limited ("the Company") through Postal Ballot by remote e-voting process (e-voting) only:

a) Appointment of Dr. Nand Gopal Khaitan (DIN: 00020588) as an Independent Director of the Company.
b) Appointment of Shri Sandip Somany (DIN: 00053597) as an Independent Director of the Company.
c) Appointment of Shri Priya Shankar Dasgupta (DIN: 00012552) as an Independent Director of the Company.
d) Approval for splitting/sub-division of the Company's equity shares of ₹10/- each into 5 (Five) equity shares of face value ₹2/- each.
e) Approval to amend the Capital Clause in the Memorandum of Association of the Company.

(ii) The voting rights of members was in proportion to their shares of the paid-up equity share capital of the Company as on Friday, August 16, 2024 (the Cut-off Date).

(iii) Facility for voting through Postal Ballot and electronic means was available during the following period:

- commencement of voting from Thursday, August 22, 2024, at 9:00 A.M. (IST); and
- ended on Friday, September 20, 2024, at 5:00 P.M. (IST).

(iv) The Company had appointed Shri Saket Sharma, a Practicing Company Secretary (Certificate of Practice No. 2565, Membership No. FCS 4229), Partner, M/s. GSK & Associates as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

(v) The Results of the Postal Ballot was declared on September 23, 2024 and resolutions were passed by requisite majority, deemed to be passed on the September 20, 2024 i.e. last date specified by the Company for remote e-voting, i.e. Friday, September 20, 2024.

(vi) Consolidated summary of results of Postal Ballot is as under:

Item No. 1: Appointment of Dr. Nand Gopal Khaitan (DIN: 00020588) as an Independent Director of the Company.

Type of Resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	26453811	841848	96.9158
Total	**38595506**	**26453811**	**841848**	**96.9158**

Item No. 2: Appointment of Shri Sandip Somany (DIN: 00053597) as an Independent Director of the Company.

Type of Resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	26943221	352409	98.7089
Total	**38595506**	**26943221**	**352409**	**98.7089**

Item No. 3: Appointment of Shri Priya Shankar Dasgupta (DIN: 00012552) as an Independent Director of the Company.

Type of Resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	26972950	322610	98.8181
Total	**38595506**	**26972950**	**322610**	**98.8181**

Item No. 4: Approval for splitting/sub-division of the Company's equity shares of ₹10/- each into 5 (Five) equity shares of face value ₹2/- each.

Type of Resolution: Ordinary Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	27297038	737	99.9973
Total	**38595506**	**27297038**	**737**	**99.9973**

Item No. 5: Approval to amend the Capital Clause in the Memorandum of Association of the Company.

Type of Resolution: Ordinary Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	38595506	27296534	1033	99.9962
Total	**38595506**	**27296534**	**1033**	**99.9962**

II. Postal Ballot notice dated November 13, 2024

(i) The Company has issued Postal Ballot Notice dated November 13, 2024, in compliance with Section 110 read with Section 108 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), notifications, circulars issued thereunder or re-enactment thereof, for the time being in force), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), in accordance with the requirements prescribed by the Ministry of Corporate Affairs ("MCA") for holding general meetings/ conducting postal ballot process through e-Voting vide General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 (hereinafter collectively referred to as the "MCA Circulars") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and all other applicable Laws and Regulations, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time, to transact the below mentioned special businesses by the Members of HEG Limited ("the Company") through Postal Ballot by remote e-voting process (e-voting) only:

a) To approve the appointment of Dr. Kamal Gupta (DIN: 00038490) as Non-Executive Non Independent Director of the Company, liable to retire by rotation.

b) To approve the Re-appointment and fixation of remuneration of Shri Manish Gulati (DIN: 08697512) as Whole Time Director designated as Executive Director of the Company, liable to retire by rotation.

(ii) The voting rights of members was in proportion to their shares of the paid-up equity share capital of the Company as on Friday, November 22, 2024 (the Cut-off Date).

(iii) Facility for voting through Postal Ballot and electronic means was available during the following period:

- commencement of voting from Thursday, November 28, 2024 at 09:00 A.M. (IST)
- ended on Friday, December 27, 2024, at 5:00 P.M. (IST).

(iv) The Company had appointed Shri Saket Sharma, a Practicing Company Secretary (Certificate of Practice No. 2565, Membership No. FCS 4229), Partner, M/s. GSK & Associates as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

(v) The Results of the Postal Ballot was declared on December 30, 2024 and resolutions were passed by requisite majority, deemed to be passed on the December 27, 2024 i.e. last date specified by the Company for remote e-voting, i.e. Friday, December 27, 2024.

(vi) Consolidated summary of results of Postal Ballot is as under:

Item No. 1: Appointment of Dr. Kamal Gupta (DIN: 00038490) as Non-Executive Non- Independent Director of the Company, liable to retire by rotation.

Type of Resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	192977530	137291957	1044606	99.2449
Total	**192977530**	**137291957**	**1044606**	**99.2449**

Item No. 2: Re-appointment and fixation of remuneration of Shri Manish Gulati (DIN: 08697512) as Whole Time Director designated as Executive Director of the Company, liable to retire by rotation.

Type of Resolution: Special Resolution

Method of voting	No. of shares held	Voted in favour of resolution	Voted against the resolution	Percentage of total favourable votes cast (valid)
Remote E-Voting	192977530	138183928	152670	99.8896
Total	**192977530**	**138183928**	**152670**	**99.8896**

Further, no Resolution has been proposed to be conducted through postal ballot.

(XX) 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 however integrated filings have also been made wherever applicable. 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.

(XXI) Disclosures Regarding Appointment/Re-Appointment /Continuation 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 Riju Jhunjhunwala (DIN: 00061060), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment
- Shri Shekhar Agarwal (DIN: 00066113), 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 (Presently Aged: 73 Years 2 Months) (DIN: 00042983), Director of the Company will attain the age of 75 years in FY 2026-2027, therefore upon the recommendation of Nomination & Remuneration Committee, the Board has recommended continuation of Smt. Vinita Singhania (DIN: 00042983) as Non-Executive Non-Independent Director subject to approval of shareholder by passing special resolution pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015.

All the above appointment/re-appointments /Continuation 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. 98 of this report.

(XXII) Shareholders' Information

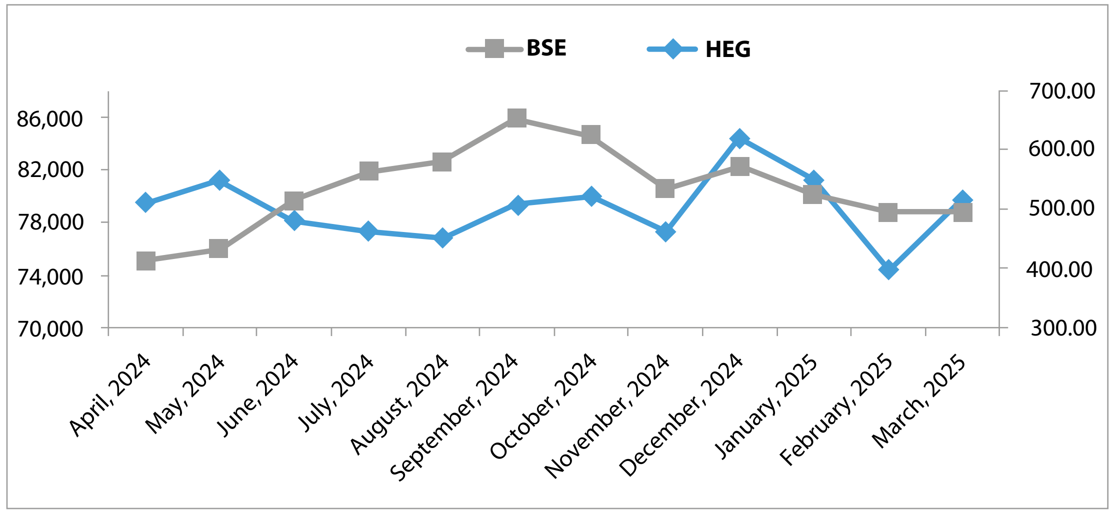
a)	Annual General Meeting (AGM): Date, Time & Venue	Wednesday, 20th August, 2025 at 12:30 pm (IST) through Video Conferencing / Other Audio Visual Means facility (Deemed Venue for Meeting: Registered Office at Mandideep (Near Bhopal), Distt. Raisen – 462046, Madhya Pradesh).
b)	Financial Year	Financial Year: 1st April, 2024 – 31st March, 2025.
c)	(i) Date of Book Closure	Thursday, 14th August, 2025 to Wednesday, 20th August, 2025 (both days inclusive)
	(ii) Record Date for Dividend:	Wednesday, 13th August, 2025
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 : INE545A01024
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:**

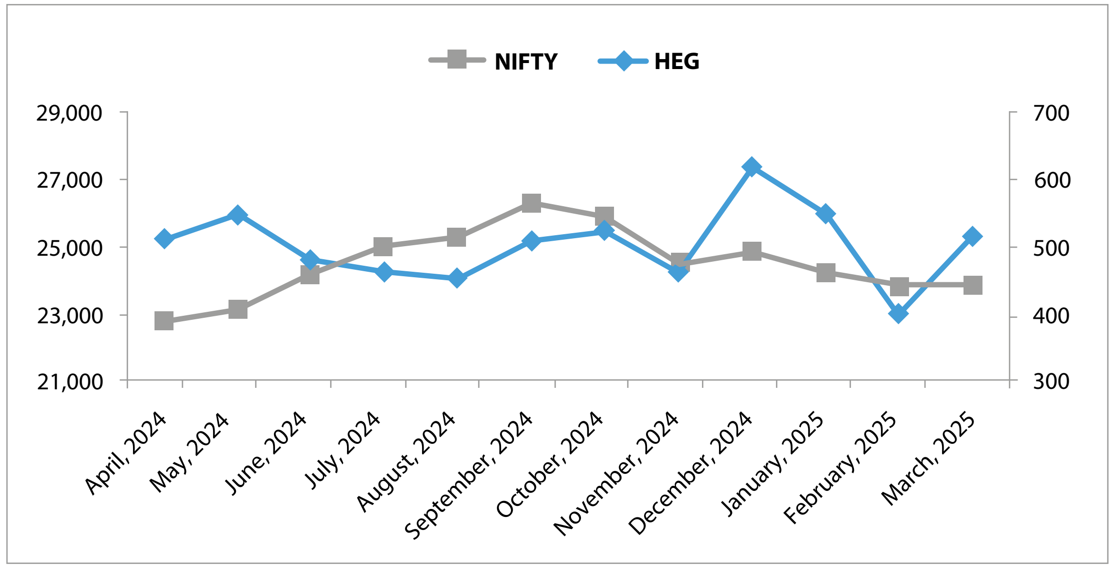
Month	NSE		BSE		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2024	2,556.10	1,839.35	2,557.25	1,840.00	75,124.28	71,816.46	22,783.35	21,777.65
May, 2024	2,743.00	2,185.00	2,744.60	2,186.20	76,009.68	71,866.01	23,110.80	21,821.05
June, 2024	2,408.00	1,927.45	2,408.00	1,927.25	79,671.58	70,234.43	24,174.00	21,281.45
July, 2024	2,313.75	1,980.20	2,315.45	1,985.80	81,908.43	78,971.79	24,999.75	23,992.70
August, 2024	2,263.30	1,979.05	2,263.65	1,980.00	82,637.03	78,295.86	25,268.35	23,893.70
September, 2024	2,543.00	1,955.00	2,544.05	1,955.00	85,978.25	80,895.05	26,277.35	24,753.15
October, 2024*	2,616.80	407.05	2,615.00	409.40	84,648.40	79,137.98	25,907.60	24,073.90
November, 2024	462.00	395.15	462.45	396.00	80,569.73	76,802.73	24,537.60	23,263.15
December, 2024	619.50	436.35	619.25	436.85	82,317.74	77,560.79	24,857.75	23,460.45
January, 2025	549.00	390.85	549.00	391.00	80,072.99	75,267.59	24,226.70	22,786.90
February, 2025	399.70	331.25	399.15	332.20	78,735.41	73,141.27	23,807.30	22,104.85
March, 2025	516.00	338.30	516.20	339.00	78,741.69	72,633.54	23,869.60	21,964.60

*Rates has been adjusted from October onwards due to sub-division of Shares of FV of ₹10/- to ₹2/- each

(b) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2024-2025:



(c) Comparative chart of Company's share price movement vís-à-vís the movement of Nifty during FY2024-2025:



j) Registrar and Transfer Agent (RTA)

MCS Share Transfer Agent Limited
179-180, DSIDC Shed, 3rd Floor,
Okhla Industrial Area, Phase – 1,
New Delhi – 110020
Phone: 011-41406149 – 51, 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). 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, 2025:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	1,41,362	92.36	1,21,22,036	6.28
501-1,000	6,451	4.21	51,12,879	2.65
1,001-2,000	2,956	1.93	42,95,557	2.23
2,001-3,000	894	0.58	22,41,715	1.16
3,001-4,000	343	0.22	12,12,043	0.63
4,001-5,000	270	0.18	12,76,778	0.66
5,001-10,000	411	0.27	29,80,646	1.54
10,001 & above	376	0.25	16,37,35,876	84.85
Total	**1,53,063**	**100.00**	**19,29,77,530**	**100.00**

m) Category of Shareholders as on 31st March, 2025:

Category	No. of shares held	% of holding
Promoters and Promoter Group	10,76,39,870	55.78
Mutual Funds	1,71,92,786	8.91
Alternate Investment Funds	16,80,190	0.87
Financial Institutions / Banks / Central Govt. / NBFCs Registered with RBI	41,225	0.02
Insurance Companies	35,74,683	1.85
Foreign Portfolio Investors Category I	1,32,64,970	6.87
Foreign Portfolio Investors Category II	6,02,263	0.31
Bodies Corporate	57,15,212	2.96
Directors and their relatives (excluding independent directors and nominee directors)	2,365	0.01
Key Managerial Personnel	5	0.00
Individuals	3,34,40,810	17.33
Others:		
I) Trusts	1,867	0.01
II) IEPF	12,38,244	0.64
III) NRI Individuals	12,61,088	0.65
IV) Overseas Corporate Body	58,48,095	3.03
V) HUFs	13,57,707	0.70
VI) Clearing Members	1,16,150	0.06
Total	**19,29,77,530**	**100.00**

Dematerialization of shares and liquidity.	19,15,35,320 equity shares were dematerialized till 31st March, 2025, which was 99.25 % of the total paid-up Equity Share Capital of the Company on that date. Your Company/RTA while communicating with the physical shareholders have also encouraged 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, 2025.
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).

The Company had sent individual communication to Members whose shares were liable to be transferred under the Rules at their registered address informing them of the above and for taking appropriate action. Accordingly, the Company has transferred the equity shares in respect of which interim dividend 2017-18 has not been claimed for a period of seven consecutive years or more to the IEPF.

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 Ministry of Corporate Affairs (www.mca.gov.in) and after that by sending a duly signed physical copy of the said submitted form and acknowledgement along with requisite documents enumerated in the Form No. IEPF-5 duly completed in all respect, to Nodal Officer of 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/

The details of unclaimed dividend and shares transferred to IEPF/IEPFA during the financial year 2024-25 are given hereunder:

Financial Year	Amount of unclaimed dividend transferred (₹ in Lakhs)	Number of shares transferred
2024-25	80.21	1,88,359

Tentative schedule for transfer to IEPF is as under:

Date of Declaration of Dividend	Financial Year	Tentative Schedule for transfer to IEPF
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
07-08-2024	2023-24 (Final)	11-09-2031

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

Your kind attention is drawn to various SEBI Circulars including latest Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, 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 Company had issued reminder letter on September 3, 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-/Rating Watch with Developing Implications issued by India Ratings and Research (Ind-Ra) vide its letter dated 31st May, 2024. 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 2024-25.

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 2024-25, 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

Place: Noida (U.P.)
Date: 19th May, 2025

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 Riju jhunjhunwala	Shri Shekhar Agarwal
DIN	00061060	00066113
Category of Directorship	Promoter Non-Executive	Promoter Non-Executive
Date of Birth	13.01.1979	09.10.1952
Age	46 Years	72 Years
Date of First Appointment on the Board	30.04.2009	15.07.1996
Qualification	Graduate in Business Management Studies from University of Bradford, UK	B. Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA
Experience	Shri Riju Jhunjhunwala, is the Vice Chairman of HEG Limited, he is an Industrialist with diversified business experience in Textile, Power, IT, Skill Development and Graphite Electrodes. He is the Chairman, Managing Director of RSWM Limited and Managing Director of Bhilwara Energy Ltd. He is also active in industry and social associations. He has been the past president of the Entrepreneurs Organization (Delhi Chapter) among some others. He is an avid reader of history and biographies and has a keen interest in general affairs and politics.	Shri Shekhar Agarwal, with more than 4 Decades experience in the textiles industry, is the Chairman and Managing Director of Maral Overseas Ltd. and Bhilwara Technical Textiles Ltd. He is also the Chairman of BMD Pvt. Ltd. Shri Shekhar Agarwal obtained his B.Tech. (Mechanical Engineering) from IIT, Kanpur in 1975 and went on to get his Master of Science Degree in Industrial & Systems Engineering in 1976 from Illinois Institute of Technology, Chicago, USA. He worked as a Senior Industrial & System Engineer with Rego Co., Chicago from December 1976 to May 1980, having trained & practiced most, the Maynard Operations Sequencing Technique for manufacturing high quality valves & regulators for the LPG & Compressed gas industries. He is a former Chairman of the Confederation of Indian Textile Industry (CITI) (formerly ICMF), the apex body for the total textile industry in India and former President of Northern India Textile Mills Association (NITMA).
No. of other Directorships in Public Limited Companies	Bhilwara Energy Limited RSWM Limited Bhilwara Infotechnology Limited Bhilwara Technical Textiles Limited NJC Hydro Power Limited Chango Yangthang Hydro Power Limited TACC Limited	RSWM Limited Maral Overseas Limited BSL Limited Bhilwara Technical Textiles Limited
Chairman/Member of the Committees of the Board of Directors of the Company.#		
Audit Committee	Nil	Member
Stakeholders Relationship Committee	Chairman	Nil
Chairman/Member of the Committees of the Board of Directors of the other Companies.#		
Audit Committee	Nil	BSL Limited –Member
Stakeholders Relationship Committee	Bhilwara Technical Textiles Limited-Member	RSWM Limited- Member Maral Overseas Limited- Member
Listed Entities from which the Director has resigned in the past three years	Nil	Nil
No of Equity Shares held in the Company as on 31st March, 2025.	6,780	Nil
Number of Board Meetings attended/ held during the year	6/7	7/7
Terms and conditions of appointment/ re-appointment	Non-Executive Director, liable to retire by rotation.	Non-Executive Director, liable to retire by rotation.
Remuneration sought to be paid and the remuneration last Drawn	See Note given below	See Note given below
Relationship with other Directors, Manager and Key Managerial Personnel	Shri Riju Jhunjhunwala is relative of Shri Ravi Jhunjhunwala.	No relationship with other Director, Manager and Key Managerial Personnel.
Justification for choosing the Independent Director	Not Applicable	Not Applicable
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

#Audit Committee and Stakeholders Relationship Committee have been considered.

Note1: 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.

Note 2: Smt. Vinita Singhania (Presently Aged: 73 Years 2 Months) (DIN: 00042983), Non-Executive Non-Independent Director of the Company will attain the age of 75 years in FY 2026-2027, therefore prior approval of Shareholder is being taken in the ensuing Annual General Meeting of the Company pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

1. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L23109MP1972PLC008290
2. Name of the Listed Entity: HEG Limited ('HEG' or 'the Company')
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: 2024-25
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: ₹3,859.59 Lakhs
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, Chief Sustainability Officer & 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 assessment or assurance provider: HEG Limited does not fall within the top 250 listed companies based on average market capitalisation and, therefore, is not mandatorily required to undertake external assessment or assurance for the BRSR as per regulatory guidelines. Accordingly, this requirement is currently not applicable.
15. Type of assessment or assurance obtained: Not Applicable.

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Graphite Electrodes	Manufacturing of Graphite Electrodes	90.45%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacturing of Graphite Electrode	23994	90.45%

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 66.53%.

c. A brief on types of customers.

HEG Limited serves a diverse and global customer base across multiple industrial sectors. Its comprehensive product portfolio supports a wide range of industries, including iron and steel, metallurgy, refractories, aluminium, chemical, electrochemical, power, cement, and glass.

The Company's core clientele primarily comprises leading steel manufacturers operating Electric Arc Furnaces (EAF) in their production processes. Notable clients include Jindal Steel & Power Limited (JSPL), Steel Authority of India Limited (SAIL), ArcelorMittal, Qatar Steel, Emirates Steel, Tata Steel, CESLA Group, Jindal Stainless Limited, and Acerinox Europia.

In addition to the steel sector, HEG supplies specialized, high-quality graphite products to a variety of other industries, offering tailored solutions to meet diverse technical and operational requirements.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES*						
1.	Permanent (D)	348	327	94%	21	6%
2.	Other than Permanent (E)	50	49	98%	1	2%
3.	**Total employees (D + E)**	**398**	**376**	**94%**	**22**	**6%**
WORKERS*						
4.	Permanent (F)	766	766	100%	0	0%
5.	Other than Permanent (G)**	28	28	100%	0	0%
6.	**Total workers (F + G)**	**794**	**794**	**100%**	**0**	**0%**

**During the reporting year, the Company has revised its internal classification criteria to better align with functional roles and industry practices. Accordingly, technical staff who were previously reported under the category of "Permanent Employees" have now been reclassified under "Permanent Workers".*

***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:

S. 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	12	2	17%
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 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8%	15%	8%	13%	12%	13%	9%	32%	10%
Permanent Workers	7%	0%	7%	3%	0%	3%	1%	0%	1%

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	Wholly Owned Subsidiary	100%	No
3.	HEG Graphite Limited	Wholly Owned Subsidiary	100%	No
4.	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 ₹): 2,15,270.91 lakhs

(iii) Net worth (in ₹): 4,15,952.66 lakhs

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 2024-25 Current Financial Year			FY 2023-24 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	48	2	Action Taken Reports (ATRs) for the two pending complaints were filed within the prescribed timelines on the SCORES Portal. The complaints were subsequently marked as resolved on the SCORES Portal on 11 April 2025	40	0	-
Employees and Workers	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)*	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
Customers	Yes	50	45	1. Closure is in progress for 11 cases. 2. Improved material has been supplied and is currently under evaluation at the customer's end; feedback is awaited. 3. Further dispatches are planned in certain cases based on ongoing assessments and customer coordination. 4. In a few cases, there has been limited or no response from the customer despite follow-up efforts.	19**	0#	-
Value chain partners	Yes	Nil	Not Applicable	-	Nil	Not Applicable	-
Others (please specify)	-	-	-	-	-	-	-

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 of 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)

***The number of customer complaints disclosed for the previous year (FY 2023-24) has been revised and restated to include three additional complaints that were subsequently registered for FY 2023-24 only, based on confirmation received from the customer.*

#All customer complaints that were disclosed as pending resolution as at the end of FY 2023-24 have been subsequently addressed and closed as of the reporting date.

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

S. 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.	Climate Change and Emission Management	Risk	Climate change presents both physical and transitional risks, including extreme weather events, rising sea levels, and temperature changes, which can disrupt operations, damage assets, and increase insurance and repair costs.	The Company has undertaken a range of targeted initiatives as part of its broader decarbonization strategy to mitigate climate-related risks and reduce Greenhouse Gas (GHG) emissions. Key measures include the ongoing evaluation of hydrogen blending with natural gas to reduce carbon intensity and enhance fuel efficiency. A 3 MW solar power plant has already been commissioned, with an additional 2.4 MW installation underway to further reduce Scope 2 emissions. The Company is also transitioning its fleet from diesel to electric vehicles, resulting in a 27% reduction in diesel and a 9% reduction in petrol consumption. Concurrently, a structured shift from furnace oil to natural gas is in progress to reduce Scope 1 emissions and improve energy efficiency. Furthermore, the deployment of in-plant trucks has enhanced operational safety, minimized internal emissions, and led to significant cost savings.	Negative
2.	Waste Management	Risk and Opportunity	Improper waste management can lead to environmental damage, legal liabilities, and reputational harm. However, adopting circular economy principles (reduce, reuse, recycle) offers cost-efficiencies and strengthens stakeholder trust.	Waste is disposed through certified recyclers, and the Company aims to achieve zero waste to landfill by FY 2030 underscoring its commitment to sustainable waste practices.	Negative and Positive

S. 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)
3.	Air Emissions	Risk	Uncontrolled release of air pollutants can lead to severe environmental and health consequences, including smog formation, acid rain, and climate change. These emissions may result in regulatory non-compliance, financial penalties, and increased scrutiny from stakeholders. Additionally, poor air quality can harm employee health and community well-being, potentially leading to reputational damage and loss of social trust.	A dedicated Air Emissions Policy is in place, including real-time monitoring, air quality plans, and installation of advanced pollution control systems like electrostatic precipitators, scrubbers, and baghouse filters.	Negative
4.	Water Management	Risk and Opportunity	Neglecting proper water management can result in regulatory violations, increased operational costs, and environmental degradation. Excessive water withdrawal or inadequate treatment of wastewater may harm aquatic ecosystems and affect the availability of water for nearby communities. These risks can damage an organization's reputation, disrupt operations, and lead to legal and financial repercussions. On the other hand, effective water management enhances operational efficiency while contributing to broader environmental sustainability goals. By optimizing water usage, investing in efficient technologies, and ensuring thorough treatment of wastewater, organizations can reduce costs, safeguard natural ecosystems, and build credibility among environmentally conscious stakeholders. Responsible water stewardship supports regulatory compliance and demonstrates a commitment to preserving water quality for communities and biodiversity.	Our water management strategy is guided by our Water Resource Management Policy and Wastewater Management Policy that ensures responsible use and conservation of water resources. We have implemented key measures such as efficient Effluent Treatment Plants (ETPs) for water recycling and upgraded Sewage Treatment Plant (STP) to handle increased demand from our expansion. These state-of-the-art treatment systems enable us to meticulously treat and repurpose all wastewater for various non-potable purposes, including gardening, thereby achieving Zero Liquid Discharge status and reducing our freshwater dependency.	Negative and Positive
5.	Biodiversity	Opportunity	Proactively preserving and enhancing biodiversity allows organizations to align with global conservation goals and demonstrate leadership in environmental stewardship. Initiatives that protect habitats and species not only help meet compliance requirements but also improve relationships with local communities and stakeholders. By actively supporting biodiversity, the Company not only ensure compliance with environmental regulations but also strengthens its social license to operate, gaining the trust and support of communities and stakeholders who value conservation efforts.	NA	Positive
6.	Energy Management	Risk and Opportunity	Inefficient energy management can lead to excessive operational costs, high emissions, and missed opportunities for innovation. This can expose organizations to reputational risks, reduced investor confidence, and potential financial penalties. Energy-efficient practices are vital in high-consumption industries such as graphite manufacturing. By investing in advanced technologies and optimizing energy use especially during energy-intensive stages like graphitization organizations can significantly reduce production costs and minimize their carbon footprint. Strategic energy management contributes to climate goals, strengthens resilience against energy price fluctuations, and boosts competitiveness in the market.	We at HEG Limited's through our energy management framework thoroughly assess and curtail energy consumption throughout our operations. We prioritize the adoption of best available technologies for energy efficiency and are developing a long-term strategy focused on renewable energy. Our framework includes regular monitoring and reporting of energy consumption, continuous efforts to minimize energy use, and the implementation of leading operational practices. We conduct energy audits for ongoing improvement and work with our supply chain to reduce energy consumption. Additionally, we promote energy conservation awareness and encourage research into innovative energy saving technologies. As part of this initiative, we are replacing older motors with energy-efficient models, and all newly procured motors meet high energy-efficiency standards.	Negative and Positive

S. 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)
7.	Human Capital Development	Opportunity	Investing in human capital development enables organizations to cultivate a skilled, innovative, and agile workforce that drives operational excellence and long-term competitiveness. In specialized industries like graphite manufacturing, upskilling employees and fostering continuous learning ensures adaptability to evolving technologies and market needs. Empowered employees contribute to process optimization, product innovation, and enhanced productivity.	NA	Positive
8.	Employee/ Worker Health & Safety	Risk	Considering the nature of our operations, health and safety are considered as potential risk for our business. One of our Company's key values is putting the health and safety of our employees and workers first. Ensuring a safe work environment not only boosts employee and worker satisfaction but also helps them reach their full potential. Ineffective safety management can lead to accidents, legal consequences, and employee dissatisfaction.	We highly prioritize the safety and well-being of our personnel as a core responsibility. To uphold the highest standards of workplace safety, we rigorously comply with the legal requirements set forth in the Factories Act, 1948. This commitment extends to the maintenance of the ISO 45001:2018 (Occupational Health and Management System), an international standard that specifies requirements for an Occupational Health and Safety (OHS) management system. This enables us to create a framework that consistently identifies, and controls health and safety risks, reduces potential accidents, aids legislative compliance, and improves overall performance.	Negative
9.	Corporate Social Responsibility	Opportunity	Effective CSR initiatives strengthen corporate reputation, foster stakeholder trust, and contribute to social and environmental well-being. By supporting local communities, engaging in ethical practices, and addressing social challenges, organizations demonstrate a commitment beyond profits. Strong CSR practices enhance brand loyalty, attract socially conscious investors, and support long-term business resilience.	NA	Positive

S. 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)
10.	Human Rights	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
11.	Product Stewardship	Risk	Product Stewardship involves managing the environmental and social impacts of a product across its lifecycle from design, manufacturing, and distribution to use and end-of-life disposal. Failure to adequately address product responsibility can lead to reputational damage, non-compliance with environmental regulations, customer dissatisfaction, and increased costs from recalls or waste. As customers and regulators increasingly demand environmentally responsible products, gaps in stewardship may pose a business risk.	The Company adopts a proactive approach by embedding sustainability in product design and development, ensuring compliance with relevant environmental standards, and engaging in responsible sourcing. An annual customer satisfaction survey is conducted to capture feedback, identify areas for improvement, and maintain transparency. Continuous improvement initiatives and training programs are in place to support responsible product lifecycle management.	Negative
12.	Innovation	Opportunity	Innovation is key to maintaining a competitive edge in the graphite industry, enabling companies to develop advanced products, optimize processes, and respond to sustainability challenges. Embracing innovation leads to cost-efficiencies, improved product performance, and the ability to meet evolving customer demands and regulatory requirements.	NA	Positive
13.	Economic Performance	Risk and Opportunity	Economic performance is fundamental to business sustainability and resilience. Strong financial health enables investments in innovation, sustainability, employee development, and stakeholder engagement presenting a key opportunity for long-term value creation. Conversely, poor economic performance can limit operational flexibility, reduce investor confidence, and hinder the Company's ability to respond to market dynamics, thus posing a risk.	HEG employs prudent financial practices, risk management frameworks, cost controls, and transparent reporting to maintain performance and investor trust.	Negative and Positive

S. 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)
14.	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	The Company has adopted global data protection standards and frameworks to ensure compliance and safeguard personal data.	Negative
15.	Supply Chain Sustainability	Opportunity	Responsible and sustainable sourcing is a cornerstone of our operations, aligned with our commitment to global ESG standards. A well-managed and ethical supply chain enhances operational resilience, reduces reputational and compliance risks, and meets growing stakeholder expectations. By thoroughly assessing vendors' sustainability profiles and implementing supplier ESG programs, the Company reinforces its long-term value creation strategy. Our approach such as evaluating suppliers based on ESG criteria, providing ESG training to procurement teams, and securing Board-level oversight strengthens relationships, builds stakeholder trust, and creates a competitive advantage in sustainability-conscious markets.	NA	Positive

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** **Policy for Preservation of Documents** https://hegltd.com/wp-content/uploads/2020/07/Preservation-of-documents.pdf **Policy on Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees** https://hegltd.com/wp-content/uploads/2022/02/Sexual-Harrassment-Policy_January-2020.pdf **Dividend Distribution Policy** https://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf **Nomination and Remuneration Policy** https://hegltd.com/wp-content/uploads/2022/05/HEG_NRC-Policy_09.02.2022.pdf **Archival Policy for Website for the Events/Information Disclosed to Stock Exchanges** https://hegltd.com/wp-content/uploads/2017/04/Archival_Policy_for_Website_for_the_Events_Information_Disclosed_to_SEs.pdf **Policy for Determination of Materiality of Events / Information and Disclosure to Stock Exchanges** https://hegltd.com/wp-content/uploads/2022/05/HEG_Determination-Materiality-of-Events_09.02.2022.pdf **Policy for Determining Material Subsidiary** https://hegltd.com/wp-content/uploads/2020/07/Material-subsidary.pdf **Whistle Blower Policy** https://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								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Air Emission Management Policy https://hegltd.com/wp-content/uploads/2024/08/AIR-EMISSION-MANAGEMENT-POLICY.pdf **Water Resource Management Policy** https://hegltd.com/wp-content/uploads/2024/08/WATER-RESOURCE-MANAGEMENT-POLICY.pdf **Waste Water Management Policy** https://hegltd.com/wp-content/uploads/2024/08/WASTE-WATER-MANAGEMENT-POLICY.pdf **Waste Management Policy** https://hegltd.com/wp-content/uploads/2024/08/WASTE-MANAGEMENT-POLICY.pdf **Waste Disposal Policy** https://hegltd.com/wp-content/uploads/2024/08/WASTE-DISPOSAL-POLICY.pdf **Quality Policy** https://hegltd.com/wp-content/uploads/2024/08/QUALITY-POLICY.pdf **E-Waste Management Policy** https://hegltd.com/wp-content/uploads/2024/08/E-WASTE-MANAGEMENT-POLICY.pdf **ESG & Sustainability Policy** https://hegltd.com/wp-content/uploads/2024/08/ESG-SUSTAINABILITY-POLICY.pdf **Environment Policy** https://hegltd.com/wp-content/uploads/2024/08/ENVIRONMENT-POLICY.pdf **Energy Policy** https://hegltd.com/wp-content/uploads/2024/08/ENERGY-POLICY.pdf **Climate Change Policy** https://hegltd.com/wp-content/uploads/2024/08/CLIMATE-CHANGE-POLICY.pdf **Equal Opportunity Policy** https://hegltd.com/wp-content/uploads/2025/01/Equal-Opportunity-Policy.pdf **Human Trafficking Policy** https://hegltd.com/wp-content/uploads/2025/01/HUMAN-TRAFFICKING-POLICY.pdf **Health & Safety Policy** https://hegltd.com/wp-content/uploads/2025/01/SHE-POLICY.pdf **OMBUDS Policy** https://hegltd.com/wp-content/uploads/2025/01/OMBUDS-POLICY.pdf **Code of Conduct Policy** https://hegltd.com/wp-content/uploads/2025/01/CODE-OF-CONDUCT.pdf **Business Ethics Policy** https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-ETHICS-POLICY.pdf **Supplier Code of Conduct Policy** https://hegltd.com/wp-content/uploads/2025/01/SUPPLIER-CODE-OF-CONDUCT.pdf **Anti-Bribery and Anti-Corruption Policy** https://hegltd.com/wp-content/uploads/2025/01/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Business Continuity Policy https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-CONTINUITY-POLICY.pdf **Human Rights Policy** https://hegltd.com/wp-content/uploads/2025/01/HUMAN-RIGHTS-POLICY.pdf **Board of Diversity Policy** https://hegltd.com/wp-content/uploads/2025/01/BOARD-DIVERSITY-POLICY.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)	Yes. The following policies of the Company explicitly extend to certain value chain partners such as suppliers, key business partners, contractors, consultants, and third-party service providers: ESG & Sustainability Policy, Climate Change Policy, Equal Opportunity Policy, Health & Safety Policy, Code of Conduct, Business Ethics Policy, Supplier Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Business Continuity Policy, and Human Rights Policy.								
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.	ISO 45001:2018 ISO 14001: 2015 ISO 9001: 2015 NEMA Standards are followed								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has recently formalized a comprehensive set of new ESG commitments, goals, and targets that reflect its evolving sustainability vision and operational priorities. These targets are distinct from the previously disclosed long-term ambition of achieving Net Zero by 2050 or earlier (as reported in the previous year's BRSR). The new targets are aimed at driving measurable progress across key environmental, social, and governance priorities, with defined timelines to ensure accountability and transparency. The following are the specific goals and targets adopted by the Company: **1. Climate Change & Emission Management** Targeting a 25% reduction in Scope 1 & 2 greenhouse gas emissions by FY 2030, using FY 2023-24 as the baseline. Committed to obtaining Science-Based Target initiative (SBTi) validation. **2. Waste Management** Striving to achieve Zero Waste to Landfill by 2030 across all manufacturing locations, with FY 2023-24 as the baseline.								

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

3. **Water Management**
Operating in alignment with Zero Liquid Discharge (ZLD) principles status across all operational sites to ensure responsible water stewardship.
4. **Air Emission**
Committed to zero non-compliance with regulatory standards related to air emissions.
5. **Biodiversity**
Ongoing commitment to tree plantation drives, both current and in the future, to enhance biodiversity around operational areas.
6. **Energy Management**
Targeting 25% of total energy consumption from renewable sources by 2030, using FY 2023-24 as the baseline.
7. **Health & Safety**
Working towards a Zero Harm workplace.
Ensuring 100% coverage of plant personnel in annual Environment, Health, and Safety (EHS) training programs.
8. **Human Capital Development**
Targeting a 10% year-on-year increase in training hours per employee for skill enhancement.
Aiming to increase the representation of women employees to 10% in non-shop floor/non-production roles by FY 2027-28, using FY 2023-24 as the baseline.
Conducting annual employee satisfaction surveys to improve workplace engagement.
9. **Corporate Social Responsibility**
Continually adhering to statutory CSR obligations under the Companies Act, 2013, with a focus on impactful and inclusive development initiatives.
10. **Human Rights**
Ensuring 100% of employees and workers receive annual human rights training.
11. **Corporate Governance**
Maintaining compliance with SEBI's corporate governance mandates, including ensuring that at least 50% of the Board comprises Independent Directors.
12. **Product Stewardship**
Conducting annual customer satisfaction surveys to integrate feedback into product innovation and service enhancement.
13. **Supply Chain Sustainability**
Ensuring 100% of key suppliers are assessed on ESG parameters, fostering a responsible and sustainable supply chain.
14. **Risk Management**
Integrating Environmental, Social, and Governance (ESG) risks into the Enterprise Risk Management (ERM) framework for proactive risk identification and mitigation.
15. **Economic Performance**
Committed to achieving financial growth and profitability in a responsible and sustainable manner.
16. **Privacy & Data Security**
Continuously maintaining zero instances of information security breaches, ensuring data protection and stakeholder trust.

Disclosure Questions	P 1 to P 9
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company has developed its ESG-related commitments, goals, and targets in FY 2024–25 as part of its enhanced sustainability roadmap. As these targets have been recently formalized, the performance data and progress metrics against them are not yet available for reporting in the current cycle. The Company is committed to monitoring its progress through clearly defined KPIs and governance mechanisms, and will begin disclosing performance against these targets in subsequent reporting periods, starting from FY 2025–26 onwards.

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).

At HEG Limited, sustainability remains an integral part of our business philosophy and long-term value creation strategy. Our commitment to responsible business conduct is anchored in the principles of environmental stewardship, social responsibility, and sound governance. The evolving landscape of sustainability, marked by growing climate imperatives, social equity concerns, and stakeholder expectations, has led us to recalibrate and intensify our ESG efforts.

In FY 2024–25, we undertook a comprehensive ESG transformation by formalizing a detailed ESG strategy, roadmap, and action plan. This includes definitive targets aligned with our key focus areas: climate action, waste and water management, energy efficiency, occupational health and safety, human capital development, and ethical governance. We have committed to a 25% reduction in Scope 1 & 2 GHG emissions and 25% renewable energy usage by FY 2030, among other impactful goals.

The Company's ESG oversight has been institutionalized through a dedicated Board-level CSR and ESG Committee, which plays a pivotal role in aligning our initiatives with regulatory frameworks and stakeholder interests. Moreover, our internal ESG governance is driven by an inter-functional working group reporting to the Chief Sustainability Officer and the Board.

We have also initiated materiality assessments and stakeholder engagement processes to ensure that our ESG focus is not only relevant but also responsive.

Looking forward, we aim to expand our ESG disclosures and enhance climate resilience across our operations. While our journey is ongoing, our direction is clear: to embed sustainability into the fabric of every decision and action at HEG Limited.

We recognize that meaningful progress requires collaborative efforts, transparency, and consistent performance. Through our commitment to the 17 UN Sustainable Development Goals (SDGs), we endeavour to make a positive and lasting impact on people, planet, and profit.

Disclosure Questions	P 1 to P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Manish Gulati, Chief Sustainability Officer and 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.	Yes, the Company has established a Board-level CSR and ESG Committee, chaired by Mr. Ravi Jhunjhunwala, Chairman, Managing Director & CEO. The Committee is entrusted with the responsibility of overseeing and making decisions on sustainability-related matters. It plays a pivotal role in guiding the Company's Environmental, Social, and Governance (ESG) strategy, aligning it with regulatory expectations and stakeholder interests. The Committee comprises the following members: 1. Mr. Ravi Jhunjhunwala, Chairman 2. Mr. Satish Chand Mehta, Member 3. Dr. Kamal Gupta, Member 4. Mrs. Vinita Singhania, Member 5. Mr. Manish Gulati, Member

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.	Yes, the Company has undertaken independent assessments/ evaluation of the working of certain policies, particularly those falling under ISO standards through external evaluations conducted by 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	918	**Topics:** Policy for handling Goods & Services and Product Safety, Safety Awareness, Human Rights Policy, Environmental Protection Policy, Public Care and Regulatory Policy, POSH, Code of Conduct & Insider Trading, Business Ethics, Skill Upgradation **Impact:** Overall grooming and increase in functional efficiency of the employees.	80%
Workers	918	**Topics:** Policy for handling Goods & Services and Product Safety, Safety Awareness, Human Rights Policy, Environmental Protection Policy, Public Care and Regulatory Policy, POSH, Code of Conduct & Insider Trading, Business Ethics, Skill Upgradation **Impact:** Overall grooming and increase in functional efficiency of the workers.	88%

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**	**Amount (In ₹)**	**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, HEG Limited has implemented a comprehensive Anti-Bribery and Anti-Corruption Policy, accessible at: https://hegltd.com/wp-content/uploads/2025/01/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf.

At HEG Limited, we are committed to upholding the highest standards of ethical conduct and integrity across all our business operations. The Company maintains a strict zero-tolerance stance towards any form of bribery or corruption, whether undertaken by our employees or by third parties acting on our behalf.

This Policy is mandatory for all employees as well as for business partners representing the Company in any capacity, anywhere in the world.

It outlines clear guidelines and responsibilities to proactively prevent, detect, and report bribery and corrupt practices in any form.

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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)		FY 2023-24 (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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	66	70

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 2024-25 (Current Financial Year)	FY 2023-24 (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)	0.0493%	0.0482%
	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)	38.06%	39.28%

The previous year's figures have been revised and restated.

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
6	1. Environmental, Social, and Governance (ESG) Frameworks 2. Greenhouse Gas (GHG) Emissions Management 3. BRSR Core Principles 4. Materiality Assessment Process 5. Assessment Questionnaires	75% of upstream value chain partners

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 has established processes to prevent and manage conflicts of interest involving Board members. HEG Limited maintains a comprehensive 'Code of Conduct for Directors and Senior Management,' which outlines clear guidelines and mechanisms for identifying, avoiding, and addressing potential conflicts of interest, along with a protocol for reporting any such situations.

   Additionally, the Company requires annual declarations from Board members and Key Managerial Personnel regarding their interests in any entities. Before engaging in business with such entities or individuals, the Company ensures that all necessary approvals are obtained, in accordance with legal requirements and internal 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.

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex	58%	69%	As part of the Company's CAPEX investments, the following initiatives were undertaken to improve environmental and social outcomes: 1. **Safe Material Handling:** Introduced ergonomic furniture and upgraded cranes to ensure safer and more efficient material movement, reducing physical strain and injury risks for workers. 2. **Electrical Safety Upgrades:** Replaced outdated electrical systems, including panels and Power Distribution Boards, to enhance safety and compliance with current standards. 3. **Infrastructure Revamping:** Strengthened structural components such as crane columns and replaced plant sheeting, improving operational safety and facility integrity. 4. **Environment & Energy Efficiency:** Implemented dust control measures (e.g., cyclone systems), installed LED lighting, and introduced oil contamination monitoring tools, reducing emissions and energy consumption. 5. **Modernization of Production Equipment:** Upgraded CNC controllers, rebuilt furnaces, and replaced old machinery to improve process efficiency, reduce downtime, and lower resource wastage. 6. **Operational Safety Enhancements:** Replaced unsafe equipment, enhanced ventilation, and installed safety instruments to improve workplace health and reduce risk exposure. 7. **Technology and Information Systems:** Modernized IT infrastructure to support digital operations, enabling better control, monitoring, and sustainability-driven decision-making.

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?

   79.6% 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.

   While the Company does not reclaim its products at the end of their life, we are committed to responsible product lifecycle management and environmental stewardship. We ensure safe handling, reuse, and disposal of our products and associated waste through established systems across key waste categories:

   - **Plastics (Including Packaging):**

     Use of plastic packaging is minimal. Where used (e.g., plastic sheets, straps), plastic waste is collected and disposed of through authorized recyclers in compliance with applicable environmental regulations. Customers and logistics partners are encouraged to adopt similar recycling practices.

   - **E-Waste:**

     Although our primary product Graphite Electrodes does not generate e-waste in typical applications, any e-waste from auxiliary systems (such as sensors or instrumentation) is stored in designated areas and disposed of via certified e-waste recyclers, in accordance with the E-Waste Management Rules.

   - **Hazardous Waste:**

     Graphite Electrodes are inherently non-hazardous. However, when used in processes involving potential contaminants (e.g., oily residues, metallic inclusions), we advise customers to follow local hazardous waste regulations. Within our manufacturing facility, hazardous waste such as used oil, lubricants, and contaminated packaging is handled and disposed of only through State Pollution Control Board authorized vendors.

- **Non-Hazardous Waste:**
  - Scrap Electrodes and Graphite Fines: These are reused internally for specialized applications or supplied to authorized processors.
  - Wooden/Metal Packaging Waste: Such materials are segregated, and disposed of or recycled through approved agencies, following site-specific protocols.

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?

   The Company has already determined the respective life cycles of various products manufactured by it, as outlined in the "Product Life Cycle Plan" below:

Product Life Cycle Plan

Sr. 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 Polysterene	Recyclable		Handover only to authorised recyclers
4	Thermocol Plug	Expanded Polysterene	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 has not yet undertaken the full Life Cycle Assessment i.e., the analytical process for evaluating potential environmental and social impacts throughout a product's life cycle. The Company is expected to initiate this assessment process for its products in the near future.

Accordingly, the detailed information required under this indicator 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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Green Scrap	8%	10%
Graphite Fines	1.2%	-

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 2024-25 Current Financial Year			FY 2023-24* Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

**The previous year's figures have been restated.*

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
-	-

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	327	327	100%	327	100%	Not Applicable	Not Applicable	-	-	-	-
Female	21	21	100%	21	100%	21	100%	-	-	-	-
Total	**348**	**348**	**100%**	**348**	**100%**	**21**	**100%***	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	49	49	100%	49	100%	-	-	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
Total	**50**	**50**	**100%**	**50**	**100%**	**1**	**100%***	**-**	**-**	**-**	**-**

Employees covered under maternity benefits is disclosed as % of only female employees and not total employees

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	766	766	100%	766	100%	-	-	-	-		-
Female	0	0	0%	0	0%	-	-	-	-		-
Total	**766**	**766**	**100%**	**766**	**100%**	**-**	**-**	**-**	**-**		**-**
Other than Permanent workers											
Male	28	28	100%	28	100%	-	-	-	-	-	-
Female	0	0	0%	0	0%	-	-	-	-	-	-
Total	**28**	**28**	**100%**	**28**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the Company*	0.0426%	0.0415%

Expenditure incurred on Health Insurance, Accident Insurance and other health and safety measures 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 2024-25 Current Financial Year			FY 2023-24 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**	51.29%	4.37%	Yes	50%	5%	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 planning to improvise the current system in place.

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 publicly available on the Company's website and can be accessed at https://hegltd.com/wp-content/uploads/2025/01/Equal-Opportunity-Policy.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 committed to providing a safe, inclusive, and supportive workplace environment for all employees and workers. The Company has established multiple grievance redressal mechanisms to ensure that concerns can be raised and addressed effectively. These include: • A dedicated Grievance Register for employees and workers to record their concerns. • Grievance Boxes installed at various common areas. • Engagement through the Union and its representatives, who are empowered to raise issues via established committees. • Regular weekly meetings at the shop floor level to facilitate open communication and immediate resolution of day-to-day concerns.
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 2024-25 (Current Financial Year)			FY 2023-24 (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	**348**	**0**	**0%**	**597**	**0**	**0%**
Male	327	0	0%	578	0	0%
Female	21	0	0%	19	0	0%
Total Permanent Workers	**766**	**766**	**100%**	**478**	**478**	**100%**
Male	766	766	100%	478	478	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / A)	Number (F)	% (F / A)
Employees										
Male	327	190	58%	229	70%	578	486	84%	372	64%
Female	21	6	29%	13	62%	19	15	79%	4	21%
Total	**348**	**196**	**56%**	**242**	**70%**	**597**	**501**	**84%**	**376**	**63%**
Workers										
Male	766	615	80%	425	55%	478	333	70%	158	33%
Female	-	-	-	-	-	-	-	-	-	-
Total	**766**	**615**	**80%**	**425**	**55%**	**478**	**333**	**70%**	**158**	**33%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	327	318	97%	578	511	88%
Female	21	19	90%	19	16	84%
Total	**348**	**337**	**97%**	**597**	**527**	**88%**
Workers						
Male	766	758	99%	478	478	100%
Female	-	-	-	-	-	-
Total	**766**	**758**	**99%**	**478**	**478**	**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?

At HEG, we are deeply committed to maintaining a safe and environmentally responsible workplace. We consider the safety of our personnel and the protection of the environment among our foremost responsibilities. In line with this commitment, our entire plant is certified under the ISO 45001:2018 standard for Occupational Health and Safety Management Systems, demonstrating our adherence to global best practices and our dedication to continual improvement in health and safety standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In accordance with ISO 45001:2018, HEG has implemented a structured Hazard Identification and Risk Assessment (HIRA) process to systematically identify occupational health and safety (OHS) hazards and evaluate associated risks to employees and workers. This process is a key component of our Occupational Health and Safety Management System and is regularly reviewed to ensure its continued relevance and effectiveness.

The HIRA procedure includes the following key steps:

- Identification of processes, operations, maintenance, utility services, and other relevant functional activities.
- Defining occupations involved, with a focus on human interaction at each stage.
- Identification of potential occupational hazards, including biological, chemical, physical, electrical, mechanical, fire-related, and ergonomic risks.
- Assessment of all related health and safety risks.
- Estimation of the number of workers potentially exposed to each identified risk.
- Consideration of applicable legal requirements and potential emergency scenarios.
- Risk evaluation based on defined criteria, including compliance with Occupational Health & Safety Regulations, legal obligations, emergency potential, and a quantified risk score.
- Classification of unacceptable risks, particularly where there is legal non-compliance, emergency risk creation, or a risk score of 4 or higher.
- Implementation of appropriate risk controls, following the hierarchy of controls (elimination, substitution, engineering controls, administrative controls, and PPE).
- Annual review of the HIRA, or earlier when significant changes occur that may affect OHS conditions, as per our internal Standard Operating Procedure (SOP).

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, HEG has established a comprehensive safety management framework to ensure effective monitoring, reporting, and resolution of all work-related hazards. This framework is supported by both functional safety committees and formalized systems for incident and accident management.

At the shop level, dedicated Shop Safety Committee is responsible for identifying local safety concerns, addressing hazards, and implementing preventive measures specific to each work area.

At the plant level, a Plant Safety Committee oversees overall safety governance, regularly reviews safety performance, and promotes a proactive safety culture across all operations.

To support this structure, the Company has implemented two robust systems:

- **Incident Reporting and Investigation System (IRIS):** This system ensures prompt reporting and thorough investigation of all incidents, including near misses and unsafe conditions. It facilitates documentation, root cause analysis, and the implementation of corrective and preventive actions, which are tracked to closure.
- **Accident Reporting and Investigation System (ARIS):** ARIS is specifically designed to manage workplace accidents. It enables systematic reporting, investigation, root cause identification, and verification of remedial actions before closing any case.

Together, these systems and committees ensure that all incidents are managed effectively, corrective measures are implemented in a timely manner, and continuous improvement in occupational health and safety is achieved.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, HEG ensures that all employees and workers have access to non-occupational medical and healthcare services. These services are designed to support the overall health and well-being of our workforce, extending beyond work-related health concerns.We offer access to general medical care, preventive health check-ups, and wellness programs aimed at encouraging a healthy lifestyle. Health awareness campaigns and lifestyle management initiatives are regularly conducted to promote proactive care. Additionally, employees are covered under medical reimbursement schemes or health insurance, as per Company policy, to address non-occupational health needs.

This comprehensive approach reflects our commitment to the holistic well-being of our employees both at work and in their personal lives.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.584	0
	Workers	0.246	0.207**
Total recordable work-related injuries	Employees	1	0
	Workers	1	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including the contract workforce

***The previous year's figure for LTIFR for workers has been rectified and recalculated.*

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

At HEG Limited, we consider the safety, health, and well-being of our employees and workers to be a core responsibility and a top organizational priority. To ensure a safe and healthy work environment, we have implemented a robust and systematic Occupational Health and Safety Management System. Our approach includes the following key measures:

- **Legal Compliance:** We strictly adhere to all applicable statutory requirements, including those outlined in the Factories Act, 1948, and maintain certification under ISO 45001:2018 for Occupational Health and Safety Management Systems.
- **Hazard Identification and Risk Assessment (HIRA):** Regular HIRA activities are conducted in accordance with internal SOPs to proactively identify potential hazards and evaluate associated risks.
- **Safety Policy:** A comprehensive and well-defined Safety Policy is in place, detailing our commitment to maintaining a safe and healthy workplace.
- **Hierarchy of Controls:** We implement the hierarchy of controls methodology to systematically eliminate or mitigate risks, prioritizing the most effective preventive measures.
- **Safety Committees:** Safety Committees at multiple organizational levels actively participate in reviewing safety performance, ensuring resource adequacy, and supporting effective deployment of safety systems.
- **Audits and Inspections:** Periodic safety audits and workplace inspections are conducted across all sites to monitor compliance and continuously improve occupational health and safety practices.
- **Emergency Preparedness:** Regular mock drills including fire and other emergency scenarios are conducted to test preparedness and strengthen emergency response capabilities.
- **Training and Awareness:** Ongoing training sessions and awareness programs are organized to educate employees and workers on occupational health and safety, promoting a strong culture of safety throughout the organization.

These measures collectively demonstrate our commitment to safeguarding our workforce and fostering a culture where safety is integrated into every aspect of our operations.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (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.

HEG Limited did not identify any significant risks or concerns arising from assessments of health and safety practices and working conditions during the reporting period. However, in alignment with our commitment to continuous improvement, we proactively undertake several measures to maintain and enhance workplace safety and health standards:

- **Third-Party Evaluations:** Our Occupational Health and Safety (OHS) systems undergo regular evaluations by accredited external agencies to ensure compliance with statutory requirements and best practices.
- **Proactive Risk Mitigation:** Even in the absence of significant risks, we implement preventive measures such as the automation of manual processes, employee training in safety practices, and enhanced monitoring and supervision mechanisms.
- **Incident Management and Corrective Action:** All incidents, including near misses, are thoroughly investigated. Learnings are documented and shared organization-wide, with corrective actions verified during follow-up audits to prevent recurrence.
- **Preventive Equipment Maintenance:** Critical machinery and safety systems are subject to routine preventive maintenance and inspections in line with scheduled plans to reduce operational risks.
- **Fire Safety Measures:** Advanced fire detection and alarm systems have been installed in key operational areas to strengthen our emergency response infrastructure.
- **Visible Safety Communication:** Our Safety Policy is prominently displayed at strategic locations, including the main gate, to reinforce safety awareness among all personnel.
- **Inclusive Reporting Culture:** A structured incident reporting and investigation framework is in place. All employees, including contractual workers and management, are encouraged to report hazards, near misses, and unsafe conditions without hesitation.

These ongoing efforts help us uphold a safe and healthy work environment and foster a culture of safety, accountability, and continuous improvement across the organization.

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, a provision for a Death Relief Fund (DRF) exists under which the Company provides financial assistance of ₹5 lakhs to the family of a deceased employee or worker.

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 has instituted multiple measures to ensure that statutory dues are duly deducted and deposited by its value chain partners. At the time of onboarding, all business partners are required to furnish valid statutory documentation, including GST registration, PAN, and MSME certificates, as applicable. To promote ongoing compliance, the Company incorporates contractual obligations within all purchase orders and agreements, mandating timely deduction and deposition of statutory dues such as TDS, PF, ESI, and GST. These provisions are legally binding and reinforce the accountability of the partners. In specific cases like work contracts, the Company actively verifies that contractors have deposited Provident Fund (PF) and Employees' State Insurance (ESI) contributions and have submitted valid proof of such compliance.

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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (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. As part of this initiative, awareness sessions are conducted for eligible individuals, and selection into the program is based on merit.

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	79.6% of upstream value chain partners
Working Conditions	79.6% of upstream value chain partners

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 recognized organization that interacts with a diverse range of stakeholder groups, each with unique priorities and interests. The Company has established a robust system for identifying key stakeholder groups, understanding their concerns, and integrating their perspectives into its sustainability strategy. Both senior and middle management teams actively engage with stakeholders throughout the year. Key issues identified through these engagements are incorporated into the Company's 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	- Training programmes, events, seminars, workshops - Awards – plant level reward programmes Surveys - Employee centric application	As needed	- Foster innovation, motivation, and teamwork - Address issues and resolve concerns - Prevention from accidents and health hazards
Shareholders/ Investors	No	- Annual General Meeting - Annual Report - Shareholder meetings - Sustainability report - Grievance redressal mechanism	Annually and need based	- Garner stakeholder/investor confidence - llustrate our market leading initiatives and value creation - Market our sustainability initiatives and disclose our targets
Customer	No	- Customer technical services for queries and feedback	As needed	Gather feedback to enhance operations, services, and product offerings
Suppliers and Service Providers	No	- Supplier meetings - Assessment surveys	Need based	Strengthen supplier relationships, receive market feedback, be abreast with supplier challenges
Government/ Regulators	No	- Regular compliance report	Need based	Ensure compliance with government regulations
Media	No	- Media meets - Press conference - Management interviews	Need based	Share annual progress and enhance brand perception
Local Communities and NGO's others	Yes	- Regular interactions & field surveys	Need based	Gather community feedback on ESG concerns and CSR impact

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 regularly conducted by relevant business heads, group leaders, and Company officers. Any feedback or issues of corporate concern are escalated to the Board level, either through direct channels or via various Board Committees, such as the Audit Committee, CSR and ESG Committee, Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, as necessary. The Company firmly believes that consistent and proactive engagement, including regular conference calls with key stakeholders, enhances communication of its strategies and performance. This ongoing engagement fosters the concept of shared growth, promoting a prosperous future for both the Company and society as a whole.

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 consultations play a key role in identifying and managing environmental, social, and governance (ESG) related topics. This is achieved through various channels, including focused group meetings, gathering feedback, and incorporating their insights into future strategies built around the triple bottom line approach (i.e., Environmental, Social, and Governance). Examples of this include developing strategies to combat climate change, reduce carbon footprints, enhance energy efficiency, conserve water, manage waste, create a sustainable supply chain through responsible sourcing, and invest in the growth of our people by enhancing their skills and capabilities through various learning initiatives. Additionally, we prioritize balancing Diversity & Inclusion, Occupational Health & Safety, Human Rights, and Supplier Diversity, among other key areas.

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 – 2024-25.

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 2024-25 Current Financial Year			FY 2023-24 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	348	327	94%	597	204	34%
Other than permanent	50	3	6%	41	3	7%
Total Employees	**398**	**330**	**83%**	**638**	**207**	**32%**
Workers						
Permanent	766	271	35%	478	83	17%
Other than permanent	28	0	0%	16	3	19%
Total Workers	**794**	**271**	**34%**	**494**	**86**	**17%**

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

Category	FY 2024-25 Current Financial Year					FY 2023-24 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	348	-	-	348	100%	597	-	-	597	100%
Male	327	-	-	327	100%	578	-	-	578	100%
Female	21	-	-	21	100%	19	-	-	19	100%
Other than Permanent	50	-	-	50	100%	41	-	-	41	100%
Male	49	-	-	49	100%	41	-	-	41	100%
Female	1	-	-	1	100%	0	-	-	-	-
Workers										
Permanent	766	-	-	766	100%	478	-	-	478	100%
Male	766	-	-	766	100%	478	-	-	478	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	28	-	-	28	100%	16			16	100%
Male	28	-	-	28	100%	16			16	100%
Female	-	-	-	-	-	-			-	-

3. Details of remuneration/salary/wages

   a. Median remuneration* / Wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In Lakhs)	Number	Median remuneration/ salary/ wages of respective category (In Lakhs)
Board of Directors (BoD)**	10	13.13	2	12
Key Managerial Personnel#	2	63.91	0	-
Employees other than BoD and KMP	324	6.21	21	5.16
Workers	766	3.79	0	-

**The aforesaid calculations have been provided on the basis of Cost to the Company.*

***The calculation of median remuneration includes two Executive Directors (male), whose compensation comprises salary and commission. The remaining ten Non-Executive Directors (including Independent Directors), which include two female directors, receive only sitting fees. Accordingly, the median remuneration has been computed based on this composition.*

#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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages*	2.24%	1.78%

**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 Clause 17 of the Company's Code of Conduct Policy, the Head of Human Resources (HR) has been designated as the focal point 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.

   Yes, HEG Limited is committed to providing a safe, inclusive, and supportive workplace environment for all employees and workers. The Company has established multiple grievance redressal mechanisms to ensure that concerns can be raised and addressed effectively. These include:

   - A dedicated Grievance Register for employees and workers to record their concerns.
   - Grievance Boxes installed at various common areas.
   - Engagement through the Union and its representatives, who are empowered to raise issues via established committees.
   - Regular weekly meetings at the shop floor level to facilitate open communication and immediate resolution of day-to-day concerns.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 Current Financial Year			FY 2023-24 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 2024-25 Current Financial Year	FY 2023-24 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.

   At HEG Limited, we ensure that individuals who raise concerns related to discrimination or harassment are fully protected against retaliation, punishment, or any other adverse actions for voicing legitimate concerns in good faith. Our Grievance Redressal Policy, Whistleblower Policy, and POSH (Prevention of Sexual Harassment) Policy contain specific provisions to safeguard the confidentiality of complainants. These policies state that all reports, records, and information exchanged during the investigation process will be treated as confidential, and access to this information will be restricted by the Company as deemed appropriate.

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, as no significant risk/concerns were identified from the assessment carried out on topics as mentioned above during the year.

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.

   We Conducted regular internal due diligence assessments on human rights, beginning with the employee onboarding process. This includes verifying age and other criteria to ensure new hires meet our rigorous employment standards. All employees, including security personnel, undergo regular training to remain compliant with our norms on human rights, and code of conduct.

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 planning to improvise the current system in place.

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	79.6% of upstream value chain partners
Discrimination at workplace	79.6% of upstream value chain partners
Child Labour	79.6% of upstream value chain partners
Forced Labour/Involuntary Labour	79.6% of upstream value chain partners
Wages	79.6% of upstream value chain partners
Others- please specify	79.6% of upstream value chain partners

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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From Renewable sources		
Total electricity consumption (A) (In Giga Joules)	14,920	14,310
Total fuel consumption (B) (In Giga Joules)	0	0
Energy consumption through other sources (C) (In Giga Joules)	0	0
Total energy consumption from renewable sources (A+B+C) (In Giga Joules)	**14,920**	**14,310**
From Non-Renewable sources		
Total electricity consumption (D) (In Giga Joules)	15,16,351	13,41,646
Total fuel consumption (E) (In Giga Joules)	9,12,574	6,23,304
Energy consumption through other sources (F) (In Giga Joules)	0	0
Total energy consumption from non-renewable sources (D+E+F) (In Giga Joules)	**24,28,925**	**19,64,950**
Total energy consumed (A+B+C+D+E+F) (In Giga Joules)	**24,43,845**	**19,79,260**
Energy intensity per rupee of turnover (Total energy consumed (Giga Joules)/ Revenue from operations)	0.00011	0.00008
Energy intensity per rupee of turnover adjusted for Purchasing power Parity (PPP) (Total energy consumed (Giga Joules) / Revenue from operations adjusted for PPP)*	0.0023	0.0017
Energy intensity in terms of physical output (Giga Joules/Metric Tonnes)**	24.5	28.9
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 20.66 as per the 2025 update.*

***Total graphite production is considered as the unit of physical output for reporting intensity.*

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, as the Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Target (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	73,440	77,180
(iii) Third party water	3,20,988	3,51,351
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,94,428	4,28,531
Total volume of water consumption (in kilolitres)	3,94,428	4,28,531
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)	0.00038	0.00041
Water intensity in terms of physical output (Kilolitres/Metric Tonnes)	4	6.3
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 2024-25 (Current Financial Year)	FY 2023-24 (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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(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.

HEG Limited has implemented robust water resource management practices across all its operational sites, guided by its Water Resources Management Policy and Waste Water Management Policy. Effluent Treatment Plants (ETPs) are fully operational at all manufacturing facilities, ensuring 100% treatment of wastewater generated from operations.

To further strengthen our commitment to sustainable water management, we have added a supplementary Sewage Treatment Plant (STP) to our existing ETP system. This integrated approach enhances our capability to treat and reuse both industrial and domestic wastewater.

The treated water is reused within the plant premises for various non-potable applications such as gardening, cooling towers etc, thereby reducing dependence on freshwater sources and minimizing the water consumption and reflects our dedication to responsible environmental stewardship; we claimed ourself as a ZLD Plant.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	MT	51.39	34.38
Sox	MT	149.15	112.92
Particulate matter (PM)	MT	145.47	160.36
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 2024-25 (Current Financial Year)	FY 2023-24 (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	1,78,393	1,34,263*
Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3,06,219	2,66,839
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	0.00002	0.00002
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	0.00047	0.00035
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e/Metric Tonnes	4.9	5.85
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

** Scope 1 emissions have been recalculated to include emissions resulting from packing grain loss*

***Grid emission factor has been updated to 0.727 $kgCO_2e/kWh$ as per CEA Version 20. In the previous year, a factor of 1.716 $kgCO_2e/kWh$ was used.*

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 entity has undertaken multiple projects aimed at reducing Greenhouse Gas (GHG) emissions as part of its broader sustainability and decarbonization agenda. Key initiatives include:

- **Installation of Solar Power Plant**

  The Company successfully commissioned a 3 MW solar power plant in the previous financial year, reducing intake of grid electricity and contributing to the reduction of Scope 2 greenhouse gas emissions. Building on this progress, the Company is currently executing an additional 2.4 MW solar power project to further increase the share of renewable energy in its operations and advance its long-term carbon reduction objectives.

- **Hydrogen Blending with Natural Gas**

  The Company is actively exploring the blending of hydrogen with natural gas to reduce reliance on conventional fossil fuels and lower carbon emissions. This initiative leverages existing gas infrastructure and aligns with global clean energy goals. Technical feasibility, infrastructure requirements, and safety protocols are currently under evaluation.

- **Reduction in Diesel and Petrol Consumption**

  In the last financial year, the Company replaced three diesel-powered vehicles with electric vehicles (EVs), resulting in a 27% reduction in diesel consumption and a 9% reduction in petrol consumption. This marks a key milestone in the ongoing transition to a cleaner and more sustainable transport fleet.

- **Transition from Furnace Oil to Natural Gas**

  A structured initiative is underway to replace Furnace Oil with Natural Gas in operations. This shift is expected to reduce Scope 1 GHG emissions, improve combustion efficiency, and ensure compliance with evolving environmental norms.

- **Use of In-Plant Trucks for Efficient Transport**

  Introduced a 12 MT capacity truck to enhance internal logistics efficiency, along with two battery-operated forklifts, contributing to a reduction in diesel consumption.

- **Tree Plantation Drive within Plant Premises**

  As part of its carbon offset initiatives and commitment to biodiversity, the Company undertook the plantation of 1,061 trees within the plant premises during the year. This effort enhances green cover, supports ecological balance, and aids in long-term carbon sequestration.

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	249.9	208.14
E-waste **(B)**	8.9	2.32
Bio-medical waste **(C)**	0.0027	0.003312
Construction and demolition waste **(D)**	-	5
Battery waste **(E)**	4	-
Radioactive waste **(F)**	Nil	Nil
Other Hazardous waste. Please specify, if any. **(G)** (Oil waste, oil drums waste, cotton waste & Chemical waste)	65.1	40.44
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.)	4,423.4	9160.504
Total (A+B + C + D + E + F + G + H)	**4,751.3**	**9416.41**
Waste intensity per rupee of turnover (Total waste generated (Metric Tonnes) / Revenue from operations)	0.0000002	0.0000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (Metric Tonnes) / Revenue from operations adjusted for PPP)	0.000005	0.000009
Waste intensity in terms of physical output (Metric Tonnes/Metric Tonnes)	0.05	0.14
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	2,508.3	1,332.77
(ii) Re-used	2,199.2	7,728.87
(iii) Other recovery operations	0	0
Total	**4,707.5**	**9,061.64**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.4	0.0033
(ii) Landfilling	43.2	349.76
(iii) Other disposal operations	0	5
Total	**43.6**	**354.76**

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.

At HEG Limited, we are committed to responsible and sustainable waste management as part of our broader environmental stewardship goals. Our approach is guided by a comprehensive Waste Management Policy, aligned with the globally recognized "waste hierarchy" approach, which emphasizes:

- Prevention of waste generation
- Reuse of materials where feasible
- Recycling of recoverable waste
- Safe and compliant disposal of residual waste

We have established structured procedures for the collection, segregation, storage, and disposal of different categories of waste, in strict compliance with applicable environmental laws and regulations.

Hazardous wastes generated at our facilities are carefully identified, safely segregated, and stored in designated areas before being handed over to authorized agencies certified by the State Pollution Control Board for environmentally sound disposal. Regular monitoring and analysis of hazardous waste streams are conducted to ensure regulatory compliance and to explore opportunities for source reduction.

In addition to the Waste Management Policy, the Company has also adopted the following supporting policies to reinforce its waste and resource management practices:

- Waste Disposal Policy
- E-Waste Management Policy
- Water Resources Management Policy
- Waste Water Management Policy

These policies collectively reflect our commitment to managing all forms of waste in a safe, efficient, and environmentally responsible manner.

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.

S. 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: N.A.

   (ii) Nature of operations: N.A.

   (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 2024-25 (Current Financial Year)	FY 2023-24 (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? (Y/N) If yes, name of the external agency. Not Applicable

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (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	3,60,639	3,60,255*
Total Scope 3 emissions per rupee of turnover		0.00002	0.00002
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: The following categories of Scope 3 greenhouse gas (GHG) emissions have been assessed and reported:

- *Category 1 Purchased goods and services*
- *Category 2 Capital goods*
- *Category 3 Fuel and energy related emissions*
- *Category 4 Upstream transportation*
- *Category 5 Waste generated in operations*
- *Category 6 Business travel*
- *Category 7 Employee commute*
- *Category 9 Downstream transportation*

**Scope 3 emissions for the previous reporting year were not disclosed in the BRSR of that year as the data collection and assessment were ongoing at the time of reporting. Subsequent to the end of the previous reporting year, the Company completed a comprehensive evaluation of its Scope 3 emissions. The calculated figures have now been included in the current year's BRSR under the section for previous year's data to ensure continuity, transparency, and completeness in disclosure.*

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

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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installation of Solar Power Plants	The Company successfully commissioned a 3 MW solar power plant in the previous financial year. This initiative is part of the Company's strategic transition toward clean energy and sustainable operations, significantly reducing reliance on grid-based electricity, which is primarily fossil-fuel dependent. Building on this success, the company has initiated the installation of an additional 2.4 MW solar power plant, currently under execution. Once operational, this will further increase the share of renewable energy in the Company's energy mix and contribute to long-term emission reduction goals.	- Energy consumption from renewable sources increased by 4% as compared to last year. - Enhanced renewable energy capacity, contributing to improved energy efficiency and climate resilience.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2.	Replacement of Diesel Vehicles with Electric Vehicles (EVs)	In line with our commitment to reducing fossil fuel consumption and vehicular emissions, the Company began transitioning its internal fleet from diesel-powered to electric vehicles. During the previous reporting period, three diesel vehicles were replaced with electric alternatives, contributing to more sustainable operations and a reduction in Scope 1 emissions.	- Achieved diesel savings of 15.5 kilolitres (KL) in FY 2024–25, representing a 26.8% reduction compared to FY 2023–24. - Direct contribution to reduced Scope 1 emissions from mobile combustion sources.
3.	Introduction of a 12 MT Capacity In-Plant Transport Truck and Battery-Operated Forklifts	To improve internal logistics efficiency and optimize material handling within the facility, the Company introduced a 12 MT capacity in-plant transport truck along with two battery-operated forklifts. These additions have enhanced intra-plant movement and operational productivity, supporting the Company's broader objective of reducing fuel consumption and improving resource efficiency.	- Diesel consumption reduced from 3.9 to 3.8 litres per Finished MT over the last six months. - Projected annual diesel savings of approximately 10,000 litres, contributing to lower operating costs and emissions. - Improved internal logistics and reduced environmental impact of plant operations.
4.	Afforestation and Biodiversity Efforts	As part of its commitment to environmental stewardship and biodiversity conservation, the Company undertook targeted afforestation activities during the reporting period. The initiative focused on enhancing green cover in and around its operational areas, aiming to improve local ecological balance and support habitat restoration efforts.	- A total of 1,061 saplings were planted during the reporting period. - The effort contributes to biodiversity enhancement, carbon sequestration, and microclimate improvement in the region.

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 engaged in manufacturing operations, is part of a broad value chain involving upstream and downstream partners such as raw material suppliers, service providers, logistics partners, and customers. It is acknowledged that the various stages of this value chain may have environmental impacts, including emissions, resource consumption, and waste generation.

   At present, the Company has not identified or disclosed any specific significant adverse environmental impacts arising directly from its value chain. However, recognizing the potential for such impacts, the Company is taking steps to promote environmental responsibility across its operations and among its value chain partners.

   Some of the mitigation and adaptation measures undertaken include encouraging sustainable sourcing practices, complying with relevant environmental regulations, optimizing resource usage, and fostering greater awareness among suppliers and partners regarding sustainability goals. The Company remains committed to continuously improving its environmental performance and strengthening its value chain through collaborative and sustainable practices.

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

   79.6% of Upstream Value Chain Partners (by value of business done with such partners) were assessed for environmental impacts.

8. How many Green Credits have been generated or procured:

   a. By the listed entity: The Company has generated 71,180 Renewable Energy Certificates (RECs) for the FY 2024-25.

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: According to SEBI's circular issued on 28 March 2025, Green Credits has been identified as a new non-mandatory leadership indicator. HEG is committed to incorporate this in Value Chain Partners disclosures from FY 2025-26 onwards, in line with SEBI's guidelines.

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.

   6

   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.

S. 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
5	Confederation of Indian Industry (CII)	National
6	Quality Circle Forum of India	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, since the Company has not received any adverse order from any regulatory authorities on any issues relating to anti-competitive conduct.		

Leadership Indicators

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

S. 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:

S. 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 INR)
Not Applicable, as there were no projects requiring R&R.						

3. Describe the mechanisms to receive and redress grievances of the community.

   Grievances from the community can be submitted via email to heg.mbp@lnjbhilwara.com. Additionally, community members may approach the Human Resources team at any of the Company's plant locations to raise concerns or submit complaints.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 Current Financial Year	FY 2023-24* Previous Financial Year
Directly sourced from MSMEs/ small producers	9.85%	18.93%
Directly from within India	32.34%	41.43%

**The previous year's figures have been revised and restated.*

Note: For this Indicator, the Company has considered only input materials, excluding services and capital procurement items.

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 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Rural	2%	2%
Semi-Urban	90%	89%
Urban	-	-
Metropolitan	8%	9%

(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:

S. 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.

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:

S. 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:

S. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Apna Ghar Ashram	550	100%
2	Akshay Patra Foundation	50,000	100%
3	Global Vikas Trust	25,700	100%
4	Graphite Higher Secondary School	1,900*	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 Company has established robust mechanisms to receive, address, and monitor consumer complaints and feedback in a timely and effective manner. All consumer complaints are handled in accordance with a well-defined Standard Operating Procedure (SOP), ensuring that every complaint is acknowledged and responded to within 48 hours. To enhance customer experience and responsiveness, the Company has implemented a formal Grievance Redressal Policy supported by a dedicated customer service team. This team is responsible for managing and resolving grievances efficiently and works in close coordination with senior management to escalate issues where necessary. In addition, the Company regularly collects and reviews customer satisfaction feedback to identify areas for improvement. Insights from this feedback help the organization enhance its processes, policies, and employee interactions, ensuring continuous improvement in customer service.

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 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (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)	50	45	1. Closure is in progress for 11 cases. 2. Improved material has been supplied and is currently under evaluation at the customer's end; feedback is awaited. 3. Further dispatches are planned in certain cases based on ongoing assessments and customer coordination. 4. In a few cases, there has been limited or no response from the customer despite follow-up efforts.	19*	0**	-

The number of customer complaints disclosed for the previous year (FY 2023-24) has been revised and restated to include three additional complaints that were subsequently registered for FY 2023-24 only, based on confirmation received from the customer.

***All customer complaints that were disclosed as pending resolution as at the end of FY 2023-24 have been subsequently addressed and closed as of the reporting date.*

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 http://hegltd.com/Policies/Group_IT_Policy.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 is committed to promoting the safe, efficient, and responsible usage of its products and services. To this end, several proactive steps are taken to inform and educate consumers, which include:

   - **Customer Training Programs:** The Company conducts training sessions to educate customers on the effective use of its products, with a particular focus on process efficiency and optimal energy utilization.
   - **Value-Added Services:** As part of its customer support, the Company offers complimentary services that include special application analyses. These help customers optimize product use and reduce energy consumption.
   - **Material Safety Data Sheets (MSDS):** All relevant products are accompanied by MSDS that provide comprehensive information on safe handling, storage, usage, and disposal to ensure user safety and regulatory compliance.
   - **Product Marking:** Clear and standardized markings are used on products to communicate key information such as weight, dimensions, and location-specific details to assist in correct installation and usage.
   - **Handling and Packing Instructions:** Every shipment includes detailed instructions on safe methods for handling, packing, and unpacking the products to minimize the risk of damage or injury.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   The Company has established a robust Business Continuity Plan (BCP) to proactively manage and respond to any potential disruptions or discontinuation of its services.

   In the event of any risk or occurrence of service disruption, the Company promptly informs affected customers through appropriate communication channels, which may include direct emails, official letters, phone calls, or updates via digital platforms, depending on the nature and urgency of the situation.

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, the Company displays product information beyond what is legally mandated. Each product is assigned a unique identification number to ensure complete traceability up to the point of end use. Product packaging is also labelled with essential information such as safe handling instructions, product specifications, origin details, and treatment stamps (e.g., for wood, where applicable), to support responsible usage and enhance transparency for customers.

   Yes, the Company conducts structured customer satisfaction surveys covering its major products and operations. These surveys are conducted through a standardized questionnaire, and customer feedback is systematically collected and analyzed. The insights gained help the Company better understand customer expectations and are used as key inputs for strategic planning and investment decisions.

   The surveys typically assess performance on the following parameters:

   - Product Quality
   - Delivery Performance
   - Container Stuffing
   - Packaging
   - Technical Support (Material & Operations)
   - Documentation
   - Responsiveness in Communication

Financial Statement

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, 2025, 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, 2025, and its 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 Matter(s)

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, 2025. 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.

S. 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. ➢ Obtained the list of litigations including for direct and indirect taxes and other claims against the Company and discussed and analysed material legal cases with the Company's personnel handling these cases. ➢ Reviewed with the management and their Counsels the assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts. ➢ 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 Annual 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 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 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 and the Board of Directors are 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 scepticism throughout the audit. We also:

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

   (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, 2025 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) 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".

   (g) 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 during the year.

      (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; and

(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 final dividend declared and paid during the year by the Company is in accordance with Section 123 of the Act.

As stated, in Note 42 of the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with the Section 123 of the Act, as applicable.

(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 and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

(B) 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 read with Schedule V of the Act.

For SCV & Co. LLP
Chartered Accountants
Firm Registration No. 000235N/N500089

Sunny Singh
Partner
Membership No. 516834
ICAI UDIN:25516834BMMNCX2028

Place: Noida
Date: May 19, 2025

"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. (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 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, Right-of-Use Assets 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) or 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, 2025 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 at reasonable intervals, except for goods-in-transit, stocks lying with third parties and materials-in-transit. In our opinion and based upon information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequently to the year-end or confirmation have been obtained in most of the cases. 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.

(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. Based on our verification, quarterly returns or statements filed by the company with such banks are in agreement with the books of account. However, the Company has not filed quarterly returns or statements for the quarter ended March 31, 2025 with such banks and accordingly, to this extent, the question of our commenting on whether these returns or statements are in agreement with the books of account of the Company does not arise.

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 mutual funds schemes 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	141.38
Balance outstanding as at 31st March, 2025	180.22

The Company has not provided any loans or guarantee or security to any other entity during the year.

(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. The maintenance of cost records have been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of its products. 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. (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 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 applicable statutory dues as at March 31, 2025 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, 2025 on account of disputes are given below:

S. 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	2002-03, 2004-05, 2005-06, 2006-07, 2007-08	CESTAT, New Delhi
		Excise duty	1.42	2004-05	Hon'ble High Court, Jabalpur
2	Income Tax Act, 1961	Income Tax	100.00	1999-2000	CIT (Appeals), Bhopal
		Income Tax	516.00	2002-03 and 2003-04,	Hon'ble High Court, Jabalpur
		Tax deducted at source	279.43	2014-15, 2015-16, 2016-17,	CIT (Appeals), Ahmedabad
3	Central Sales Tax Act, 1956	Central Sales Tax	21.30	2003-04	Hon'ble High Court, Jabalpur
		Central Sales Tax	334.24	2016-17, 2017-18	Appellate Tribunal, Bhopal
4	Madhya Pradesh Parvesh Kar Adhiniyam, 1976	Entry Tax	70.02	2009-10, 2010-11, 2014-15	Commissioner (Appeal), Bhopal
		Entry Tax	15.23	2012-13	Appellate Tribunal, Bhopal
		Entry Tax	28.98	1997-98, 2003-04, 2007-08, 2008-09	Hon'ble High Court, Jabalpur
5	Chhattisgarh Commercial Tax	VAT	3.04	2006-07	Commissioner (Appeals), Raipur
		VAT	1.51	1992-93	Appellate Tribunal, Raipur
		Entry Tax	9.79	2005-06	Appellate Tribunal, Raipur
		Entry Tax	12.00	2007-08	Commissioner (Appeals), Raipur
6	Goods and Service tax Act, 2017	Goods and Service tax	36.71	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.

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 to the Company.

(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, 2025.

(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 companies and associate companies. The Company does not hold investment in any joint venture during the year ended March 31, 2025.

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 to the Company.

(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 to the Company.

xi. (a) According to the information and explanations given to us and based on our examination of records, no fraud by the Company and no material on the Company has been noticed or reported during the year nor have we been informed of any such case by the management.

(b) According to the information and explanations given to us and based on our examination of records, 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) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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 to the Company.

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 reports of internal auditor for the period under audit, issued to the Company during the year and till date.

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. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) 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 and accordingly clause 3(xvi) (a) of the Order is not applicable to the Company.

(b) Based on information and explanation given to us, the company has not conducted Non-Banking Financial or Housing Finance activities during the year. Accordingly, the requirement to report on clause 3(xvi) (b) of the order is not applicable to the Company.

(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 to the Company.

(d) According to the information and explanations given to us, there is no Core Investment Company as a part of the Group, We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the requirement to report on clause 3 (xvi) (d) of the Order is not applicable to the Company.

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 and accordingly requirement to report on clause 3 (xviii) of the Order is not applicable to the Company.

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) In our opinion and according to the information and explanations given to us, 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 our opinion and according to the information and explanations given to us, 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 the report.

For SCV & Co. LLP
Chartered Accountants
Firm Registration No. 000235N/N500089

Sunny Singh
Partner
Membership No. 516834
ICAI UDIN:25516834BMMNCX2028

Place: Noida
Date: May 19, 2025

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(A)(f) 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 with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Financial Statements of HEG Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to the Standalone Financial Statements 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 with reference to the Standalone 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") 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 with reference to Standalone Financial Statements

A company's internal financial control with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to the Standalone Financial Statements

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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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 explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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 Registration No. 000235N/N500089

Sunny Singh
Partner
Membership No. 516834
ICAI UDIN:25516834BMMNCX2028

Place: Noida
Date: May 19, 2025

Standalone Balance Sheet

as at March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars		Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS				
1.	**Non-current assets**			
(a)	Property, plant and equipment	4	1,88,698.32	1,76,753.61
(b)	Capital work-in-progress	5	2,087.19	19,440.46
(c)	Right-of-use-asset	6	624.64	689.28
(d)	Investment property	7	647.60	690.69
(e)	Intangible assets	8	110.86	114.86
(f)	Intangible assets under development	8a	49.21	-
(g)	Financial assets			
	(i) Investments	9	88,647.79	67,249.50
	(ii) Loans	11	97.13	88.08
	(iii) Other financial assets	12	5,219.22	4,627.16
(h)	Income tax assets (net)	25A	10,455.53	10,507.56
(i)	Other non-current assets	13	1,393.44	1,525.31
Total non-current assets			**2,98,030.93**	**2,81,686.51**
2.	**Current assets**			
(a)	Inventories	14	1,25,463.80	1,19,415.23
(b)	Financial assets			
	(i) Investments	9	34,481.02	32,360.76
	(ii) Trade receivables	10	43,994.29	50,824.88
	(iii) Cash and cash equivalents	15	2,365.25	11,015.43
	(iv) Bank balances other than (iii) above	16	9,478.07	27,318.37
	(v) Loans	11	83.09	65.91
	(vi) Other financial assets	12	6,825.44	4,752.39
(c)	Other current assets	13	13,859.72	14,246.03
Total current assets			**2,36,550.68**	**2,59,999.00**
Total assets			**5,34,581.61**	**5,41,685.51**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	17	3,859.59	3,859.59
(b)	Other equity	18	4,12,093.07	4,10,648.70
Total equity			**4,15,952.66**	**4,14,508.29**
Liabilities				
1.	**Non-current liabilities**			
(a)	Financial liabilities			
	(i) Lease liabilities	21A	80.26	127.34
(b)	Provisions	22	529.18	489.03
(c)	Deferred tax liabilities (net)	23	9,411.60	9,603.73
(d)	Other non-current liabilities	24	494.69	418.42
Total non-current liabilities			**10,515.73**	**10,638.52**
2.	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	19	58,485.65	61,937.81
	(ia) Lease liabilities	21A	47.07	51.07
	(ii) Trade payable			
	-Total outstanding dues of micro enterprises and small enterprises	20	1,079.19	846.72
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	38,760.94	41,681.71
	(iii) Other financial liabilities	21B	6,185.23	9,076.82
(b)	Other current liabilities	24	1,704.12	1,351.28
(c)	Provisions	22	430.11	421.25
(d)	Current tax liabilities (net)	25B	1,420.91	1,172.04
Total current liabilities			**1,08,113.22**	**1,16,538.70**
Total liabilities			**1,18,628.95**	**1,27,177.22**
Total equity and liabilities			**5,34,581.61**	**5,41,685.51**

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars		Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I.	Revenue from operations	26	2,15,270.91	2,39,490.36
II.	Other income	27	12,667.79	14,166.98
III.	**Total income (I + II)**		**2,27,938.70**	**2,53,657.34**
IV.	**Expenses:**			
	Cost of materials consumed	28	95,472.60	1,09,299.68
	Changes in inventories of finished goods and work-in-progress	29	(5,096.94)	5,839.04
	Employee benefit expenses	30	9,718.25	9,479.87
	Finance costs	31	3,919.64	3,573.86
	Depreciation and amortisation expense	32	20,054.43	17,465.14
	Other expenses	33	89,089.42	76,475.73
	Total expenses (IV)		**2,13,157.40**	**2,22,133.32**
V.	**Profit before tax (III - IV)**		**14,781.30**	**31,524.02**
VI.	**Tax expense:**			
	(1) Current tax	34	4,944.59	7,564.12
	(2) Earlier years tax adjustment	34	(103.36)	(106.76)
	(3) Deferred tax	34	(191.16)	912.35
	Total tax expense (VI)		**4,650.07**	**8,369.71**
VII.	**Profit for the year (V-VI)**		**10,131.23**	**23,154.31**
VIII.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of employee defined benefit plan	35	(3.84)	46.57
	(ii) Tax expense relating to items that will not be reclassified to profit or loss	34	0.97	(11.72)
	Total other comprehensive income for the year		**(2.87)**	**34.85**
IX.	**Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)**		**10,128.36**	**23,189.16**
	Earnings per equity share: (of ₹ 2/- each)			
	(1) Basic (₹)	36	5.25	12.00
	(2) Diluted (₹)	36	5.25	12.00

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Standalone Statement of Cash flows

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	**14,781.30**	**31,524.02**
	Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	20,054.43	17,465.14
	Inventory Write-down (net)	512.49	-
	Interest and other financial charges	3,574.50	3,573.86
	Net (profit)/loss on property plant and equipment sold / discarded	13.52	(128.60)
	Allowance for expected credit losses	129.65	270.42
	Liabilities / provisions written back	(1,750.04)	(5,499.65)
	Unrealized (gain)/loss due to effect of exchange rate changes in assets and liabilities	296.33	(53.22)
	Net loss /(gain) on sale/fair valuation of investments measured at fair value through profit or loss	4,276.03	(813.98)
	Dividend income	(184.92)	(236.49)
	Rent income	(153.99)	(144.89)
	Interest income	(1,567.70)	(4,319.93)
	Adjustments for changes in working capital		
	(Increase)/decrease in operating assets		
	(Increase)/decrease in inventories	(6,561.06)	24,596.27
	(Increase)/decrease in trade receivables	6,595.78	(2,077.39)
	(Increase)/decrease in other non-current financial assets	(621.11)	(1,093.03)
	(Increase)/decrease in other current financial assets	(3,216.63)	(2,865.55)
	(Increase)/decrease in other non-current assets	(10.76)	5,241.39
	(Increase)/decrease in other current assets	382.47	(5,678.64)
	Increase/(decrease) in operating liabilities		
	Increase/(decrease) in trade payables	(814.29)	6,454.83
	Increase/(decrease) in other current financial liabilites	226.62	(829.79)
	Increase/(decrease) in non-current provisions	40.15	183.21
	Increase/(decrease) in current provisions	8.86	23.87
	Increase/(decrease) in other non-current liabilites	76.27	48.82
	Increase/(decrease) in other current liabilites	352.84	(612.52)
	Cash flows from/(used in) operating activities	**36,440.74**	**65,028.15**
	Income tax paid (net of refund, if any)	(4,540.38)	(3,543.33)
	Net cash flows from/(used in) operating activities (A)	**31,900.36**	**61,484.82**

Standalone Statement of Cash flows (contd.)

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Payment for purchase of Property plant and Equipment, intangible assets (including Capital work-in-progress / intangible assets under development) (after adjustment of advances and creditors for capital expenditure)	(18,057.38)	(32,220.74)
	Proceeds from sale of property, plant and equipments	321.90	251.90
	Investment in fixed/term deposits not considered as cash and cash equivalents	(16,440.02)	(28,334.90)
	Redemption/maturity of fixed/term deposits not considered as cash and cash equivalents	34,234.14	66,724.03
	Decrease/(increase) in other bank balances not considered as cash and cash equivalents	66.18	(2.51)
	Payment for investments in Subsidiary	(7,727.90)	(7,000.00)
	Payment for purchase of investments (other than Subsidiary)	(76,949.19)	(58,734.96)
	Proceeds from sale of investments	56,738.70	33,044.83
	Return of capital from INVIT	143.83	126.85
	Rent received	153.99	144.89
	Dividend received	184.92	236.49
	Interest received	2,694.10	5,261.69
	Net cash flows from/(used in) investing activities (B)	**(24,636.73)**	**(20,502.44)**
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds/(repayment) of working capital borrowings (on net basis) (also refer note no. 49)	(3,763.16)	(12,152.92)
	Interest and other financial charges paid	(3,361.10)	(3,848.76)
	Interest paid on lease liabilities	(13.48)	(16.84)
	Principal payment of lease liabilities	(51.08)	(44.17)
	Dividend paid on equity shares	(8,724.99)	(16,349.62)
	Net cash flows from/(used in) financing activities (C)	**(15,913.81)**	**(32,412.31)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(8,650.18)**	**8,570.07**
	Cash and cash equivalents at the beginning of the year	11,015.43	2,445.36
	Cash and cash equivalents at the end of the year	2,365.25	11,015.43
	(Refer note 15 of standalone 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 ₹859.23 lakhs (previous year ₹1644.49 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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

A) Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of reporting year	3,859.59	3,859.59
Changes in equity capital during the year	-	-
Balance at the end of reporting year	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 year i.e. April 1, 2024	**3,138.24**	**2,029.93**	**4,05,480.53**	**4,10,648.70**
Profit for the year	-	-	10,131.23	10,131.23
Other comprehensive income for the year	-	-		
-Remeasurement of defined employee benefit plan (net of tax expense)	-	-	(2.87)	(2.87)
Dividend distributed during the year	-	-		
-Final dividend for the year ended March 31, 2024 @ ₹22.50/-per share	-	-	(8,683.99)	(8,683.99)
Balance at the end of current reporting year i.e. March 31, 2025	**3,138.24**	**2,029.93**	**4,06,924.90**	**4,12,093.07**

Particulars	Reserves and Surplus			Total other equity
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance at the beginning of the previous reporting year 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 previous reporting year i.e. March 31, 2024	**3,138.24**	**2,029.93**	**4,05,480.53**	**4,10,648.70**

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
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Director
DIN: 02460558

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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, 2025 were approved for issue by the Company's Board of directors in their meeting held on May 19, 2025.

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 when the performance obligation in accordance with the provisions of the contract is fulfilled. Performance obligations are fulfilled 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 de-recognition 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 or both.

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 de-recognition 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 other assets determined is as below:

Sr. 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 over	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	5 – 58 Years
Plant and Machinery	1 – 29 Years
Railway Siding	9 – 20 Years
Office Equipment (Includes Computers and data processing units)	5 – 20 Years
Electrical Installation	5-20 Years
Furniture and Fixtures	5 – 15 Years
Vehicle	5-10 Years

(iii) Assets costing up to ₹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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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

Notes to the Standalone Financial Statements
for the year ended March 31, 2025

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 expense in the statement of profit and loss.

Re-measurement 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 expense 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2025

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.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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.

(xiii) 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 over the expected useful lives of the related assets by way of reduced depreciation.

(xiv) 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

costs are charged to the standalone statement of profit and loss in the period in which they are incurred.

(xv) 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.

(xvi) 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.

(xvii) 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 with 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 with 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 (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued 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,

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 amortized 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) De-recognition

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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.

(xviii) 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.

(xix) 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.

(xx) 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

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 signification 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 4: Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of		
Freehold land	317.81	317.81
Buildings	39,818.07	38,282.63
Plant and equipment	1,26,156.53	1,23,808.12
Furniture and fixtures	163.83	160.45
Vehicles	1,029.84	1,007.38
Office equipment	368.81	451.84
Electrical installation	20,709.03	12,561.77
Railway sidings	134.40	163.60
Total Property, plant and equipment	**1,88,698.32**	**1,76,753.61**

The change in the carrying amount of property, plant and equipments as follows:-

Particulars	Free-hold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equip-ment	Electrical installa-tion	Railway sidings	Total
Gross carrying amount as at April 1, 2023	**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 (A)	**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**
Additions	-	5,327.37	15,250.81	42.37	424.00	104.21	11,045.68	-	32,194.44
Disposals/deletions	-	(191.23)	(2,925.22)	(18.39)	(311.26)	(131.46)	(45.13)	-	(3,622.72)
Gross carrying amount as at March 31, 2025 (B)	**317.81**	**63,770.28**	**2,41,887.84**	**694.45**	**1,856.55**	**1,255.62**	**28,178.38**	**647.42**	**3,38,608.35**
Accumulated depreciation as at April 1, 2023	**-**	**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 (C)	**-**	**20,351.51**	**1,05,754.13**	**510.02**	**736.43**	**831.03**	**4,616.06**	**483.82**	**1,33,283.02**
Depreciation for the year	-	3,711.83	12,774.57	34.56	314.06	179.20	2,881.12	29.20	19,924.54
Disposals/deletions	-	(111.13)	(2,797.39)	(13.96)	(223.78)	(123.42)	(27.83)	-	(3,297.53)
Accumulated depreciation as at March 31, 2025 (D)	**-**	**23,952.21**	**1,15,731.31**	**530.62**	**826.71**	**886.81**	**7,469.35**	**513.02**	**1,49,910.03**
Net carrying amount as at March 31, 2024 (A)-(C)	**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**
Net carrying amount as at March 31, 2025 (B)-(D)	**317.81**	**39,818.07**	**1,26,156.53**	**163.83**	**1,029.84**	**368.81**	**20,709.03**	**134.40**	**1,88,698.32**

(i) Refer note 46 for information on property, plant and equipment pledged as security by the Company

(ii) The borrowing cost capitalized in property plant and equipment during the year is NIL (previous year NIL)

(iii) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.

(iv) Refer note 38 for detail of contractual commitment towards purchase of property, plant and equipment.

(v) The Company has not revalued any of its property, plant and equipment during the year.

(vi) The title deeds of all the immovable properties are held in the name of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 5: Capital work-in-progress (CWIP)

Particulars	As at March 31, 2025	As at March 31, 2024
Building, plant and equipment under erection/installation	2,087.19	19,440.46

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				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in progress as at March 31, 2025					
Projects in progress	1,635.26	157.53	282.11	12.29	2,087.19
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**1,635.26**	**157.53**	**282.11**	**12.29**	**2,087.19**
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**

b) Completion schedule for Projects under capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work in progress as at March 31, 2025					
Projects in progress	434.91	-	-	-	434.91
Capital work in progress as at March 31, 2024					
Projects in progress	-	-	-	-	-

Note:

(a) There is ₹434.91 lakhs capital-work-in progress whose completion is overdue compared to its original plan as on March 31, 2025, previous year Nil

(b) There is no such project in capital-work-in progress whose cost has exceeded compared to its original plan as on March 31, 2025 and March 31, 2024.

Note 6: Right-of-use-asset

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of		
Land	585.26	602.02
Building	39.38	87.27
Total	**624.64**	**689.28**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Land	Building	Total
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 (A)	**889.90**	**299.63**	**1,189.53**
Gross carrying amount as at April 1, 2024	**889.90**	**299.63**	**1,189.53**
Additions	-	-	-
Adjustments	-	-	-
Gross carrying amount as at March 31, 2025(B)	**889.90**	**299.63**	**1,189.53**
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 (C)	**287.88**	**212.35**	**500.25**
Accumulated depreciation as at April 1, 2024	**287.88**	**212.35**	**500.25**
Depreciation for the year	16.76	47.90	64.66
Other adjustments for the year	-	-	-
Accumulated depreciation as at March 31, 2025 (D)	**304.64**	**260.25**	**564.89**
Net carrying amount as at March 31, 2024 (A)-(C)	**602.02**	**87.27**	**689.29**
Net carrying amount as at March 31, 2025 (B)-(D)	**585.26**	**39.38**	**624.64**

(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, 2025	As at March 31, 2024
Building	647.60	690.69

Particulars	Amount
Building	
Gross carrying amount	
As at April 1, 2023	1,001.31
Additions	-
Disposals	-
As at March 31, 2024 (a)	**1,001.31**
Additions	-
Disposals	(38.22)
As at March 31, 2025 (b)	**963.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Amount
Accumulated depreciation	
At April 1, 2023	276.51
Charge for the year	34.11
Disposals	-
As at March 31, 2024 (c)	**310.62**
Charge for the year	32.86
Disposals	(27.99)
As at March 31, 2025 (d)	**315.49**
Net carrying amount	
As at March 31, 2024 (a-c)	**690.69**
As at March 31, 2025 (b-d)	**647.60**

(i) One building situated at Delhi having gross carrying amount of ₹397.52 lakhs (previous year ₹397.52 lakhs) is owned jointly with RSWM Ltd.

(ii) Amounts recognised in statement of profit and loss for investment properties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental income	149.30	140.06
Direct operating expenses from property that generated rental income	7.66	7.11
Total income from investment properties before depreciation	**141.64**	**132.95**
Depreciation	32.86	34.11
Net income from investment properties	**108.78**	**98.84**

(iii) Fair value of investment properties

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of investment properties	5,319.39	5,415.06

(iv) 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.

(v) 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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 8: Intangible assets

Carrying amount of intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Software	110.86	114.86

Particulars	Amount
Computer software	
Gross carrying amount	
As at April 1, 2023	489.96
Additions	98.59
Disposals/Adjustments	-
As at March 31, 2024 (a)	**588.55**
Additions	28.37
Disposals/Adjustments	(25.99)
As at March 31, 2025 (b)	**590.93**
Amortisation	
As at April 1, 2023	456.42
Charge for the year	15.30
Disposals/Adjustments	1.96
As at March 31, 2024 (c)	**473.69**
Charge for the year	32.37
Disposals/Adjustments	(25.99)
As at March 31, 2025 (d)	**480.07**
Net carrying amount	
As at March 31, 2024 (a-c)	**114.86**
As at March 31, 2025 (b-d)	**110.86**

(a) The Company has not internally developed computer software systems.

(b) The amount of amortisation has been included under depreciation and amortisation expense in the statement of profit and loss.

(c) Computer software are amortized over a period of five years.

(d) The borrowing cost capitalized in intangible assets during the year is NIL (previous year NIL)

8(a) Intangible Assets under Development

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible assets under development	49.21	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

a) Intangible assets under development ageing schedule is as follows:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development as at March 31, 2025					
Projects in progress	49.21	-	-	-	49.21
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**49.21**	**-**	**-**	**-**	**49.21**
Intangible assets under development as at March 31, 2024					
Projects in progress	-	-	-	-	
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**-**	**-**	**-**	**-**	**-**

b) Completion schedule for Projects under capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development as at March 31, 2025					
Projects in progress	-	-	-	-	-
Intangible assets under development as at March 31, 2024					
Projects in progress	-	-	-	-	-

Note:

(a) There is no such project in Intangible assets under development whose completion is overdue compared to its original plan as on March 31, 2025 and March 31, 2024.

(b) There is no such project in Intangible assets under development whose cost has exceeded compared to its original plan as on March 31, 2025 and March 31, 2024.

Note 9: Investments

No. of units	Particulars	Face value	Non-current		Current	
			As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
A.	**Investments carried at cost**					
	Investments in equity instruments					
	(a) Equity instruments in Subsidiary (unquoted)					
120000000	(Previous year 80000000) fully paid up equity shares of TACC Ltd.	2	12,000.00	8,000.00	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2025	Non-current As at March 31, 2024	Current As at March 31, 2025	Current As at March 31, 2024
3270618	(Previous year 1262048) fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) (refer note (iv))	10	4,145.90	-		
50000	(Previous year NIL) fully paid up equity shares of HEG Graphite Ltd	2	1.00	-		
(b)	**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	-	-
NIL	(Previous year 1262048) Fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) (refer note (iv))	10	-	419.00		
B.	**Investments carried at fair value through profit or loss**					
(a)	**Investments in equity instruments (quoted)**					
NIL	(Previous year 18) fully paid up equity shares of Ballarpur Industries Ltd.	2	-	0.01	-	-
24310015	(Previous year 4967221) fully paid up equity shares of Graftech International Ltd., USA	$ 0.01	18,183.44	5,673.28	-	-
(b)	**Investments in mutual funds (unquoted)**					
42796.061	(Previous year 30206.095) units of Invesco India Liquid Fund Direct Growth	1000	-	-	1,523.49	1,001.28
32142.507	(Previous year Nil) units of Nippon India Liquid Fund Direct Growth	1000	-	-	2,040.05	-
NIL	(Previous year 161625.295) units of Axis Money Market Fund Direct Growth	1000	-	-	-	2,120.50
24022.909	(Previous year 63958.061) units of UTI Liquid Fund Direct Growth	1000	-	-	1,021.26	2,531.44
27118.786	(Previous year 63287.711) units of DSP Liquidity Fund Direct Growth	1000	-	-	1,005.64	2,184.29
74790.457	(Previous year Nil) units of SBI Liquid Fund Direct Growth	1000	-	-	3,033.46	-
Nil	(Previous year 20522.7) units of Kotak Liquid Fund	1000	-	-	-	1,001.31
Nil	(Previous year 109613.376) units of MIRAE Asset Liquid Fund Direct Growth	1000	-	-	-	2,795.46
50438.993	(Previous year 38329.278) units of Baroda BNP Paribas Liquid Fund Direct Growth	1000	-	-	1,508.47	1,067.39
58508.925	(Previous year Nil) units of HSBC Liquid Fund Direct Growth	1000	-	-	1,512.06	-
21381.563	(Previous year Nil) units of LIC MF Liquid Fund Direct Growth	1000	-	-	1,006.90	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2025	Non-current As at March 31, 2024	Current As at March 31, 2025	Current As at March 31, 2024
44104.954	(Previous year Nil) units of Sundaram Liquid Fund Direct Growth	1000	-	-	1,010.77	
2879517.837	(Previous year 2879517.837) units of Kotak Equity Arbitrage Fund Direct Growth	10	-	-	1,133.17	1,047.75
16599077.153	(Previous year 16599077.153) units of AXIS Arbitrage Fund Direct Growth EADG	10	-	-	3,310.98	3,067.44
13490452.151	(Previous year 13490452.151) units of Invesco India Arbitrage Fund Direct Growth	10	-	-	4,574.86	4,232.10
3013912.925	(Previous year 3013912.925) units of UTI Arbitrage Fund Direct Growth Canserve	10	-	-	1,104.36	1,022.52
3929369.982	(Previous year 3929369.982) units of ABSL Arbitrage Fund Direct Growth	10	-	-	1,104.81	1,022.85
5869399.349	(Previous year 5869399.349) units of Nippon India Arbitrage Fund Direct Growth	10	-	-	1,654.97	1,534.03
8305370.542	(Previous year 8305370.542) units of Edelweiss Arbitrage Fund Direct Growth	10	-	-	1,697.91	1,570.91
8828437.252	(Previous year 13111748.111) units of SBI Arbitrage Opportunities Fund Direct Growth	10	-	-	3,117.59	4,291.97
10515900.863	(Previous Year 13616737.412) TATA Arbitrage Fund Direct Growth	10	-	-	1,560.62	1,869.52
11733747.98	(Previous Year NIL) MIRAE Asset Arbitrage Fund Direct Growth	10	-	-	1,559.65	-
(c)	**Investments in fixed maturity plans scheme (unquoted)**					
46034272.808	(Previous year 46034272.808) units of SBI CPSE BP SDL SEP 2026 50:50 Index Fund	10	5,547.04	5,140.88	-	-
13724503.583	(Previous year 13724503.583) units of Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund	10	1,756.16	1,629.44	-	-
9835831.784	(Previous year 9835831.784) units of Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Direct Growth Plan	10	1,184.35	1,092.26	-	-
9930347.719	(Previous year 9930347.719) units of Nippon India Nifty AAA CPSE Bond Plus SDL APR 2027 Maturity 60:40 Index Fund Direct Growth Plan	10	1,186.75	1,097.83	-	-
(d)	**Investments in Bond Funds (unquoted)**					
108109.497	(Previous year 108109.497) units of Kotak Corp Bond Direct Growth	1000	4,160.00	3,821.87	-	-
2618367.638	(Previous year 2618367.638) units of ABSL Corporate Bond Fund Direct Growth	10	2,944.41	2,703.34	-	-
5430713.319	(Previous year 5430713.319) units of HDFC Corporate Bond Fund Direct Growth	10	1,767.24	1,622.89	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2025	Non-current As at March 31, 2024	Current As at March 31, 2025	Current As at March 31, 2024
(e)	**Investments in Infrastructure Trust (unquoted)**					
4400000	(Previous year 4400000) units of Oriental Infratrust	100	5,060.00	5,337.20	-	-
	Total		**88,647.79**	**67,249.50**	**34,481.02**	**32,360.76**
	Aggregate carrying value of quoted investments		18,183.44	5,673.28	-	-
	Market value of quoted investments		18,183.44	5,673.28	-	-
	Aggregate carrying value of unquoted investments		70,464.35	61,576.21	34,481.02	32,360.76
	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 45B for classification of financial assets.

Note (iii): Refer note 45C for information about credit risk and market risk in respect of investments.

Note (iv): During the current year, the Company has increased the holding in its associate – Bhilwara Infotechnology Limited from 38.59% to 100% by purchasing the shares from the other shareholders resulting in change in status from associate to a subsidiary w.e.f 9th December 2024.

Note 10: Trade receivables

Particulars	Current As at March 31, 2025	Current As at March 31, 2024
a) Trade receivables considered good-secured	-	-
Less: allowance for expected credit loss		
b) Trade receivables considered good-unsecured	43,763.21	50,855.65
Less: allowance for expected credit loss	(83.20)	(150.29)
c) Trade receivables which have significant increase in credit risk	628.56	239.04
Less: allowance for expected credit loss	(314.28)	(119.52)
d) Trade receivables credit impaired	91.62	89.64
Less: allowance for credit impairment	(91.62)	(89.64)
	-	-
Total	**43,994.29**	**50,824.88**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment: Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025							
(i) Undisputed trade receivables – considered good	29,921.02	13,842.19	-	-	-	-	43,763.21
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	268.16	360.40	-	-	628.56
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	1.98	89.64	91.62
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total							**44,483.39**
Less: allowance for expected credit loss							(489.10)
Total							**43,994.29**
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		-	-	-	-	-	-
Total							**51,184.33**
Less: allowance for expected credit loss							(359.45)
Total							**50,824.88**

Refer note 45B for classification of financial assets

Refer note 45C for credit risk and expected credit loss related to trade receivables

Refer note 46 for information of trade receivables pledged as security by the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 11: Loans

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial asset at amortised cost				
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	97.13	88.08	83.09	65.91
c) Loans which have significant increase in credit risk	-	-	-	-
d) Loans credit impaired	-	-	-	-
Total	**97.13**	**88.08**	**83.09**	**65.91**

Refer note 45B for classification of financial assets

Refer note 45C for information about credit risk and market risk in respect of financial assets.

Note (i) : The above figures includes loan to Key Managerial Persons amounting to ₹11.97 lakhs (previous year ₹26.50 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 6.64% (previous year 17.21%) 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial asset at amortised cost				
Security deposits	4,472.34	4,607.16	124.35	-
Interest accrued but not due on fixed deposits	-	-	187.96	1,314.35
Bank deposits having maturity period of more than 12 months from reporting date (refer note 16)	-	20.00	-	-
Interest subvention recoverable (on working capital loans)	-	-	286.95	286.95
Advance for Equity Investment#	746.88	-	-	-
Government grant receivable (refer note 51)*	-	-	6,224.97	-
Other recoverables				
- Related parties	-	-	1.21	128.52
- Others	-	-	-	2,896.22
Financial assets at fair value through profit or loss				
Derivative financial instruments**	-	-	-	126.35
Total	**5,219.22**	**4,627.16**	**6,825.44**	**4,752.39**

#Advance paid for purchase of shares of Graftech International Ltd.

*State Government investment promotion assistance receivable as per MP industrial promotion policy 2018

**The Company enters into derivative financial instruments (usually foreign exchange forward contracts) to manage its exposure to foreign exchan rate risk. For details of derivative financial instruments, (refer note 45C).

Refer note 45B for classification of financial assets

Refer note 45C for information about credit risk and market risk in respect of other financial assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 13: Other assets

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good unless stated otherwise				
Capital advances	781.60	932.09	-	-
Other advances (other than advances to related parties)	-	-	617.25	698.10
Prepaid expenses	125.36	191.94	1,023.29	1,402.26
Balances with Government authorities	-	-	3,108.62	5,197.61
GST refund receivable	-	-	1,753.12	483.50
Payments under protest (excluding direct taxes other than Tax Deducted at Source(TDS))#	486.48	401.28	-	-
Export benefits receivable	-	-	625.74	126.74
Other employee advances			53.31	58.74
Gratuity fund receivable (refer note 40)	-	-	803.73	669.72
Others	-	-	5,874.66	5,609.36
Total	**1,393.44**	**1,525.31**	**13,859.72**	**14,246.03**

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:

Particulars	As at March 31, 2025	As at March 31, 2024
Entry tax	114.29	114.29
Central sales tax	229.83	144.63
Excise duty/service tax	79.89	79.89
MPST/MPCT	0.46	0.46
Tax deducted at source	62.01	62.01
Total	**486.48**	**401.28**

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 March 31, 2025

(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, 2025	As at March 31, 2024
Raw materials	28,953.71	28,006.17
[Includes material in transit ₹14,354.34 lakhs ; previous year:₹11,664.56 lakhs]		
Work-in-progress	45,087.85	35,182.52
Finished goods	45,750.23	50,558.61
Stores and spares	5,672.01	5,667.93
[Includes stores in transit ₹655.17 lakhs ; previous year: ₹679.37 lakhs]		
Total	**1,25,463.80**	**1,19,415.23**

(a) The cost of inventories includes ₹512.49 lakhs (March 31, 2024 ₹790.91 lakhs) in respect of write down of inventories on account of slow moving items.

(b) Refer note 46 for information of inventory pledged as security by the Company.

(c) 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, 2025	As at March 31, 2024
Financial assets at amortised cost		
Balances with banks		
In current accounts	549.68	436.39
In cash credit accounts	1,107.07	1,017.10
Cheques, drafts in hand	3.31	-
Cash on hand	5.19	12.54
Term/fixed deposits with banks/financial institutions having original maturity period of less than three months	700.00	9,549.40
Total cash and cash equivalents	**2,365.25**	**11,015.43**

Refer note 45B for classification of financial assets

Refer note 45C 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, 2025	As at March 31, 2024
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	1,332.31	1,554.02
b) Held for unpaid/unclaimed dividend	567.16	608.16
c) Held for unspent Corporate Social Responsibility expenditure on account of ongoing projects	-	25.18
II. Term/fixed deposits with banks/financial institutions having original maturity period of more than three months	7,578.60	25,151.01
Less: Bank deposits having maturity period after 12 months from the reporting date (refer note 12)	-	20.00
Total	**9,478.07**	**27,318.37**

Refer note 45B for classification of financial assets

Refer note 45C for information about credit risk and market risk in respect of other bank balances.

Note 17: Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
27,50,00,000 equity shares of ₹2 each (previous year 5,50,00,000 equity shares of ₹10 each) (refer note i)	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		
19,29,77,530 equity shares of ₹2 each (previous year 3,85,95,506 equity shares of ₹10 each) (refer note i)	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	2024-25		2023-24	
	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
Sub-division of 1 share of face value ₹10 each into 5 shares of face value ₹2 each effective October 18, 2024 (increase in shares on account of sub-division)	15,43,82,024	-	Not Applicable	Not Applicable
Change during the year	-	-	-	-
Outstanding at the end of the year	**19,29,77,530**	**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 ₹2 each (Post sub-division of equity shares). 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Redrose Vanijya LLP (refer note ii)	5,58,73,775	28.95	-	-
Norbury Investments Limited	2,68,14,955	13.90	53,62,991	13.90
Microlight Investments Ltd.	2,33,27,895	12.09	46,65,579	12.09
Bharat Investments Growth Limited	-	-	27,34,913	7.09
SBI Energy Opportunities Fund	1,37,27,188	7.11	-	-

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				
	2024-25	2023-24	2022-23	2021-22	2020-21
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, 2025		As at March 31, 2024		
		No of shares	% of Total shares	No. of shares	% of Total shares	% change in the year
1	Ravi Jhunjhunwala	3,595	0.00%	719	0.00%	0.00%
2	Riju Jhunjhunwala	6,780	0.00%	1,356	0.00%	0.00%
3	Rita Jhunjhunwala	9,380	0.00%	1,876	0.00%	0.00%
4	Rishabh Jhunjhunwala	9,035	0.00%	1,807	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	2,500	0.00%	500	0.00%	0.00%
6	RSWM Ltd	15,91,955	0.82%	3,18,391	0.82%	0.00%
7	Redrose Vanijya LLP (refer note ii)	5,58,73,775	28.95%	-	0.00%	28.95%
8	Norbury Investments Ltd	2,68,14,955	13.90%	53,62,991	13.90%	0.00%
9	Microlight Investments Ltd	2,33,27,895	12.09%	46,65,579	12.09%	0.00%
10	Bharat Investments Growth Ltd	-	-	27,34,913	7.09%	-7.09%
11	Purvi Vanijya Niyojan Ltd	-	-	18,68,583	4.84%	-4.84%
12	LNJ Financial Services Ltd	-	-	16,48,323	4.27%	-4.27%
13	Raghav Commercial Ltd	-	-	14,48,163	3.75%	-3.75%
14	Jet (India) Pvt Ltd	-	-	10,05,599	2.61%	-2.61%
15	Giltedged Industrial Securities Ltd	-	-	8,87,689	2.30%	-2.30%
16	Shashi Commercial Company Ltd	-	-	6,75,536	1.75%	-1.75%

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Sl. No.	Name	As at March 31, 2025		As at March 31, 2024		
		No of shares	% of Total shares	No. of shares	% of Total shares	% change in the year
17	M.L. Finlease Pvt Ltd	-	-	3,46,461	0.90%	-0.90%
18	India Texfab Marketing Ltd	-	-	2,06,718	0.54%	-0.54%
19	Investors India Ltd	-	-	36,254	0.09%	-0.09%
20	Dreamon Commercial Pvt ltd	-	-	3,16,516	0.82%	-0.82%
	Total	**10,76,39,870**	**55.78%**	**2,15,27,974**	**55.78%**	**0.00%**

Note (i): Update regarding sub-division of equity Shares (New Face Value ₹2 per equity share):

(a) Pursuant to approval granted by the Shareholders of HEG Limited through Postal Ballot on 20-09-2024, for the Sub-Division of one (1) equity share of HEG Limited ('Company') of Face Value of ₹10 each into five (5) equity shares of Face Value of ₹2 each, necessary post sub-division credits have been made to the shareholders holding shares in demat form as on record date through NSDL/CDSL system and new share certificates have been issued to the shareholders having shares in physical form. Record Date for the said Sub-Division was 18-10-2024.

(b) As a result of above said sub-division, Promoter/Promoter Group shareholding has been changed from 2,15,27,974 equity shares of Face Value of ₹10 each to 10,76,39,870 equity shares of Face Value of ₹2 each (Ratio 5 : 1). Pre and Post sub-division holding percentage is appearing same i.e. 55.78%. There was no change in percentage holding of Promoter/Promoter Group.

(c) Total paid up share capital (in equity shares) has been changed from 3,85,95,506 equity shares of Face Value of ₹10 each to 19,29,77,530 equity shares of Face Value of ₹2 each. There was no change in paid up share capital (Pre and Post sub-division of equiry shares) in Rupees i.e. ₹38,59,55,060.

Note (ii): Update regarding Promoter/Promoter Group shareholding:

(a) Redrose Vanijya LLP (Formerly known as Redrose Vanijya Private Limited) has shown as share holder of 28.95% by way of acquisition of 5,58,73,775 shares from promoter group companies through off market transfer pursuant to Scheme of Arrangement approved by Hon'ble NCLT, Kolkata Bench, therefore became member of promoter group of HEG Limited pursuant to provisions of Regulation 2 (1) (q) of SEBI SAST Regulations, 2011 read with Regulation 2 (1) (pp) (iii) of SEBI ICDR Regulations, 2018. The Promoter Group Companies of HEG Limited amalgamated pursuant to above NCLT Order were Bharat Investment Growth Limited, Dreamon Commercial Private Limited, Giltedged Industrial Securities Limited, Investors India Limited, India Texfab Marketing Limited, Jet (India) Private Limited, LNJ Financial Services Limited, M.L. Finlease Private Limited, Purvi Vanijya Niyojan Limited, Raghav Commercial Limited and Shashi Commercial Company Limited. In this regard, necessary disclosures under the SEBI (SAST) Regulations, 2011 and the SEBI (PIT) Regulations, 2015 have already been made to BSE Limited and National Stock Exchange of India Limited alongwith the required explanation.

(b) As a result of the above said Scheme of Arrangement duly sanctioned by Hon'ble NCLT, Kolkata Bench, the above said 11 (Eleven) Promoter Group Companies of HEG Limited were amalgamated into Redrose Vanijya LLP (Formerly known as Redrose Vanijya Private Limited). The same has been disclosed in the shareholding pattern for year ended 31st March, 2025 under the Category "Statement showing shareholding pattern of the Promoter and Promoter Group".

Note 18: Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
C. Retained earnings		
Balance as at the beginning of the year	4,05,480.53	3,98,694.47
Amount transferred from statement of profit and loss		
- Profit for the year	10,131.23	23,154.31
- Other comprehensive income for the year (remeasurement of defined employee benefit plan) (net of tax expense)	(2.87)	34.85
Dividend distributed on equity shares during the year	(8,683.99)	(16,403.09)
Balance as at the end of the year	**4,06,924.90**	**4,05,480.53**
Total	**4,12,093.07**	**4,10,648.70**

Nature and purpose of reserves

1) Capital reserve:

The Capital reserve has been created on account of warrant money forfeited and profit made on hive 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Loans repayable on demand from banks				
Working capital loans from banks				
- Secured	-	-	58,014.43	58,937.81
- Unsecured	-	-	471.22	3,000.00
Total	**-**	**-**	**58,485.65**	**61,937.81**

(i) Terms of repayment of loans

Particulars	As at March 31, 2025	As at March 31, 2024
Loans repayable on demand		
Secured		
Working capital loans from banks	58,014.43	58,937.81
Unsecured		
Working capital loans from banks	471.22	3,000.00
Total	**58,485.65**	**61,937.81**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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 45B for classification of financial liabilities

(iv) Refer note 46 for carrying amount of assets pledged as security for borrowings.

(v) Refer note 45C for information about liquidity risk and market risk in respect of borrowings.

Note 20: Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	1,079.19	846.72
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	38,760.94	41,681.71
Total	**39,840.13**	**42,528.43**

(i) Trade payables ageing schedule

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, 2025						
(i) MSME	1,079.19	-	-	-	-	1,079.19
(ii) Others	35,826.19	2,929.55	4.66	0.54	-	38,760.94
(iii) Disputed - MSME	-	-	-	-	-	-
(iv) Disputed - others	-	-	-	-	-	-
As at March 31, 2024						
(i) MSME	846.72	-	-	-	-	846.72
(ii) Others	39,329.30	319.45	2.04	1,874.33	156.59	41,681.71
(iii) Disputed - MSME	-	-	-	-	-	-
(iv) Disputed - others	-		-	-	-	-

(ii) Refer note 45B for classification of financial liabilities

(iii) Refer note 45C for information about liquidity risk and market risk in respect of trade payables.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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, 2025	As at March 31, 2024
a) The amount remaining unpaid to micro and small enterprises at the end of each accounting year.		
a) Principal		
-Related to trade payables	1,079.19	846.72
-Related to creditors for capital purchases (refer note 21 B)	263.50	518.86
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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Lease liabilities - land (refer note - 41)	80.26	81.89	1.62	2.27
Lease liabilities - building (refer note - 41)	-	45.45	45.45	48.80
Total	**80.26**	**127.34**	**47.07**	**51.07**

Refer note 45B for classification of financial liabilities

Refer note 45C for information about liquidity risk and market risk in respect of lease liabilities.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 21B: Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	-	-	227.63	27.71
Security deposits	-	-	155.60	182.83
Unpaid/unclaimed dividend#	-	-	567.16	608.16
Creditor for capital purchases				
Payable to micro enterprises and small enterprises	-	-	263.50	518.86
Payable to other than micro enterprises and small enterprises	-	-	881.36	3,915.12
Other payables				
Employee related	-	-	2,099.48	2,075.83
Others	-	-	1,990.50	1,748.31
Total	**-**	**-**	**6,185.23**	**9,076.82**

#There is no amount which is required to be transferred to the Investor's Education and Protection Fund.

Refer note 45B for classification of financial liabilities

Refer note 45C 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits				
Compensated absences (refer note 40)	529.18	489.03	104.28	95.42
Other provisions				
Provision against pending litigations	-	-	325.83	325.83
Total	**529.18**	**489.03**	**430.11**	**421.25**

Movement of provision against pending litigations

Nature of provisions	Non-current		Current	
	2024-25	2023-24	2024-25	2023-24
Carrying amount at the beginning of the year	-	-	325.83	435.47
Amount provided made during the year	-	-	-	-
Amount reversed during the year	-	-	-	109.64
Carrying amount at the end of the year	**-**	**-**	**325.83**	**325.83**

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 Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 23: Deferred tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	10,078.74	9,621.18
Fair valuation of investments	-	111.15
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax/ provision for employee benefits	39.15	60.54
Allowance for expected credit loss	123.10	68.06
Fair valuation of investments	438.88	-
Demerger & Amalgamation (refer note 54)	66.01	-
Net deferred tax liability (A)-(B)	**9,411.60**	**9,603.73**

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, 2025

Particulars	As at April 1, 2024	Recognized in the profit or loss	Recognized in other comprehensive income	As at March 31, 2025
Deferred tax liabilities (A)				
Difference between carrying value of property plant and equipment as per books of account and tax base	9,621.18	457.56	-	10,078.74
Fair valuation of investments	111.15	(111.15)	-	-
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax/ provision for employee benefits	60.54	(22.36)	0.97	39.15
Allowance for expected credit loss	68.06	55.04	-	123.10
Fair valuation of investments	-	438.88	-	438.88
Demerger & Amalgamation (refer note 54)	-	66.01	-	66.01
Net deferred tax liabilities/(assets) (A)-(B)	**9,603.73**	**(191.16)**	**(0.97)**	**9,411.60**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

There are no unrecognised deferred tax liabilities/assets as at March 31, 2025 and March 31, 2024 . 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Deposits from employees against various schemes	494.69	418.42	72.01	138.79
Advance from customers	-	-	814.54	657.12
Statutory dues payable	-	-	215.50	214.07
Payable against unspent Corporate Social Responsibility expenditure (refer note 43)	-	-	206.07	80.34
Others payables	-	-	396.00	260.96
Total	**494.69**	**418.42**	**1,704.12**	**1,351.28**

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.

Note 25A: Non -Current tax assets / (liabilities)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (net of provision for taxation)	10,455.53	10,507.56
Total	**10,455.53**	**10,507.56**

Note 25B: Current tax liabilities / (assets)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax liabilities (net of advance tax)	1,420.91	1,172.04
Total	**1,420.91**	**1,172.04**

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 26: Revenue from operations

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
Sale of products				
Graphite electrodes (including by-products)	2,10,798.39		2,34,761.36	
Power	2,935.48	2,13,733.87	3,220.62	2,37,981.98
Other operating income				
REC sales	330.52		162.76	
Fly Ash Income	11.66		-	
Export incentives	1,194.86		1,345.62	
		1,537.04		**1,508.38**
Total		**2,15,270.91**		**2,39,490.36**

Refer note 47 for disclosures as per Ind AS 115 "Revenue from contracts with customers"

Note 27: Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income from financial assets measured at amortized cost	1,622.09	4,017.29
Interest income from financial assets measured at fair value through profit or loss	300.11	302.64
Rental Income	153.99	144.89
Net gain on sale of investments measured at fair value through profit or loss	1,689.75	619.35
Net gain on fair valuation of investments measured at fair value through profit or loss	-	194.63
Net gain on sale of property, plant and equipment	-	128.60
Dividend income from investments measured at fair value through profit or loss	184.92	236.49
Gain on foreign currency fluctuations (net)	-	161.50
Liabilities / provisions written back (including allowances for expected credit losses, if any)#	1,750.04	5,499.65
Government Grant* (refer note 51)	5,714.00	-
Miscellaneous	1,252.89	2,861.94
Total	**12,667.79**	**14,166.98**

#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.

*State Government investment promotion assistance as per MP industrial promotion policy 2018

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 28: Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material consumed		
Opening stock	16,341.60	38,302.83
Add : Purchases	1,08,084.71	87,338.45
	1,24,426.31	**1,25,641.28**
Less: Closing stock	28,953.71	16,341.60
Cost of raw material consumed	**95,472.60**	**1,09,299.68**

Note 29: Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(1) Inventories at the beginning 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**
(2) Inventories at the end of the period		
Finished goods	45,750.22	50,558.61
Work-in-progress	45,087.85	35,182.52
Total	**90,838.07**	**85,741.13**
Net (increase)/decrease [(1) - (2)]	**(5,096.94)**	**5,839.04**

Note 30: Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages (refer note 40)	8,703.56	8,519.88
Contribution to provident and other funds (refer note 40)	615.47	606.30
Staff welfare expenses	399.22	353.69
Total	**9,718.25**	**9,479.87**

Note 31: Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Interest on borrowings	3,116.32	3,428.49
(ii) Foreign Exchange Fluctuation on Foreign Currency Loans to the extent regarded as an adjustment to borrowing cost	444.70	-
(iii) Others		
- Interest on lease liabilities	13.48	16.84
- Interest on direct taxes i.e. income tax/TDS	31.79	127.12
- Others	313.35	1.41
Total	**3,919.64**	**3,573.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 32: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(1) Depreciation of property, plant and equipment (refer note 4)	19,924.54	17,348.69
(2) Depreciation of right of use assets (refer note 6)	64.66	67.04
(3) Depreciation on investment property (refer note 7)	32.86	34.11
(4) Amortisation of intangible assets (refer note 8)	32.37	15.30
Total	**20,054.43**	**17,465.14**

Note 33: Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts (including refractory blocks)	15,880.47	15,362.15
Job/process charges	830.45	612.88
Power and fuel	33,165.35	31,008.46
Repairs and maintenance		
Plant and machinery	3,774.01	3,130.90
Building	337.88	280.61
Others	1,230.23	1,023.33
Insurance	1,332.73	1,547.96
Rent (refer note 41)	36.87	36.88
Rates and taxes	228.31	234.72
Directors' sitting fees and incidental expenses	111.78	93.84
Freight & forwarding	17,372.51	13,850.06
Packing expenses (including packing material consumption)	2,145.84	1,863.70
Commission on sales	1,478.22	1,501.38
Claims and rebates	218.87	162.69
Donations	-	5.50
Contribution made to political parties#	-	1,440.00
Power generation charges	487.50	400.50
Travelling expenses	437.38	446.20
Postage and communication	72.71	63.56
Payment to auditors (Refer details below##)	41.96	36.01
Contribution towards Corporate Social Responsibility (refer note 43)	929.80	695.20
Legal and professional expenses	1,242.36	689.66
Vehicle running and maintenance	68.23	70.10
Allowances for expected credit losses/ credit impairment	129.65	270.42
Net loss on sale/discard of property, plant and equipments	13.52	-
Loss on Foreign Currency Fluctuation (Net)	160.59	-
Net loss on fair valuation of investments measured at fair value through profit or loss	5,965.78	
Miscellaneous expenses*	1,396.42	1,649.02
Total	**89,089.42**	**76,475.73**

#Includes contributions through electoral trusts ₹ Nil and directly to the political parties ₹ Nil (31 March, 2024: ₹940.00 lakhs and ₹500.00 lakhs respectively).

##Payments to auditors (excluding GST)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor		
Statutory audit	30.00	30.00
Other services		
Tax audit	2.00	2.00
Certification fees	3.64	0.59
Reimbursement of out of pocket expense	6.32	3.42
Total	**41.96**	**36.01**

*Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

Note 34: Tax expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	4,944.59	7,564.12
2) Current tax adjustment related to earlier years	(103.36)	(106.76)
3) Deferred tax	(191.16)	912.35
	4,650.07	**8,369.71**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	(0.97)	11.72
	(0.97)	**11.72**
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, 2025	For the year ended March 31, 2024
Accounting profit before tax	14,781.30	31,524.02
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**3,720.16**	**7,933.96**
Add/(less) :		
Effect of expenses that are not deductible in determining taxable profits	245.41	583.59
Effect of expenses that are deductible in determining taxable profits	(27.23)	(26.21)
Tax rate differential and other adjustments on gain on sale /fair valuation of investments	859.86	(175.95)
Others	(44.77)	(52.44)
Current tax adjustment related to earlier years	(103.36)	106.76
Total (B)	**929.91**	**435.75**
Income tax expense recognized for the year (A+B)	**4,650.07**	**8,369.71**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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.

Note 35: Other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined employee benefit plans	(3.84)	46.57
Total	**(3.84)**	**46.57**
(ii) Tax expense relating to items that will not be reclassified to profit or loss		
- Remeasurement of defined employee benefit plans	(0.97)	11.72
Total	**(0.97)**	**11.72**

Note 36: Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit attributable to equity shareholders of the Company	10,131.23	23,154.31
Weighted average number of equity shares for basic/diluted earning per share (face value of ₹2 each)* (refer note 17)	19,29,77,530	19,29,77,530
Basic / diluted earning per share(₹)	5.25	12.00

* There are no potential equity shares

Note 37: Segment information

The Company's Chief Operational Decision Makers consisting of Executive whole time director (CEO) 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 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 Standalone Financial Statements

for the year ended March 31, 2025

(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, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Segment revenue								
Turnover	2,12,004.91	2,36,106.98	3,266.00	3,383.38	-	-	2,15,270.91	2,39,490.36
Less: Inter Segment turnover	-	-	-	-	-	-	-	-
External turnover	**2,12,004.91**	**2,36,106.98**	**3,266.00**	**3,383.38**	**-**	**-**	**2,15,270.91**	**2,39,490.36**
Segment result before interest & taxes	**21,661.06**	**31,775.98**	**1,576.77**	**1,362.85**	**(2,183.06)**	**(3,174.86)**	**21,054.77**	**29,963.97**
Add:Interest income							1,922.20	4,319.93
Add / (Less): Net loss on sale/fair valuation of investments measured at fair value through profit or loss							(4,276.03)	813.98
Less: Finance cost							3,919.64	3,573.86
Profit before tax							14,781.30	31,524.02
Less: Income tax (including deferred tax)							4,650.07	8,369.71
Net profit for the year							10,131.23	23,154.31
Depreciation and amortisation expense	19,754.39	17,187.50	206.84	187.61	93.20	90.03	20,054.43	17,465.14
Non cash expenses other than depreciation and amortization	178.21	270.42	-	-	-	-	178.21	270.42

2) Segment assets, liabilities and other details

Particulars	Graphite (including other carbon products)		Power		Unallocable items/others		Total	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Segment assets	3,86,113.63	3,86,580.30	2,104.54	2,228.67	1,46,363.44	1,52,876.41	5,34,581.61	5,41,685.38
Segment liabilities	1,06,526.12	1,14,925.53	249.61	263.71	11,853.22	11,987.84	1,18,628.95	1,27,177.08
Capital expenditure incurred during the year	14,778.63	31,490.17	43.94	163.18	96.18	91.97	14,918.75	31,745.32

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

3) Details of unallocated items/ others

I. Unallocated assets

Particulars	As at March 31, 2025	As at March 31, 2024
Property, plant & equipments and investment property	926.75	990.15
Investments	1,23,127.78	99,610.26
Inventories	14.68	14.68
Cash and cash equivalents	326.75	256.54
Bank balances other than cash & cash equivalents	10,181.38	36,862.59
Financial assets-loans	43.44	57.87
Other financial assets	187.87	1,314.26
Other assets	1,099.26	3,262.49
Income tax asset	10,455.53	10,507.56
Total	**1,46,363.44**	**1,52,876.41**

II. Unallocated liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities	9,411.60	9,603.73
Current tax liabilities	1,420.91	1,172.04
Other financial liabilities	696.21	832.58
Other liabilities	154.55	225.37
Provisions	169.95	154.12
Total	**11,853.22**	**11,987.84**

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, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Segment revenue	72,040.61	78,191.05	1,43,230.30	1,61,299.31	2,15,270.91	2,39,490.36
b) Segment non-current assets*	2,04,066.79	2,09,721.76	-	-	2,04,066.79	2,09,721.76

#Export incentives have been included in segment revenue within India

*Non-current segment assets includes non-current assets other than financial assets and deferred tax assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2025	For the year ended March 31, 2024
India (including sale to SEZ units)#	72,040.61	78,191.05
United Arab Emirates	1,802.24	4,291.52
Japan	2,950.56	625.84
Egypt	9,461.62	14,982.72
Korea (South)	10,944.49	8,901.32
South Africa	4,081.60	3,613.16
Spain	7,495.44	7,035.01
Turkey	11,058.46	16,341.86
USA	36,696.48	40,276.52
Mexico	6,860.64	13,207.21
Others*	51,878.77	52,024.16
Total	**2,15,270.91**	**2,39,490.36**

*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 2024-25 and 2023-24

7) The Company has business operations only in India and does not hold any non current asset outside India.

8) For the purpose of reporting as per the requirements of Ind AS 108 'Operating Segments', until the last financial year, the 'Power Segment' comprised of two Thermal Power Plants having total capacity of 63 MW at Mandideep, Bhopal (MadhyaPradesh) and a Hydro Power Plant having capacity of 13.5 MW at Tawa Nagar, District Hoshangabad (Madhya Pradesh). Keeping in view the intended future use of the Thermal Power Plants exclusively to meet the power requirement of graphite business, the thermal power plants have been considered as a part of 'Graphite Segment' w.e.f. current financial year. Further the Hydro Power Plant is considered a separate segment and is being continued to be disclosed under 'Power segment' for reporting as per Ind AS 108 'Operating Segments', Accordingly, Previous year figures relating to these have been rearranged/regrouped, wherever considered necessary, to make them comparable with those of current year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 38: Contingencies and commitments

1) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
For taxation matters		
a) Excise duty	220.04	238.09
b) Goods & services tax	36.70	36.70
c) Income tax	7,227.04	7,227.04
d) Sales tax	450.70	450.70
Other than taxation matters		
a) Power related matters	847.00	748.56
b) Labour related matters	29.20	29.20
c) Other matters	1,101.53	1,107.40

Based on legal advice, discussions with the solicitors, etc., the management believes that there is a 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) Commitments outstanding

Particulars	As at March 31, 2025	As at March 31, 2024
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹781.60 lakhs, (previous year ₹932.09 lakhs.)]	3,165.70	6,754.01
b) Outstanding commitments under letter of credits established by the Company	1,101.33	-
c) Pending export obligation against EPCG/Advance license	26,244.23	18,247.67

Note 39: Related party disclosure

A) Names of related parties and transactions taken place during the year

Relationship		Related parties: Year ended March 31, 2025	Related parties: Year ended March 31, 2024
I)	Subsidiary	(i) TACC Limited	(i) TACC Limited
		(ii) Bhilwara Infotechnology Ltd (BIL)~	
		(iii) HEG Graphite Ltd	
II)	Associates	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
			(ii) Bhilwara Infotechnology Ltd (BIL)~

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Related parties: Year ended March 31, 2025	Related parties: Year ended March 31, 2024
III) (a)	Subsidiaries of Associates	(i) Balephi Jalvidhyut Company Limited, Nepal	(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.
		(vii) Replus Engitech Private Limited	
		(viii) LNJ Greenpet Private Limited	
III) (b)	Step-down Subsidiary	(i) TEXNERE INDIA PRIVATE LIMITED (Subsidiary of Bhilwara Infotechnology 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 Dawar	Sh. Jayant Dawar
		Sh. Davinder Kumar Chugh^	Sh. Davinder Kumar Chugh
		Sh. Sandip Somany	
		Dr. Nand Gopal Khaitan	
		Sh. P S Dasgupta	
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Executive Director
		Sh. Ravi Kant Tripathi -Chief Financial Officer*	
		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
		Smt. Mansi 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Related parties	
		Year ended March 31, 2025	Year ended March 31, 2024
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
		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 (Trust)	Graphite Education & Welfare Society (Trust)
		Dreamon Commercial Pvt Ltd.	Dreamon Commercial Pvt Ltd.
		LNJ Reality Pvt. Ltd	RLJ Family Trusteeship Pvt. Ltd.
		Kalati Holdings (P) Ltd.	
		RLJ Family Trusteeship Pvt. Ltd.	
		Redrose Vanijya LLP	

~Associate upto 8th December 2024

^Resigned with effect from 22nd May 2024.

*Appointed with effect from 13th November 2024.

**Resigned with effect from 18th September 2024.

#Amalgamated with Redrose Vanijya LLP (formerly known as Redrose Pvt. Ltd.) pursuant to scheme of arrangement duly sanctioned by Hon'ble NCLT Kolkata Bench.

B) Transaction during the year with related parties

Relationship		Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
I)	Subsidiary	TACC Limited	Reimbursement received	4.03	128.52
			Investment in Equity Shares	4,000.00	7,000.00
		HEG Graphite Ltd	Investment in equity shares	1.00	-
			Reimbursement received	1.21	-
II)	Associates	Bhilwara Energy Ltd.	Reimbursement received	1.47	3.94

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
III)	Subsidiaries of Associates	Malana Power Co.Ltd.	Reimbursement received	14.61	14.36
		AD Hydro Power Ltd	Reimbursement received	1.18	18.74
		Indo Canadian Consultancy Services Ltd.	Reimbursement received	7.93	7.27
		BG Wind Power Limited	Reimbursement received	-	0.45
		Chango Yangthang Hydro Power Ltd.	Reimbursement received	-	0.27
IV)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	432.56	376.78
			Commission	662.88	977.00
			Purchase of equity share of BIL	583.27	-
			Dividend Paid	0.16	0.31
		Sh. Riju Jhunjhunwala-Vice Chairman	Director sitting fee	8.25	9.75
			Dividend Paid	0.31	0.58
			Reimbursement of expenses	0.33	0.39
			Purchase of equity share of BIL	168.30	-
		Sh. Shekhar Agarwal	Director sitting fee	10.50	7.50
			Reimbursement of expenses	0.42	0.30
		Sh. Satish Chand Mehta	Director sitting fee	17.25	9.75
			Reimbursement of expenses	0.93	0.80
		Dr. Kamal Gupta	Director sitting fee	15.75	24.75
			Reimbursement of expenses	0.63	0.99
			Dividend Paid	0.11	0.20
		Smt. Vinita Singhania	Director sitting fee	5.25	4.50
			Reimbursement of expenses	0.33	0.30
		Smt. Ramni Nirula	Director sitting fee	18.75	9.75
			Reimbursement of expenses	0.75	0.39
		Sh. Jayant Dawar	Director sitting fee	17.25	12.75
			Reimbursement of expenses	0.69	0.51
			Dividend Paid	0.00	0.00
		Sh. Davinder Kumar Chugh	Director sitting fee	-	11.25
			Reimbursement of expenses	-	0.45
		Sh. Sandip Somany	Director sitting fee	4.50	-
			Reimbursement of expenses	0.18	-
		Dr. Nand Gopal Khaitan	Director sitting fee	8.25	-
			Reimbursement of expenses	2.19	-
		Sh. P S Dasgupta	Director sitting fee	1.50	-
			Reimbursement of expenses	0.06	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
	Sh. Manish Gulati - Executive Director	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	187.80	167.14
		Commission	108.33	100.00
	Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	68.92	-
	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	71.98	69.27
		Housing Loan Repayment -Principal	8.75	5.00
		Special Loan sanctioned	-	3.96
		Special loan Repayment- Principal	1.98	1.98
		Housing Loan & Special Loan - Interest Repayment	0.19	0.60
	Sh. Vivek Chaudhary- Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	54.54	44.98
		Housing Loan Repayment -Principal	1.40	1.40
		Special loan sanctioned	-	12.00
		Special loan Repayment- Principal	2.40	1.60
		Housing Loan & Special Loan - Interest Repayment	1.12	0.78
		Sale of furniture under employee scheme	-	0.17
V) Close family members of Key Management Personnel	Sh. Rishabh Jhunjhunwala	Dividend Paid	0.41	0.77
		Purchase of equity share of BIL	88.42	-
	Smt. Rita Jhunjhunwala	Dividend Paid	0.42	0.80
		Purchase of equity share of BIL	114.57	-
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	156.77	184.26

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
VII) Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd	Rent Paid	43.52	43.52
		Reimbursement received	65.69	60.17
		Reimbursement made	199.56	172.47
		Dividend Paid	71.64	135.32
	Shashi Commercial Co. Ltd.	Rent Paid	20.22	32.97
		Dividend Paid	152.00	287.10
		Purchase of equity share of BIL	110.66	-
	Purvi Vanijaya Niyojan Ltd.	Rent Paid	-	3.64
		Reimbursement made	-	0.34
		Reimbursement received	0.21	2.36
		Dividend Paid	420.43	794.15
		Purchase of equity share of BIL	232.27	-
	Giltedged Industrial Securities Ltd.	Rent Paid	4.08	22.77
		Dividend Paid	199.73	377.27
		Reimbursement received	-	0.45
		Purchase of equity share of BIL	18.56	-
	BSL Ltd	Rent Received	12.19	12.19
		Purchase of Fabrics	2.23	3.32
		Reimbursement received	1.52	1.07
	Maral Overseas Ltd	Reimbursement received	24.01	23.94
	BMD Pvt Ltd	Reimbursement received	17.06	13.07
	Bhilwara Technical Textiles Ltd.	Reimbursement received	-	0.27
	Bharat Investments Growth Ltd.	Reimbursement received	-	0.57
		Dividend Paid	615.36	1,162.34
		Purchase of equity share of BIL	241.33	-
	Jet(India) Pvt. Ltd.	Dividend Paid	226.26	427.38
	India Texfab Marketing Limited	Dividend Paid	46.51	87.86
		Purchase of equity share of BIL	130.33	-
	Investors India Limited	Dividend Paid	8.16	15.41
	LNJ Financial Services Limited	Dividend Paid	370.87	700.54
		Reimbursement received	-	0.27
		Purchase of equity share of BIL	884.96	-
	M.L. Finlease Pvt Limited	Dividend Paid	77.95	147.25
	Raghav Commercial Limited	Dividend Paid	325.84	615.47
		Reimbursement received	-	0.54
		Purchase of equity share of BIL	182.20	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
	RLJ Family Trusteeship Pvt. Ltd.	Dividend Paid	0.11	0.21
	Dreamon Commercial Pvt Ltd.	Reimbursement received	0.08	0.27
		Dividend Paid	71.22	134.52
		Purchase of equity share of BIL	363.72	-
	LNJ Reality Pvt. Ltd	Rent Paid	39.25	-
		Reimbursement received	0.45	-
		Reimbursement made	0.08	-
	Kalati Holdings (P) Ltd.	Purchase of equity share of BIL	185.83	-
	Redrose Vanijya LLP	Reimbursement received	0.64	-
	Sabhyata Foundation	Donation under Corporate Social Responsibility (CSR)	-	200.00
	LNJ Bhilwara - HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	35.38	37.70
	Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	12.60	500.00

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, 2025	As at March 31, 2024
1	Subsidiary	TACC Limited	Investments	12,000.00	8,000.00
		Bhilwara Infotechnology Ltd	Investments	4,145.90	-
		HEG Graphite Ltd	Investments	1.00	-
2	Associates	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
		Bhilwara Infotechnology Ltd	Investments	-	419.00
3	Key Management Personnel	Sh. Ravi Jhunjhunwala- CMD & CEO	Salary payable (including commission)	407.20	600.97
		Sh Manish Gulati - Executive Director	Salary payable (including commission)	76.00	64.27
		Sh Gulshan Kumar Sakhuja - Chief Financial Officer	Loan outstanding at the end of the year	-	10.73
			Salary payable (including commission)	-	3.05
		Sh. Vivek Chaudhary- Company Secretary	Loan outstanding at the end of the year	11.97	15.77
			Salary payable (including commission)	1.69	0.34
		Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary payable (including commission)	1.74	-
4	Post employment benefit Plan Trust	Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Payable	157.88	183.76

Note: There is no provision for doubtful debts related to amount of outstanding balances due from related parties.

D) Transactions with Key Managerial Personnel

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Short term benefits	1,513.81	1,670.41
Post employment benefits#	73.20	64.75
Director's Sitting Fee	107.25	90.00
Reimbursement of expenses and Incidental expenses	6.51	4.13
Dividend paid by the company	0.58	1.08
Housing loan repayment -principal	(10.15)	(6.40)
Purchase of equity share of BIL	751.57	-
Special loan given	-	15.96
Special loan repayment-principal	(4.38)	(3.58)
Housing loan and Special loan repayment -interest	(1.31)	(1.38)

#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, 2025 and March 31, 2024.

For the year ended March 31, 2025, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2024: Nil).

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 benefit expenses under the head "Contribution to provident and other funds". The details are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's contribution to Provident Fund (including administrative and other expenses)	435.14	400.42
Employer's contribution to Superannuation Fund	156.77	184.26
Employer's contribution to Employees State Insurance Corporation	23.56	21.62
Total	**615.47**	**606.30**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(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	For the year ended March 31, 2025	For the year ended March 31, 2024
I. Movement in the present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	1,384.48	1,241.64
Current service cost	86.94	83.55
Interest cost	98.99	92.38
Past service cost including curtailment (gains)/losses	-	-
Benefits paid	(176.90)	(93.79)
Actuarial changes (gain)/loss	20.42	60.70
Present value of defined benefit obligation at the end of the year	**1,413.93**	**1,384.48**
II. Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year:	2,054.20	1,812.11
Interest income	146.88	134.82
Contribution	-	-
Benefits paid	-	-
Remeasurement- return on plan assets excluding amount included in net interest	16.58	107.28
Fair value of plan assets at the end of the year	**2,217.66**	**2,054.20**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	1,413.93	1,384.48
Fair value on plan assets	2,217.66	2,054.20
Surplus/(deficit)	803.73	669.72
Effect of asset ceiling if any	-	-
Net assets/(liability) recognized in balance sheet	**803.73**	**669.72**
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	86.94	83.55
Net interest expense on net defined benefits liability / (asset)	(47.89)	(42.44)
Net cost	**39.05**	**41.11**
The above amount has been included in note-30 "Employee benefit 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	(20.42)	(60.70)
Remeasurement- Return on plan assets (excluding amount included in net Interest)-gain/ (loss)	16.58	107.28
Net income/(expense) for the period recognised in other comprehensive income	**(3.84)**	**46.57**
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))	6.90	(31.46)
3. Actuarial changes arising from changes in experience adjustments (gain/ (loss))	13.52	(29.25)
4. Actuarial gain/(loss) arising on plan assets	(16.58)	107.28
VI. The major categories of plan assets as a percentage of the fair value of total plan assets :		
Insurer management fund	100%	100%

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
VII. The Principal assumptions used for the purpose of actuarial valuation are as follows:		
Discount rate (per annum)	7.09%	7.15%
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 obligations.

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.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase(decrease) in obligation	(55.90)	(53.82)
Impact due to decrease of 0.50 %-increase(decrease) in obligation	60.12	57.84
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase(decrease) in obligation	51.85	50.23
Impact due to decrease of 0.50 %-increase(decrease) in obligation	(49.48)	(47.71)

IX. The defined benefit obligation shall mature after the year end as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) 0-1 year	95.02	140.41
b) 1-2 year	104.59	64.41
c) 2-3 year	142.54	109.41
d) 3-4 years	66.32	129.52
e) 4-5 years	121.11	57.95
f) More than 5 years	884.35	882.78

X. The Company expects to make a contribution of ₹44.43 lakhs to defined benefit plans during the next financial year (March 31, 2024 ₹47.28 lakhs).

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(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 30 “employee benefit expenses” under the the head “salaries and wages” is ₹98.95 lakhs (previous year ₹229.65 lakhs).

(ii) Liability towards compensated absences as at the end of the year is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Current liability	104.28	95.42
Non-current liability	529.18	489.03

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 ₹ 64.66 lakhs (previous year ₹67.04 lakhs) is included under depreciation and amortization expense in the statement of profit and loss.

(b) Interest expense on the lease liability amounting to ₹13.48 lakhs (previous year ₹16.84 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, 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**
As at April 1, 2024	889.90	287.88	602.02
Addition during the year	-	-	
Depreciation during the year	-	16.76	
As at March 31, 2025	**889.90**	**304.64**	**585.26**
(ii) Buildings			
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	**299.63**	**212.35**	**87.28**
As at April 1, 2024	299.63	212.35	87.28
Addition during the year	-	-	
Adjustments during the year	-	-	
Depreciation during the year	-	47.90	
As at March 31, 2025	**299.63**	**260.25**	**39.38**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(d) The following is the break-up of current and non-current lease liabilities:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current lease liabilities	47.07	51.07
Non current lease liabilities	80.26	127.34
Total	**127.33**	**178.41**

(e) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	178.41	166.25
Additions during the year	-	56.33
Adjustments during the year	-	-
Finance cost accrued during the year	13.48	16.84
Payment of lease liabilities	(64.56)	(61.02)
Balance at the end of the year	**127.33**	**178.41**

(f) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	56.77	47.07	64.56	51.07
After one year but not more than 5 years	39.24	8.28	86.21	52.98
More than 5 years	304.88	71.98	314.69	74.35
Total minimum lease payments	**400.89**	**127.33**	**465.46**	**178.41**
Less: amount representing finance charges	273.56		287.05	
Present value of minimum lease payments	**127.33**	**127.33**	**178.41**	**178.41**

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 ₹36.87 lakhs during the year ended March 31, 2025 towards expense relating to short-term leases having tenure of less than 12 months (previous year ₹36.88 lakhs).

(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, 2025 is ₹153.99 lakhs (previous year ₹144.89 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, 2025	As at March 31, 2024
(i) Not later than one year	150.44	134.58
(ii) Later than one year and not later than five years	139.13	269.78
(iii) Later than five years	-	-
Total	**289.57**	**404.36**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 42: Events after the reporting period

The Board of Directors of company has recommended a final dividend of ₹1.80/- per equity share of the face value of ₹2 each (previous year ₹22.50/- per equity share of face value of ₹10 each) 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, 2025	For the year ended March 31, 2024
(i) Amount required to be spent for the year	929.80	659.17
(ii) Interest earned on deposits under on-going projects-Included in CSR Expense in the statement of profit and loss	-	36.03
(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	723.73	604.01
(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	80.34	894.86
(iv) Shortfall of current year	206.07	55.16
(v) Total of previous years shortfall (including interest earned on deposits under on-going projects)	0.00	25.18
(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	Refer note no. 39

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 44: 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, 2025	For the year ended March 31, 2024
Investment made (For detail of investments made, refer note 9)		
Investments as at the beginning of the year	44,803.78	32,130.50
Add: investments made during the year	28,620.92	14,117.03
Less: investments sold during the year	(366.66)	-
Add/(less): gain/(loss) on fair valuation of such investments till end of the year	(8,016.20)	(1,443.75)
Investments as at the end of the year	**65,041.84**	**44,803.78**

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 45: Financial instruments and risk management

45A. 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.

(i) The gearing ratios were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Debt*	58,485.65	61,937.81
(b) Cash & cash equivalents	(2,365.25)	(11,015.43)
(c) Net debt (a)+(b)	56,120.40	50,922.38
Total equity	4,15,952.66	4,14,508.30
Net debt to equity ratio	**0.13**	**0.12**

*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 borrowings during the year ended March 31, 2025 and March 31, 2024.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 45B: Financial instruments- accounting classification and fair value measurement

(a) Classification of financial instruments

As at March 31, 2025

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	-				18,183.44	18,183.44	18,183.44
-Fixed maturity plans					9,674.30	9,674.30	9,674.30
-Mutual funds					34,481.02	34,481.02	34,481.02
-Bond funds					8,871.65	8,871.65	8,871.65
-Infra trust					5,060.00	5,060.00	5,060.00
-Bonds	-					-	-
Trade receivables (refer note 10)	43,994.29			-	-	43,994.29	43,994.29
Cash and cash equivalents (refer note 15)	2,365.25			-	-	2,365.25	2,365.25
Other bank balances (refer note 16)	9,478.07					9,478.07	9,478.07
Loans (refer note 11)	180.22			-	-	180.22	180.22
Other financial assets (refer note 12)	12,044.66					12,044.66	12,044.66
Derivative financial instruments (refer note 12)	-			-	-	-	-
Total financial assets	**68,062.49**	**-**	**-**	**-**	**76,270.41**	**1,44,332.90**	**1,44,332.90**
Financial liabilities							
Borrowings (refer note 19)	58,485.65				-	58,485.65	58,485.65
Trade payables (refer note 20)	39,840.13				-	39,840.13	39,840.13
Lease liabilities (refer note 21A)	127.33				-	127.33	127.33
Other financial liabilities (refer note 21B)	6,185.23				-	6,185.23	6,185.23
Derivative financial instruments (refer note 21B)	-				-	-	-
Total financial liabilities	**1,04,638.34**	**-**	**-**	**-**	**-**	**1,04,638.34**	**1,04,638.34**

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

#Investment value excludes investment in Associates/Subsidiaries of ₹46,858.40 lakhs (March 31, 2024: ₹39,130.50 lakhs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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.

As at March 31, 2025

	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)	18,183.44	18,183.44		
- Fixed maturity plans	9,674.30	-	9,674.30	-
- Mutual funds	34,481.02	-	34,481.02	-
- Bond funds	8,871.65	-	8,871.65	
- Infra trust	5,060.00	-	-	5,060.00
Derivative financial instruments	-	-	-	-
Total	**76,270.41**	**18,183.44**	**53,026.97**	**5,060.00**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Total	**-**	**-**	**-**	**-**

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(All amounts are in ₹ Lakhs unless otherwise stated)

As at March 31, 2024

	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	**-**	**-**	**-**	**-**

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.

(c) Reconciliation of Level 3 fair value measurements is given below:

Particulars	Amount
As at April 1, 2023	6,028.00
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit or loss on fair value changes	(690.80)
As at March 31, 2024	**5,337.20**
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit or loss on fair value changes	(277.20)
As at March 31, 2025	**5,060.00**

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(All amounts are in ₹ Lakhs unless otherwise stated)

Note 45C 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, 2025			As at March 31, 2024		
			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
Against receivables	EUR/ INR	Sold	-	-	-	9	50.00	4,510.89

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, 2025		As at March 31, 2024	
		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	162.84	13,935.97	187.63	15,643.82
	Euro	0.14	13.26	2.69	243.07
Other payables (B)	USD	12.03	1,029.50	11.22	935.50
	Euro	5.52	509.35	4.19	378.17
Total exposure to foreign currency risk (liabilities) (C=A+B)	USD	174.87	14,965.47	198.85	16,579.31
	Euro	5.66	522.61	6.89	621.23

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Currency	As at March 31, 2025		As at March 31, 2024	
		Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)
II. Financial assets					
Trade receivables (D)	USD	243.57	20,844.92	342.40	28,547.14
	Euro	97.93	9,041.28	56.73	5,118.12
Bank balances (E)	USD	0.02	1.74	0.01	0.96
	Euro	0.00	0.00	0.00	0.11
Total exposure to foreign currency risk (assets) (F=D+E)	USD	243.59	20,846.66	342.41	28,548.10
	Euro	97.93	9,041.28	56.73	5,118.23
Net exposure to foreign currency risk after considering natural hedge receivable/(payable) (G=F-C)	USD	68.72	5,881.19	143.56	11,968.79
	Euro	92.27	8,518.67	49.85	4,497.00
Foreign currency forward contracts outstanding in respect of receivables (H)	USD	-	-	250.00	20,843.48
	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	68.72	5,881.19	-	-
	Euro	92.27	8,518.67	-	-
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, 2025	For the year ended March 31, 2024
USD Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	294.06	-
Decrease in exchange rate by 5% (previous year 5%)	-294.06	-
EURO sensitivity		
Increase in exchange rate by 5% (previous year 5%)	425.93	-
Decrease in exchange rate by 5% (previous year 5%)	-425.93	-

(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

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2025			As at March 31, 2024		
	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 bank						
Variable rate borrowings	6.03%	58,485.65	100	5.37%	61,937.81	100
Fixed rate borrowings	-	-		-	-	
Total borrowings	**6.03%**	**58,485.65**	**100**	**5.37%**	**61,937.81**	**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, 2025	For the year ended March 31, 2024
Interest rate - increase by 50 basis points	(292.43)	(309.69)
Interest rate - decrease by 50 basis points	292.43	309.69

(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, equity instruments and infrastructure trust. The price of investment in Fixed Maturity Plans, mutual fund schemes is reflected through 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 equity instruments is reflected through price listed on stock exchange. 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	For the year ended March 31, 2025	For the year ended March 31, 2024
Investments in debt based fixed maturity plans, mutual fund schemes, equity instruments and infrastructure trust carried at fair value through profit and loss	76,270.41	60,479.76

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case fair value/NAV has been 1% higher / lower.

Particulars	Impact on profit-increase/(decrease)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Fair value/NAV increase by 1%	762.70	604.80
Fair value/NAV decrease by 1%	(762.70)	(604.80)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(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 2024-25 and 2023-24

(i) Expected credit loss for financial assets

As at March 31, 2025

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	180.22	-	180.22
Security deposits	4,596.69	-	4,596.69

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	44,483.39	489.10	43,994.29

For the year ending 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

(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	For the year ended March 31, 2025	For the year ended March 31, 2024
As at the beginning of year	359.45	89.02
Provided during the year	129.65	270.43
Reversal during the year	-	-
As at the end of the year	**489.10**	**359.45**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(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.

The Company had access to the following undrawn fund based borrowing facilities at the end of the reporting period

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Floating rate		
– Expiring within one year – Working Capital Loans	781.21	575.20

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, 2025

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	58,485.65				58,485.65
Trade payables	39,840.13	-	-	-	39,840.13
Lease liabilities	56.77	19.62	19.62	304.88	400.89
Other financial liabilities	6,185.23	-	-	-	6,185.23
Total	**1,04,567.78**	**19.62**	**19.62**	**304.88**	**1,04,911.90**

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	64.56	43.10	43.10	314.69	465.46
Other financial liabilities	9,076.82	-	-	-	9,076.82
Total	**1,13,607.62**	**43.10**	**43.10**	**314.69**	**1,14,008.52**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 46: Carrying amount of pledged assets

Particulars	As at March 31, 2025	As at March 31, 2024
First charge		
Current assets		
(a) Trade receivables	43,994.29	50,824.88
(b) Inventories	1,25,463.80	1,19,415.23
Total (A)	**1,69,458.09**	**1,70,240.11**
Secondary charge		
Property, plant and equipment (including capital work-in-progress and leasehold land)	1,91,549.29	1,96,277.57
Total (B)	**1,91,549.29**	**1,96,277.57**
Total (A+B)	**3,61,007.38**	**3,66,517.68**

Note 47: 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, 2025	For the year ended March 31, 2024
- Graphite electrode	1,97,636.80	2,19,492.36
- Graphite by-products	13,161.59	15,269.00
- Power	2,935.48	3,220.62
Total	**2,13,733.87**	**2,37,981.98**

(b) Geographical

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from customers within India (including sale to SEZ units)	70,503.59	76,682.66
Revenue from customers based outside India	1,43,230.28	1,61,299.32
Total	**2,13,733.87**	**2,37,981.98**

(c) Timing of revenue recognition

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from goods transferred to customers at a point in time	2,13,733.87	2,37,981.98
Revenue from goods transferred to customers over time	-	-
Total	**2,13,733.87**	**2,37,981.98**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(ii) Reconciliation of revenue from contract with customer

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contract with customer as per the contract price	2,15,505.65	2,38,634.32
Adjustments made to contract price on account of :-		
a) Discounts / rebates / incentives	-	-
b) Sales returns / credits / reversals	1,771.78	652.34
Revenue from contract with customer	**2,13,733.87**	**2,37,981.98**
Other operating revenue	1,537.04	1,508.38
Revenue from operations	**2,15,270.91**	**2,39,490.36**

(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 10 and 24 respectively.

The revenue recognised during the year ended March 31, 2025 includes revenue against advances from customers amounting to ₹657.12 Lakhs (previous Year- ₹147.20 lakhs) at the beginning of the year. Advance from customers of current year will be recognised as revenue in coming twelve months.

(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, 2025	As at March 31, 2024
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Note 48: Key financial ratios

Particulars	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance	Reasons for variance (in case the variance is more than 25%)
Current ratio (in times)	Current assets	Current liabilities	2.19	2.23	-1.93%	
Debt – Equity ratio (in times)	Total debt	Shareholder's equity	0.14	0.15	-5.90%	
Debt service coverage ratio (in times)	Earnings available for debt service(1)	Debt service(2)	0.55	0.68	-19.07%	

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	Variance	Reasons for variance (in case the variance is more than 25%)
Return on equity (ROE) (in %)	Profit after Tax	Average shareholder's equity	2.44%	5.63%	-56.68%	The decrease is due to lower profit after tax during the period due to reduced margins and loss on fair valuation of investments.
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	0.74	0.87	-15.56%	
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivable	4.51	4.77	-5.53%	
Trade payables turnover ratio (in times)	Purchases of goods and services	Average trade payables	4.44	3.69	20.30%	
Net capital turnover ratio (in times)	Revenue from sale of goods	Working capital	1.66	1.66	0.32%	
Net profit ratio (in %)	Profit after Tax	Revenue from sale of goods	4.74%	9.73%	-51.28%	The decrease is due to lower profit after tax during the period due to reduced margins and loss on fair valuation of investments.
Return on capital employed (ROCE) (in %)	Earning before interest and taxes	Capital employed(3)	3.86%	7.19%	-46.35%	The decrease is due to lower earning before interest and taxes during the period due to reduced margins and loss on fair valuation of investments.
Return on investment (ROI) (in %)	Income generated from investments	Average investments (other than investment in Associates)	-3.40%	3.00%	-213.47%	The decrease is due to loss on fair valuation of investments during the current year.

(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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 49. 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, 2025		For the year ended March 31, 2024	
	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	61,937.81	-	74,090.73	-
Changes during the year				
a) Changes from cash flows	(3,763.16)	-	(12,152.92)	-
b) The effect of changes in foreign exchanges rates- (gain)/loss	311.00		-	
c) Changes in fair value	-	-	-	-
d) Other changes	-	-	-	-
Closing balance of financial liabilities coming under the financing activities of Statement of cash flows	**58,485.65**	**-**	**61,937.81**	**-**

Note 50: Details of research and development expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Capital	-	-
b) Revenue	319.79	158.11

Note 51: Government grants

Particulars	Grants recognised during the year		Grants recoverable	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Government grant shown as other operating revenue				
Export incentives	1,194.86	1,345.62	625.74	79.09
B. Government grant deducted from expenses				
Interest subvention on export packing credit loans reduced from finance cost (#)	-	1,257.62	286.95	286.95
Subsidy in electricity tariff reduced from power and fuel expenses	510.97		510.97	
C. Government grant shown as other income				
State Government investment promotion assistance as per MP industrial promotion policy 2018	5,714.00	-	5,714.00	-
Total of government grants recognised & grants recoverable	**7,419.83**	**2,603.24**	**7,137.66**	**366.05**

(#)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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 52

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 53: 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 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 ny 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 utilised 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.

(x) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961(such as search, survey or any other relevant provisions of the Income Tax Act, 1961.

Note 54:

The Board of Directors of the Company at its meeting held on 22 May 2024 had approved the Composite Scheme of Arrangement amongst HEG Limited ("the Company") and HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors ("Scheme").

The proposed Scheme inter alia provides for:

(a) the demerger of the Demerged Undertaking (i.e. Graphite Business) from the Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Company in consideration thereof, and

(b) amalgamation of the Transferor Company with the Company and issue of equity shares by the Company to the shareholders of the Transferor Company (except the Company itself) in consideration thereof. The Appointed Date for the Scheme is 1st April 2024.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Thereafter, the Company had filed the requisite application with the stock exchanges (viz. BSE Limited and National Stock Exchange of India Limited) under Regulation 37 of the listing Regulations ("Regulation 37 Application").

Taking into consideration the business needs, the board of directors of the Transferor Company vide its resolution dated 10 March 2025 has approved the execution of definitive agreements in connection with the issue of further shares to proposed investors.

In view of the aforesaid, the companies involved in the Scheme have modified the Scheme basis SEBI's observation, after taking into account, inter alia, the updated valuation reports issued by the registered valuer and fairness opinion issued by the merchant banker on the modified scheme.

The Company has thereafter filed fresh Regulation 37 application with the stock exchanges in relation to the modified Scheme. The Scheme is, inter alia, subject to receipt of approval from the statutory and regulatory authorities, including BSE Limited, National Stock Exchange of India Limited, jurisdictional National Company Law Tribunal and the shareholders and creditors (as applicable) of the Companies involved in the Scheme.

Pending receipt of final approvals, no adjustments have been made in the financial statements for the year ended 31st March 2025.

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**	**Ravi Jhunjhunwala**	**Riju Jhunjhunwala**	**Manish Gulati**
Chartered Accountants	Chairman, Managing Director & CEO	Vice Chairman	Executive Director
Firm Regn. No. 000235N/N500089	DIN: 00060972	DIN: 00061060	DIN: 08697512
Sunny Singh	**Shekhar Agarwal**	**Satish Chand Mehta**	
Partner	Director	Director	
Membership No. 516834	DIN: 00066113	DIN: 02460558	
	Ravi Kant Tripathi	**Vivek Chaudhary**	
Place : Noida(U.P)	Chief Financial Officer	Company Secretary	
Date : May 19, 2025		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 subsidiaries (the Holding Company and subsidiaries collectively referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2025, 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, 2025, 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 Statement.

Key Audit Matter(s)

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, 2025. 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.

S. No.	Key audit matter	Auditor's Response
1.	**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 judgment 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. ➢ Obtained the list of litigations including for direct and indirect taxes and other claims against the Company and discussed and analysed material legal cases with the Company's personnel handling these cases. ➢ Reviewed with the management and their Counsels the assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts. ➢ 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:

We draw attention to Note-43(xc) (Note 56a of the Consolidated Financial Statements) regarding 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 ₹2,713.18 lacs. 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.

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.

Our Opinion on the Consolidated Annual Financial Statements is also 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 NJC Hydro Power Limited (NHPL), a subsidiary of the associate

We draw attention to Note-43(ix)(a) (Note 56b of the Consolidated Financial Statements) to the accompanying statement, 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 ₹2,546.80 lacs 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.

(ii) In Chango Yangthang Hydro Power Limited (NHPL), a subsidiary of the associate

We draw attention to Note-43(x-b) (Note 56c of the Consolidated Financial Statements), 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 ₹3,789.45 lacs and Security Deposit of ₹180 lacs 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 Chango Yangthang 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, 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.

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 (Note-13) and Non-Current (Other financial Assets)- Security Deposit (Note-11) respectively.

The opinion of the auditor of the associate company is not modified in respect of above matters.

Further, our opinion is also not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report but does not include the Consolidated Financial Statements and 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 and Those Charged with Governance for the Consolidated Financial Statements

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) 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, as aforesaid.

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 scepticism throughout the audit. We also:

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

Other Matters

(i) The Consolidated Financial Statements include the audited financial statements of two subsidiaries whose financial statements reflect total assets of ₹18,058.12 Lakhs as at March 31, 2025, total revenue of ₹698.20 Lakhs, Profit/(loss) after tax of (₹375.82) Lakhs, Total other comprehensive income/(loss) of (₹376.68) Lakhs and net cash inflow/(outflow) of (₹212.57) Lakhs for the year ended March 31, 2025, as considered in the Consolidated Financial Statements. The financial statements of these subsidiaries have been audited by the other auditors whose reports have 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 these subsidiaries, 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 ₹1,747.96 Lakhs and Group's share of Total comprehensive income/(loss) of ₹1,712.83 Lakhs for the year ended March 31, 2025 in respect of two associates including one associate which has become a subsidiary w.e.f 9th December 2024, whose financial statements have been audited by the other auditors and 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 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 matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements except for the following:

S. No.	Name of the Company	CIN	Nature of Relationship	Clause Number of CARO order with qualification or adverse remark
1	AD Hydro Power Limited	U40101HP2003PLC026108	Subsidiary of Associate	3 (i)(c)

2. (A) As required by Section 143(3) of the Act, based on our audit, and on the consideration of the report of other auditors on Separate Financial Statements of subsidiaries and associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the 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 (as amended).

(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, 2025 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, 2025 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(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-A.

(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 based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:

(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; and

(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 final dividend declared and paid during the year, if any, by the Holding Company, subsidiaries and its associates, as applicable, is in compliance with Section 123 of the Act.

As stated, in Note 42 of the Consolidated Financial Statements, the Board of Directors of the Holding Company have proposed a final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with the Section 123 of the Act, as applicable.

(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 software systems 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 for all the relevant transactions recorded in the software systems.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company, its subsidiaries and associates as per the statutory requirements for record retention:

(i) In case of one of its associates, the audit trail was not enabled at the database level to log any direct data changes for the period from April 01, 2024 to May 08, 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 Registration No. 000235N/N500089

Sunny Singh
Partner
Membership No. 516834
ICAI UDIN: 25516834BMMNCY6366

Place: Noida
Date: May 19, 2025

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S 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 with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of HEG Limited ('the Holding Company') as of and for the year ended March 31, 2025, We have audited the internal financial control with reference to financial statements of the Holding Company, its subsidiaries (the Holding Company and subsidiaries collectively referred to as "the Group") and its associates as of 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 Holding 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 ("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 Holding Company's 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 and the audit evidence by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 Group and its associate companies, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding 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.

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 two subsidiaries and associate companies, of which one associate company became a subsidiary w.e.f December 09, 2024, 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 Registration No. 000235N/N500089

Sunny Singh
Partner
Membership No. 516834
ICAI UDIN: 25516834BMMNCY6366

Place: Noida
Date: May 19, 2025

Consolidated Balance Sheet

as at March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	1,89,220.09	1,76,913.95
(b) Capital work-in-progress	5	7,088.82	21,227.17
(c) Right-of-use-asset	6	3,748.81	3,836.71
(d) Investment property	7	647.60	690.69
(e) Goodwill on consolidation		92.97	-
(f) Intangible assets	8	119.48	123.46
(g) Intangible assets under development	8A	49.21	-
(h) Financial assets			
(i) Investments in Associates accounted for using the Equity method	9A	58,927.05	59,494.16
(ii) Other investments	9B	41,789.39	28,119.00
(iii) Loans	11	97.13	88.08
(iv) Other financial assets	12	5,329.00	4,627.39
(i) Income tax assets (net)	25A	10,539.34	10,507.56
(j) Other non-current assets	13	1,511.99	1,525.31
Total non-current assets		**3,19,160.88**	**3,07,153.48**
2. Current assets			
(a) Inventories	14	1,25,463.80	1,19,415.23
(b) Financial assets			
(i) Investments	9	39,307.04	32,360.76
(ii) Trade receivables	10	44,469.66	50,824.88
(iii) Cash and cash equivalents	15	5,076.34	13,705.17
(iv) Bank balances other than (iii) above	16	9,627.62	27,318.37
(v) Loans	11	83.09	65.91
(vi) Other financial assets	12	6,885.44	4,623.87
(c) Other current assets	13	14,742.33	14,668.91
Total current assets		**2,45,655.32**	**2,62,983.10**
Total assets		**5,64,816.20**	**5,70,136.58**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	3,859.59	3,859.59
(b) Other equity	18	4,41,517.24	4,38,734.55
Total equity		**4,45,376.83**	**4,42,594.14**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	21A	222.77	266.16
(b) Provisions	22	679.81	497.84
(c) Deferred tax liabilities (net)	23	9,493.47	9,603.73
(d) Other non-current liabilities	24	494.69	418.43
Total non-current liabilities		**10,890.74**	**10,786.16**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	58,485.65	61,937.81
(ia) Lease liabilities	21A	58.70	63.58
(ii) Trade payable			
- Total outstanding dues of micro enterprises and small enterprises	20	1,108.82	847.88
-Total outstanding dues of creditors other than micro enterprises and small enterprises	20	38,820.35	41,681.71
(iii) Other financial liabilities	21B	6,394.96	9,238.63
(b) Other current liabilities	24	1,800.49	1,393.29
(c) Provisions	22	458.75	421.34
(d) Current tax liabilities (net)	25B	1,420.91	1,172.04
Total current liabilities		**1,08,548.63**	**1,16,756.28**
Total liabilities		**1,19,439.37**	**1,27,542.44**
Total equity and liabilities		**5,64,816.20**	**5,70,136.58**

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I.	Revenue from operations	26	2,15,969.11	2,39,490.36
II.	Other income	27	12,756.60	14,166.98
III.	**Total income (I + II)**		**2,28,725.71**	**2,53,657.34**
IV.	**Expenses:**			
	Cost of materials consumed	28	95,472.60	1,09,299.68
	Changes in inventories of finished goods and work-in-progress	29	(5,096.94)	5,839.04
	Employee benefit expenses	30	10,366.89	9,526.74
	Finance costs	31	3,919.64	3,573.86
	Depreciation and amortisation expense	32	20,059.48	17,465.14
	Other expenses	33	89,715.18	76,581.47
	Total expenses (IV)		**2,14,436.85**	**2,22,285.93**
V.	**Profit before tax & share of profit of Associates (III - IV)**		**14,288.86**	**31,371.41**
VI.	**Share of profit of Associates**		**1,747.96**	**8,166.21**
VII.	**Profit before tax (V+VI)**		**16,036.82**	**39,537.62**
VIII.	**Tax expense:**			
	(1) Current tax	34	4,929.38	7,564.12
	(2) Earlier years tax adjustment	34	(103.36)	(106.76)
	(3) Deferred tax	34	(294.74)	912.35
	Total tax expense (VIII)		**4,531.28**	**8,369.71**
IX.	**Profit/(loss) for the year (VII-VIII)**		**11,505.54**	**31,167.91**
X.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of defined employee benefit plan	35	(4.99)	46.57
	(ii) Tax expense relating to items that will not be reclassified to profit or loss	34	1.26	(11.72)
	Total other comprehensive income for the year (X)		**(3.73)**	**34.85**
XI.	**Share of other comprehensive income of Associates**		**(35.13)**	**(10.74)**
XII.	**Total comprehensive income for the year (IX+X+XI) (comprising profit and other comprehensive income for the year)**		**11,466.68**	**31,192.02**
	Earnings per equity share: (of ₹2/- each)			
	(1) Basic (₹)	36	5.96	16.15
	(2) Diluted (₹)	36	5.96	16.15

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Consolidated Statement of Cash flows

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	**16,036.82**	**39,537.62**
	a) Share of profit of Associates	1,747.96	8,166.21
	Profit before Tax & Share of Profit of Associates	14,288.86	31,371.41
	b) Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	20,059.48	17,465.14
	Inventory Write-down (net)	512.49	
	Interest and other financial charges	3,574.50	3,573.86
	Net (profit)/loss on property plant and equipment sold / discarded	7.24	(128.60)
	Allowance for expected credit losses	129.65	270.42
	Expenses on Sale/Purchases of Investments	10.26	
	Liabilities / provisions written back	(1,750.04)	(5,499.65)
	Unrealized (gain)/loss due to effect of exchange rate changes in assets and liabilities	296.33	(53.22)
	Net gain on sale/fair valuation of investments measured at fair value through profit or loss	4,653.25	(813.98)
	Dividend income	(190.03)	(236.49)
	Rent income	(153.99)	(144.89)
	Interest income	(1,622.57)	(4,319.93)
	Adjustments for changes in working capital		
	(Increase)/decrease in operating assets		
	(Increase)/decrease in inventories	(6,561.06)	24,596.27
	(Increase)/decrease in trade receivables	6,658.21	(2,077.39)
	(Increase)/decrease in other non-current financial assets	(618.52)	(1,092.81)
	(Increase)/decrease in other current financial assets	(3,099.94)	(2,737.03)
	(Increase)/decrease in other non-current assets	(3,344.22)	5,241.39
	(Increase)/decrease in other current assets	(151.92)	(6,101.36)
	Increase/(decrease) in operating liabilities		
	Increase/(decrease) in trade payables	(921.81)	6,455.84
	Increase/(decrease) in other non-current financial liabilites	(7.52)	-
	Increase/(decrease) in other current financial liabilities	176.37	(693.55)
	Increase/(decrease) in non-current provisions	65.11	192.01
	Increase/(decrease) in current provisions	9.17	23.96
	Increase/(decrease) in other non-current liabilities	76.27	48.83
	Increase/(decrease) in other current liabilities	347.00	(574.77)
	Cash flows from/(used in) operating activities	**32,442.57**	**64,765.49**
	Income tax paid (net of refund, if any)	(4,472.00)	(3,543.33)
	Net cash flows from/(used in) operating activities (A)	**27,970.57**	**61,222.16**

Consolidated Statement of Cash flows (contd.)

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Payment for purchase of Property plant and Equipment, intangible assets (including Capital work-in-progress / intangible assets under development) (after adjustment of advances and creditors for capital expenditure)	(18,223.03)	(34,155.71)
	Payment against initial cost of right of use assets	-	(2,996.09)
	Proceeds from sale of property plant and equipments	331.79	251.90
	Investment in fixed/term deposits not considered as cash and cash equivalents	(16,440.02)	(28,334.90)
	Redemption/maturity of fixed/term deposits not considered as cash and cash equivalents	34,963.25	66,724.03
	Decrease/(increase) in other bank balances not considered as cash and cash equivalents	66.18	(2.51)
	Payment for investments in Subsidiary	3,727.90	-
	Payment for purchase of investments	(77,862.72)	(58,734.97)
	Proceeds from sale of investments	56,742.62	33,044.83
	Return of capital from INVIT	143.83	126.85
	Rent received	153.99	144.89
	Dividend received	193.50	236.49
	Interest received	2,813.66	5,261.69
	Net cash flows from/(used in) investing activities (B)	**(20,844.85)**	**18,433.50**
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceed/(repayment) of working capital borrowings (on net basis) (also refer note 49)	(3,763.16)	(12,152.92)
	Interest and other financial charges paid	(3,361.10)	(3,848.76)
	Interest paid on lease liabilities	(13.48)	(16.84)
	Principal payment of lease liabilities	(51.81)	(44.17)
	Dividend paid on equity shares	(8,724.99)	(16,349.62)
	Net cash flows from/(used in) financing activities (C)	**(15,914.54)**	**(32,412.31)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(8,788.82)**	**10,376.34**
	Cash and cash equivalents at the beginning of the year	13,705.17	3,328.83
	Add: Cash & Cash Equivalent of Subsidiaries acquired during the year (refer note 48 (f))	159.99	-
	Cash and cash equivalents at the end of the year	5,076.34	1,3705.17
	(Refer note 15 of consolidated 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 ₹859.23 lakhs (previous year ₹1,644.49 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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Riju Jhunjhunwala
Vice Chairman
DIN: 00061060

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Satish Chand Mehta
Director
DIN: 02460558

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

A) Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of reporting year	3,859.59	3,859.59
Changes in equity capital during the year	-	-
Balance at the end of reporting year	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 year i.e. April 1, 2024	**10,437.85**	**2,029.93**	**4,26,266.77**	**4,38,734.55**
Profit for the year	-	-	11,505.54	11,505.54
Other comprehensive income for the year				
-Remeasurement of defined employee benefit plan (net of tax expense)	-	-	(3.73)	(3.73)
-Share of other comprehensive income of Associates	-	-	(35.13)	(35.13)
Share of direct adjustment in other equity of Associates	-	-	-	-
Dividend distributed during the year				
-Final dividend for the year ended March 31, 2024 @ ₹22.50/-per share	-	-	(8,683.99)	(8,683.99)
Balance at the end of current reporting year i.e. March 31, 2025	**10,437.85**	**2,029.93**	**4,29,049.46**	**4,41,517.24**

Particulars	Reserves and Surplus			Total other equity
	Capital reserve	Capital redemption reserve	Retained earnings	
Balance at the beginning of the previous reporting year 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 previous reporting year i.e. March 31, 2024	**10,437.85**	**2,029.93**	**4,26,266.77**	**4,38,734.55**

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
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Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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, 2025 were approved for issue by the Company's Board of directors in their meeting held on May 19, 2025.

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, 2025	As at March 31, 2024
TACC Limited	India	Anode manufacturing for Lithium ion batteries	100%	100%
Bhilwara Infotechnology Limited**	India	IT enabled services	100%	38.59%
HEG Graphite Limited	India	Manufacturing of Graphite Electrodes	100%	-
Texnere India Private Limited*	India	IT enabled services	100%	-

The Holding Company and the subsidiary jointly referred to as "the Group" hereinafter.

b. Subsidiary

Name of Company	Country of Incorporation	Principal activities	Proportion (%) of equity interest	
			As at March 31, 2025	As at March 31, 2024
Bhilwara Energy Limited	India	Power Generation and Power Consultancy	49.01%	49.01%
Bhilwara Infotechnology Limited**	India	IT enabled services	-	38.59%

* Wholly Owned Subsidiary acquired during the year.

** Refer note 48.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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 Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date 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 unrealized 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 recognized as 'Goodwill on Consolidation' in the Consolidated Financial Statements. The said Goodwill is not amortized, 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 recognized 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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 when the performance obligation in accordance with the provisions of the contract is fulfilled. Performance obligations are fulfilled 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.

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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 or both.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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:

Sr. 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 over	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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

Method. The useful life of assets determined is as below:

Description of Asset	Useful Life
Building	5 – 58 Years
Plant and Machinery	1 – 29 Years
Railway Siding	9 – 20 Years
Office Equipment (Includes Computers and data processing units)	5 – 20 Years
Electrical Installation	5-20 Years
Furniture and Fixtures	5 – 15 Years
Vehicle	5-10 Years

(iii) Assets costing up to ₹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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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 expense in the statement of profit and loss.

Re-measurement 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 expense in the statement of profit and loss.

Notes to the Consolidated Financial Statements

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(xi) Leases

Company 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

'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 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 with 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 with 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 (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued 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

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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 amortized 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) De-recognition

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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 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 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

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 signification 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, 2025 , 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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 4: Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of		
Freehold land	317.81	317.81
Buildings	39,972.45	38,282.63
Plant and equipment	1,26,369.42	1,23,808.12
Furniture and fixtures	184.20	163.18
Vehicles	1,125.23	1,135.81
Office equipment	407.55	481.01
Electrical installation	20,709.03	12,561.77
Railway sidings	134.40	163.60
Total Property, plant and equipment	**1,89,220.09**	**1,76,913.93**

The change in the carrying amount of property, plant and equipments as follows:-

Particulars	Free-hold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equip-ment	Electrical installa-tion	Railway sidings	Total
Gross carrying amount as at April 1, 2023	**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 (A)	**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**
Additions	-	5,327.37	15,471.44	50.33	424.87	122.46	11,045.68	-	32,442.15
Acquired through business combination	-	172.30	-	50.44	30.43	96.08	-	-	349.25
Disposals/deletions	-	(191.23)	(2,926.93)	(19.78)	(341.00)	(140.38)	(45.13)	-	(3,664.49)
Gross carrying amount as at March 31, 2025 (B)	**317.81**	**63,942.58**	**2,42,106.76**	**754.22**	**2,001.19**	**1,393.52**	**28,178.38**	**647.42**	**3,39,341.88**
Accumulated depreciation as at April 1, 2023	**-**	**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 (C)	**-**	**20,351.51**	**1,05,754.13**	**510.05**	**751.08**	**834.35**	**4,616.06**	**483.82**	**1,33,301.02**
Depreciation for the year	-	3,714.25	12,780.60	38.28	348.32	195.69	2,881.12	29.20	19,987.46
Acquired through business combination	-	15.50	-	36.93	27.03	89.54	-	-	169.00
Disposals/deletions	-	(111.13)	(2,797.39)	(15.24)	(250.47)	(133.61)	(27.83)	-	(3,335.69)
Accumulated depreciation as at March 31, 2025 (D)	**-**	**23,970.13**	**1,15,737.34**	**570.02**	**875.96**	**985.97**	**7,469.35**	**513.02**	**1,50,121.79**
Net carrying amount as at March 31, 2024 (A)-(C)	**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**
Net carrying amount as at March 31, 2025 (B)-(D)	**317.81**	**39,972.45**	**1,26,369.42**	**184.20**	**1,125.23**	**407.55**	**20,709.03**	**134.40**	**1,89,220.09**

(i) Refer note 46 for information on property, plant and equipment pledged as security by the group
(ii) The borrowing cost capitalized in property plant and equipment during the year is NIL (previous year NIL)
(iii) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.
(iv) Refer note 38 for detail of contractual commitment towards purchase of property, plant and equipment.
(v) The group has not revalued any of its property, plant and equipment during the year.
(vi) The title deeds of all the immovable properties are held in the name of the respective entity in the group.
(vii) Depreciation for the year of ₹58.00 lakhs (previous year ₹18.00 lakhs) transferred to capital work in progress in subsidiary company TACC Ltd.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 5: Capital work-in-progress (CWIP)

Particulars	As at March 31, 2025	As at March 31, 2024
Building, plant and equipment under erection/installation (including project and pre-operative expense) (refer note 57)	7,088.82	21,227.17

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, 2025					
Projects in progress	4,968.89	1,825.53	282.11	12.29	7,088.82
Project temporarily suspended	-	-	-	-	-
Total Capital work in progress	4,968.89	1,825.53	282.11	12.29	7,088.82
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**

b) Completion schedule for Projects under capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:

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, 2025					
Projects in progress	434.91	-	-	-	434.91
Capital work in progress as at March 31, 2024					
Projects in progress	-	-	-	-	-

Note:

(a) There is ₹434.91 lakhs capital-work-in progress whose completion is overdue compared to its original plan as on March 31, 2025, previous year Nil

(b) There is no such project in capital-work-in progress whose cost has exceeded compared to its original plan as on March 31, 2025 and March 31, 2024.

Note 6: Right-of-use-asset

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of		
Land	3,709.43	3,749.44
Building	39.38	87.27
Total	**3,748.81**	**3,836.71**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Land	Building	Total
Gross carrying amount as at April 1, 2023	**889.90**	**243.29**	**1,133.19**
Additions	3,170.22	56.33	3,226.55
Adjustments	-	-	-
Gross carrying amount as at March 31, 2024 (A)	**4,060.11**	**299.63**	**4,359.74**
Gross carrying amount as at April 1, 2024	**4,060.11**	**299.63**	**4,359.74**
Additions	18.60	-	18.60
Adjustments	-	-	-
Gross carrying amount as at March 31, 2025(B)	**4,078.71**	**299.63**	**4,378.34**
Accumulated depreciation as at April 1, 2023	**268.69**	**164.50**	**433.19**
Depreciation for the year	41.98	47.85	89.83
Adjustments	-	-	-
Accumulated depreciation as at March 31, 2024 (C)	**310.67**	**212.35**	**523.02**
Accumulated depreciation as at April 1, 2024	**310.67**	**212.35**	**523.02**
Depreciation for the year	58.61	47.90	106.51
Adjustments	-	-	-
Accumulated depreciation as at March 31, 2025 (D)	**369.28**	**260.25**	**629.53**
Net carrying amount as at March 31, 2024 (A)-(C)	**3,749.44**	**87.27**	**3,836.71**
Net carrying amount as at March 31, 2025 (B)-(D)	**3,709.43**	**39.38**	**3,748.81**

(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.

(iii) Depreciation for the year of ₹41.85 lakhs (previous year ₹22.79 lakhs) transferred to capital work in progress in subsidiary company TACC Ltd.

Note 7: Investment property

Carrying amount of investment property

Particulars	As at March 31, 2025	As at March 31, 2024
Building	647.60	690.69

Particulars	Amount
Building	
Gross carrying amount	
As at April 1, 2023	1,001.31
Additions	-
Disposals	-
As at March 31, 2024 (a)	**1,001.31**
Additions	-
Disposals	(38.22)
As at March 31, 2025 (b)	**963.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Amount
Accumulated depreciation	
At April 1, 2023	276.51
Charge for the year	34.11
Disposals	-
As at March 31, 2024 (c)	**310.62**
Charge for the year	32.86
Disposals	(27.99)
As at March 31, 2025 (d)	**315.49**
Net carrying amount	
As at March 31, 2024 (a-c)	**690.69**
As at March 31, 2025 (b-d)	**647.60**

(i) One building situated at Delhi having gross carrying amount of ₹397.52 lakhs (previous year ₹397.52 lakhs) is owned jointly with RSWM Ltd.

(ii) Amounts recognised in statement of profit and loss for investment properties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental income	149.30	140.06
Direct operating expenses from property that generated rental income	7.66	7.11
Total income from investment properties before depreciation	**141.64**	**132.95**
Depreciation	32.86	34.11
Net income from investment properties	**108.78**	**98.84**

(iii) Fair value of investment properties

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of investment properties	5,319.39	5,415.06

(iv) 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.

(v) 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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 8: Intangible assets

Carrying amount of intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Software	119.48	123.46
	119.48	**123.46**

Particulars	Amount
Computer software	
Gross carrying amount	
As at April 1, 2023	**489.96**
Additions	107.63
Disposals/Adjustments	-
As at March 31, 2024 (a)	**597.58**
Additions	32.28
Acquired through business combination	38.73
Disposals/Adjustments	(26.25)
As at March 31, 2025 (b)	**642.34**
Amortisation	
As at April 1, 2023	**456.42**
Charge for the year	15.74
Disposals/Adjustments	1.96
As at March 31, 2024 (c)	**474.13**
Charge for the year	37.22
Acquired through business combination	37.76
Disposals/Adjustments	(26.25)
As at March 31, 2025 (d)	**522.86**
Net carrying amount	
As at March 31, 2024 (a-c)	**123.46**
As at March 31, 2025 (b-d)	**119.48**

(a) The group has not internally developed computer software systems.

(b) The amount of amortisation has been included under depreciation and amortisation expense in the statement of profit and loss.

(c) Computer software are amortized over a period of five years.

(d) The borrowing cost capitalized in intangible assets during the year is NIL (previous year NIL)

(e) Amortisation for the year of ₹32.50 lakhs (previous year ₹0.44 lakhs) transferred to capital work in progress in subsidiary company TACC Ltd.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

8(a) Intangible Assets under Development

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible assets under development	49.21	-

a) Intangible assets under development ageing schedule is as follows:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development as at March 31, 2025					
Projects in progress	49.21	-	-	-	49.21
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	49.21	-	-	-	49.21
Intangible assets under development as at March 31, 2024					
Projects in progress	-	-	-	-	
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	-	-	-	-	-

b) For Intangible assets under development, whose completion is overdue, the completion schedule is as follows:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development as at March 31, 2025					
Projects in progress	-	-	-	-	-
Intangible assets under development as at March 31, 2024					
Projects in progress	-	-	-	-	-

Note:

(a) There is no such project in Intangible assets under development whose completion is overdue compared to its original plan as on March 31, 2025 and March 31, 2024.

(b) There is no such project in Intangible assets under development whose cost has exceeded compared to its original plan as on March 31, 2025 and March 31, 2024.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 9: Investments

No. of units	Particulars	Face value	Non-current As at March 31, 2025	Non-current As at March 31, 2024	Current As at March 31, 2025	Current As at March 31, 2024
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	-	-
3270618	(Previous year 1262048) Fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) (refer note iv)	10	419.00	419.00	-	-
	Add/(less): Share of profit/(loss) in Associates up to reporting date		31,368.33	29,649.45	-	-
	Add/(less): impact of direct adjustment in other equity of Associates up to reporting date		(1,285.79)	(1,285.79)	-	-
Less:	On account of acquisiton of control transferred to Subsidiary		(2,285.99)	-	-	-
			58,927.05	**59,494.16**	**-**	**-**
	Aggregate amount of quoted investments		-	-	-	-
	Market value of quoted investments		-	-	-	-
	Aggregate carrying value of unquoted investments		58,927.05	59,494.16	-	-
B.	**Other investments**					
I.	**Investments carried at fair value through profit or loss**					
(a)	**Investments in equity instruments (quoted)**					
NIL	(Previous year 18) fully paid up equity shares of Ballarpur Industries Ltd.	2	-	0.01	-	-
24310015	(Previous year 4967221) fully paid up equity shares of Graftech International Ltd., USA	$ 0.01	18,183.44	5,673.28	-	-
(b)	**Investments in mutual funds (unquoted)**					
42796.061	(Previous year 30206.095) units of Invesco India Liquid Fund Direct Growth	1000	-	-	1,523.49	1,001.28
32142.507	(Previous year Nil) units of Nippon India Liquid Fund Direct Growth	1000	-	-	2,040.05	-
NIL	(Previous year 161625.295) units of Axis Money Market Fund Direct Growth	1000	-	-	-	2,120.50
24022.909	(Previous year 63958.061) units of UTI Liquid Fund Direct Growth	1000	-	-	1,021.26	2,531.44
27118.786	(Previous year 63287.711) units of DSP Liquidity Fund Direct Growth	1000	-	-	1,005.64	2,184.29

Notes to the Consolidated Financial Statements

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(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current		Current	
			As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
74790.457	(Previous year Nil) units of SBI Liquid Fund Direct Growth	1000	-	-	3,033.46	-
Nil	(Previous year 20522.7) units of Kotak Liquid Fund	1000	-	-	-	1,001.31
Nil	(Previous year 109613.376) units of MIRAE Asset Liquid Fund Direct Growth	1000	-	-	-	2,795.46
NIL	(Previous year NIL) Vajra Capital Growth Scheme	100	-	-	1,113.46	-
50438.993	(Previous year 38329.278) units of Baroda BNP Paribas Liquid Fund Direct Growth	1000	-	-	1,508.47	1,067.39
58508.925	(Previous year Nil) units of HSBC Liquid Fund Direct Growth	1000			1,512.06	-
21381.563	(Previous year Nil) units of LIC MF Liquid Fund Direct Growth	1000			1,006.90	-
44104.954	(Previous year Nil) units of Sundaram Liquid Fund Direct Growth	1000			1,010.77	-
2879517.837	(Previous year 2879517.837) units of Kotak Equity Arbitrage Fund Direct Growth	10	-	-	1,133.17	1,047.75
16599077.153	(Previous year 16599077.153) units of AXIS Arbitrage Fund Direct Growth EADG	10	-	-	3,310.98	3,067.44
13490452.151	(Previous year 13490452.151) units of Invesco India Arbitrage Fund Direct Growth	10	-	-	4,574.86	4,232.10
3013912.925	(Previous year 3013912.925) units of UTI Arbitrage Fund Direct Growth Canserve	10	-	-	1,104.36	1,022.52
3929369.982	(Previous year 3929369.982) units of ABSL Arbitrage Fund Direct Growth	10	-	-	1,104.81	1,022.85
5869399.349	(Previous year 5869399.349) units of Nippon India Arbitrage Fund Direct Growth	10	-	-	1,654.97	1,534.03
8305370.542	(Previous year 8305370.542) units of Edelweiss Arbitrage Fund Direct Growth	10	-	-	1,697.91	1,570.91
8828437.252	(Previous year 13111748.111) units of SBI Arbitrage Opportunities Fund Direct Growth	10	-	-	3,117.59	4,291.97
10515900.863	(Previous Year 13616737.412) TATA Arbitrage Fund Direct Growth	10	-	-	1,560.62	1,869.52
11733747.98	(Previous Year NIL) MIRAE Asset Arbitrage Fund Direct Growth	10			1,559.65	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current		Current	
			As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(c)	**Investments in fixed maturity plans scheme (unquoted)**					
46034272.808	(Previous year 46034272.808) units of SBI CPSE BP SDL SEP 2026 50:50 Index Fund	10	5,547.04	5,140.88	-	-
13724503.583	(Previous year 13724503.583) units of Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund	10	1,756.16	1,629.44	-	-
9835831.784	(Previous year 9835831.784) units of Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Direct Growth Plan	10	1,184.35	1,092.26	-	-
9930347.719	(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	1,186.75	1,097.83	-	-
(d)	**Investments in Bond Funds (unquoted)**					
108109.497	(Previous year 108109.497) units of Kotak Corp Bond Direct Growth	1000	4,160.00	3,821.87	-	-
2618367.638	(Previous year 2618367.638) units of ABSL Corporate Bond Fund Direct Growth	10	2,944.41	2,703.34	-	-
5430713.319	(Previous year 5430713.319) units of HDFC Corporate Bond Fund Direct Growth	10	1,767.24	1,622.89	-	-
(e)	**Investments in Infrastructure Trust (unquoted)**					
4400000	(Previous year 4400000) units of Oriental Infratrust	100	5,060.00	5,337.20	-	-
(f)	**Investment in portfolio management services (unquoted)**					
	Abakkus Asset Manager - All Cap Approach PMS				3,712.56	
	Total		**41,789.39**	**28,119.00**	**39,307.04**	**32,360.76**
	Aggregate carrying value of quoted investments		18,183.44	5,673.28	-	-
	Market value of quoted investments		18,183.44	5,673.28	-	-
	Aggregate carrying value of unquoted investments		23,605.95	22,445.71	39,307.04	32,360.76
	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 classified as current investments, if any.

Note (ii): Refer note 45B for classification of financial assets.

Note (iii): Refer note 45C for information about credit risk and market risk in respect of investments.

Note (iv): During the current year, the holding company has increased the holding in its associate – Bhilwara Infotechnology Limited from 38.59% to 100% by purchasing the shares from the other shareholders resulting in change in status from associate to a subsidiary w.e.f 9th December 2024.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 10: Trade receivables

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
a) Trade receivables considered good-secured	-	-
Less: allowance for expected credit loss		
b) Trade receivables considered good-unsecured	44,056.01	50,855.65
Less: allowance for expected credit loss	(83.20)	(150.29)
c) Trade receivables which have significant increase in credit risk	628.56	239.04
Less: allowance for expected credit loss	(314.28)	(119.52)
d) Trade receivables credit impaired	116.06	89.64
Less: allowance for credit impairment	(116.06)	(89.64)
e) Unbilled revenue	182.57	
Total	**44,469.66**	**50,824.88**

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

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, 2025							
(i) Undisputed trade receivables – considered good	30,148.68	13,907.18	0.15	-	-	-	44,056.01
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	268.16	360.40	-	-	628.56
(iii) Undisputed trade receivables – credit impaired	-	12.37	12.07	-	1.98	89.64	116.06
(iv) Disputed trade receivables – considered good		-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired			-				
(vii) Unbilled revenue	-	-	-	-	-	-	182.57
Total							**44,983.20**
Less: allowance for expected credit loss							(513.54)
Total							**44,469.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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		-	-	-	-	-	-
(vii) Unbilled revenue							
Total							**51,184.33**
Less: allowance for expected credit loss							(359.45)
Total							**50,824.88**

Refer note 45B for classification of financial assets

Refer note 45C for credit risk and expected credit loss related to trade receivables

Refer note 46 for information of trade receivables pledged as security by the group.

Note 11: Loans

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial asset at amortised cost				
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	97.13	88.08	83.09	65.91
c) Loans which have significant increase in credit risk	-	-	-	-
d) Loans credit impaired	-	-	-	-
Total	**97.13**	**88.08**	**83.09**	**65.91**

Refer note 45B for classification of financial assets

Refer note 45C for information about credit risk and market risk in respect of financial assets.

Note (i) : The above figures includes loan to Key Managerial Persons amounting to ₹11.97 lakhs (previous year ₹26.50 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 6.64% (previous year 17.21%) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 12: Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial assets at amortised cost				
Security deposits	4,481.39	4,607.39	124.64	-
Interest accrued but not due on fixed deposits	20.73	-	203.49	1,314.35
Bank deposits having maturity period of more than 12 months from reporting date (refer note 16)	80.00	20.00	-	-
Interest subvention recoverable (on working capital loans)	-	-	286.95	286.95
Advance for Equity Investment#	746.88	-	-	-
Government grant receivable (refer note 51)*	-	-	6,224.97	-
Other recoverables	-			
-Others	-	-	45.39	2,896.22
Financial assets at fair value through profit or loss				
Derivative financial instruments**	-	-	-	126.35
Total	**5,329.00**	**4,627.39**	**6,885.44**	**4,623.87**

#Advance paid for purchase of shares of Graftech International Ltd.
*State Government investment promotion assistance receivable as per MP industrial promotion policy 2018
**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 45C.
Refer note 45B for classification of financial assets
Refer note 45C 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good unless stated otherwise				
Capital advances	781.60	932.09	-	-
Other advances (other than advances to related parties)	-	-	1,051.16	820.75
Prepaid expenses	243.91	191.94	1,081.87	1,452.46
Balances with Government authorities	-	-	3,495.49	5,446.54
GST refund receivable	-	-	1,753.12	483.50
Payments under protest (excluding direct taxes other than Tax Deducted at Source(TDS))#	486.48	401.28	-	-
Export benefits receivable	-	-	625.74	126.74
Other employee advances			56.56	58.74
Gratuity fund receivable (also refer note 40)	-	-	803.73	669.72
Others			5,874.66	5,610.46
Total	**1,511.99**	**1,525.31**	**14,742.33**	**14,668.91**

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:

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Entry tax	114.29	114.29
Central sales tax	229.83	144.63
Excise duty/service tax	79.89	79.89
MPST/MPCT	0.46	0.46
Tax deducted at source	62.01	62.01
Total	**486.48**	**401.28**

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.

Note 14: Inventories (Valued at lower of cost or net realizable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	28,953.71	28,006.17
[Includes material in transit ₹14,354.34 lakhs ; previous year:₹11,664.56 lakhs]		
Work-in-progress	45,087.85	35,182.52
Finished goods	45,750.23	50,558.61
Stores and spares	5,672.01	5,667.93
[Includes stores in transit ₹655.17 lakhs ; previous year: ₹679.37 lakhs]		
Total	**1,25,463.80**	**1,19,415.23**

(a) The cost of inventories includes ₹512.49 lakhs (March 31, 2024 ₹790.91 lakhs) in respect of write down of inventories on account of slow moving items.

(b) Refer note 46 for information of inventory pledged as security by the group.

(c) 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, 2025	As at March 31, 2024
Financial assets at amortised cost		
Balances with banks		
In current accounts	833.18	808.99
In cash credit accounts	1,107.07	1,017.10
Cheques, drafts in hand	3.31	-
Cash on hand	5.19	12.54
Term/fixed deposits with banks/financial institutions having original maturity period of less than three months	3,127.59	11,866.54
Total cash and cash equivalents	**5,076.34**	**13,705.17**

Refer note 45B for classification of financial assets

Refer note 45C for information about credit risk and market risk in respect of cash and cash equivalents

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 16: Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
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	1,332.31	1,554.02
b) Held for unpaid/unclaimed dividend	567.16	608.16
c) Held for unspent Corporate Social Responsibility expenditure on account of ongoing projects	-	25.18
II. Term/fixed deposits with banks/financial institutions having original maturity period of more than three months	7,808.15	25,151.01
Less: Bank deposits having maturity period after 12 months from the reporting date (refer note 12)	80.00	20.00
Total	**9,627.62**	**27,318.37**

Refer note 45B for classification of financial assets

Refer note 45C for information about credit risk and market risk in respect of other bank balances.

Note 17: Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
27,50,00,000 equity shares of ₹2 each (previous year 5,50,00,000 equity shares of ₹10 each) (refer note i)	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		
19,29,77,530 equity shares of ₹2 each (previous year 3,85,95,506 equity shares of ₹10 each) (refer note i)	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	2024-25		2023-24	
	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
Sub-division of 1 share of face value ₹10 each into 5 shares of face value ₹2 each effective October 18, 2024 (increase in shares on account of sub-division)	15,43,82,024	-	Not Applicable	Not Applicable
Change during the year	-	-	-	-
Outstanding at the end of the year	**19,29,77,530**	**3,859.55**	**3,85,95,506**	**3,859.55**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹2 each (Post sub-division of equity shares). 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) Details of shareholders holding more than 5% shares in the Holding Company

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Redrose Vanijya LLP (refer note ii)	5,58,73,775	28.95	-	-
Norbury Investments Limited	2,68,14,955	13.90	53,62,991	13.90
Microlight Investments Ltd.	2,33,27,895	12.09	46,65,579	12.09
Bharat Investments Growth Limited	-	-	27,34,913	7.09
SBI Energy Opportunities Fund	1,37,27,188	7.11	-	-

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				
	2024-25	2023-24	2022-23	2021-22	2020-21
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 Holding Company

Sl. No.	Name	As at March 31, 2025		As at March 31, 2024		
		No of shares	% of Total shares	No. of shares	% of Total shares	% change in the year
1	Ravi Jhunjhunwala	3,595	0.00%	719	0.00%	0.00%
2	Riju Jhunjhunwala	6,780	0.00%	1,356	0.00%	0.00%
3	Rita Jhunjhunwala	9,380	0.00%	1,876	0.00%	0.00%
4	Rishabh Jhunjhunwala	9,035	0.00%	1,807	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	2,500	0.00%	500	0.00%	0.00%
6	RSWM Ltd	15,91,955	0.82%	3,18,391	0.82%	0.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Sl. No.	Name	As at March 31, 2025		As at March 31, 2024		
		No of shares	% of Total shares	No. of shares	% of Total shares	% change in the year
7	Redrose Vanijya LLP (refer note ii)	5,58,73,775	28.95%	-	0.00%	28.95%
8	Norbury Investments Ltd	2,68,14,955	13.90%	53,62,991	13.90%	0.00%
9	Microlight Investments Ltd	2,33,27,895	12.09%	46,65,579	12.09%	0.00%
10	Bharat Investments Growth Ltd	-	-	27,34,913	7.09%	-7.09%
11	Purvi Vanijya Niyojan Ltd	-	-	18,68,583	4.84%	-4.84%
12	LNJ Financial Services Ltd	-	-	16,48,323	4.27%	-4.27%
13	Raghav Commercial Ltd	-	-	14,48,163	3.75%	-3.75%
14	Jet (India) Pvt Ltd	-	-	10,05,599	2.61%	-2.61%
15	Giltedged Industrial Securities Ltd	-	-	8,87,689	2.30%	-2.30%
16	Shashi Commercial Company Ltd	-	-	6,75,536	1.75%	-1.75%
17	M.L. Finlease Pvt Ltd	-	-	3,46,461	0.90%	-0.90%
18	India Texfab Marketing Ltd	-	-	2,06,718	0.54%	-0.54%
19	Investors India Ltd	-	-	36,254	0.09%	-0.09%
20	Dreamon Commercial Pvt ltd	-	-	3,16,516	0.82%	-0.82%
	Total	**10,76,39,870**	**55.78%**	**2,15,27,974**	**55.78%**	**0.00%**

Note (i): Update regarding sub-division of equity Shares (New Face Value ₹2 per equity share):

(a) Pursuant to approval granted by the Shareholders of HEG Limited through Postal Ballot on 20-09-2024, for the Sub-Division of one (1) equity share of HEG Limited ('Company') of Face Value of ₹10 each into five (5) equity shares of Face Value of ₹2 each, necessary post sub-division credits have been made to the shareholders holding shares in demat form as on record date through NSDL/CDSL system and new share certificates have been issued to the shareholders having shares in physical form. Record Date for the said Sub-Division was 18-10-2024.

(b) As a result of above said sub-division, Promoter/Promoter Group shareholding has been changed from 2,15,27,974 equity shares of Face Value of ₹10 each to 10,76,39,870 equity shares of Face Value of ₹2 each (Ratio 5 : 1). Pre and Post sub-division holding percentage is appearing same i.e. 55.78%. There was no change in percentage holding of Promoter/Promoter Group.

(c) Total paid up share capital (in equity shares) has been changed from 3,85,95,506 equity shares of Face Value of ₹10 each to 19,29,77,530 equity shares of Face Value of ₹2 each. There was no change in paid up share capital (Pre and Post sub-division of equiry shares) in Rupees i.e. ₹38,59,55,060.

Note (ii): Update regarding Promoter/Promoter Group shareholding:

(a) Redrose Vanijya LLP (Formerly known as Redrose Vanijya Private Limited) has shown as share holder of 28.95% by way of acquisition of 5,58,73,775 shares from promoter group companies through off market transfer pursuant to Scheme of Arrangement approved by Hon'ble NCLT, Kolkata Bench, therefore became member of promoter group of HEG Limited pursuant to provisions of Regulation 2 (1) (q) of SEBI SAST Regulations, 2011 read with Regulation 2 (1) (pp) (iii) of SEBI ICDR Regulations, 2018. The Promoter Group Companies of HEG Limited amalgamated pursuant to above NCLT Order were Bharat Investment Growth Limited, Dreamon Commercial Private Limited, Giltedged Industrial Securities Limited, Investors India Limited, India Texfab Marketing Limited, Jet (India) Private Limited, LNJ Financial Services Limited, M.L. Finlease Private Limited, Purvi Vanijya Niyojan Limited, Raghav Commercial Limited and Shashi Commercial Company Limited. In this regard, necessary disclosures under the SEBI (SAST) Regulations, 2011 and the SEBI (PIT) Regulations, 2015 have already been made to BSE Limited and National Stock Exchange of India Limited alongwith the required explanation.

(b) As a result of the above said Scheme of Arrangement duly sanctioned by Hon'ble NCLT, Kolkata Bench, the above said 11 (Eleven) Promoter Group Companies of HEG Limited were amalgamated into Redrose Vanijya LLP (Formerly known as Redrose Vanijya Private Limited). The same has been disclosed in the shareholding pattern for year ended 31st March, 2025 under the Category "Statement showing shareholding pattern of the Promoter and Promoter Group".

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 18: Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
A. Capital reserve		
Balance as at the beginning of the year	10,437.85	10,726.49
Movement during the year	-	-
Share of direct adjustment in other equity of Associates	-	(288.64)
Balance as at the end of the year	**10,437.85**	**10,437.85**
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**
C. Retained earnings		
Balance as at the beginning of the year	4,26,266.77	4,11,477.84
Amount transferred from statement of profit and loss		
- Profit for the year	11,505.54	31,167.91
- Other comprehensive income for the year (remeasurement of defined employee benefit plan) (net of tax expense)	(3.73)	34.85
-Share of other comprehensive income of Associates	(35.13)	(10.74)
Share of direct adjustment in other equity of Associates	-	-
Dividend distributed on equity shares during the year	(8,683.99)	(16,403.09)
Balance as at the end of the year	**4,29,049.46**	**4,26,266.77**
Total	**4,41,517.24**	**4,38,734.55**

Nature and purpose of reserves

1) **Capital reserve:**
The Capital reserve has been created on account of warrant money forfeited and profit made on hive 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Loans repayable on demand from banks				
Working capital loans from banks				
- Secured	-	-	58,014.43	58,937.81
- Unsecured	-	-	471.22	3,000.00
Total	**-**	**-**	**58,485.65**	**61,937.81**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(i) Terms of repayment of loans

Particulars	As at March 31, 2025	As at March 31, 2024
Loans repayable on demand		
Secured		
Working capital loans from banks	58,014.43	58,937.81
Unsecured		
Working capital loans from banks	471.22	3,000.00
Total	**58,485.65**	**61,937.81**

(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 45B for classification of financial liabilities

(iv) Refer note 46 for carrying amount of assets pledged as security for borrowings.

(v) Refer note 45C for information about liquidity risk and market risk in respect of borrowings.

Note 20: Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	1,108.82	847.88
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	38,820.35	41,681.71
Total	**39,929.17**	**42,529.59**

(i) Trade payables ageing schedule

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, 2025						
(i) MSME	1,097.59	11.11	-	-	-	1,108.70
(ii) Others	35,885.60	2,929.55	4.66	0.54	-	38,820.35
(iii) Disputed - MSME	-	0.12	-	-	-	0.12
(iv) Disputed - others	-	-	-	-	-	-
As at March 31, 2024						
(i) MSME	847.88	-	-	-	-	847.88
(ii) Others	39,329.30	319.45	2.04	1,874.33	156.59	41,681.71
(iii) Disputed - MSME	-	-	-	-	-	-
(iv) Disputed - others	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(ii) Refer note 45B for classification of financial liabilities

(iii) Refer note 45C 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, 2025	As at March 31, 2024
a) The amount remaining unpaid to micro and small enterprises at the end of each accounting year.		
a) Principal		
-Related to trade payables	1,108.82	847.88
-Related to creditors for capital purchases (refer note 21 B)	263.50	518.86
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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Lease liabilities - land (refer note - 41)	222.77	220.71	13.25	14.78
Lease liabilities - building (refer note - 41)	-	45.45	45.45	48.80
Total	**222.77**	**266.16**	**58.70**	**63.58**

Refer note 45B for classification of financial liabilities

Refer note 45C for information about liquidity risk and market risk in respect of lease liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 21B: Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	-	-	227.63	27.71
Security deposits	-	-	155.60	182.83
Unpaid/unclaimed dividend[#]	-	-	567.16	608.16
Creditors for capital purchases	-	-		
Payable to micro enterprises and small enterprises	-	-	263.50	518.86
Payable to other than micro enterprises and small enterprises	-	-	900.43	3,935.80
Other payables	-	-		
Employees related	-	-	2,191.52	2,118.29
Others	-	-	2,089.12	1,846.98
Total	**-**	**-**	**6,394.96**	**9,238.63**

[#]There is no amount which is required to be transferred to the Investor's Education and Protection Fund.

Refer note 45B for classification of financial liabilities

Refer note 45C 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits				
Compensated absences	557.88	492.93	106.75	95.49
Gratuity	121.93	4.91	26.17	0.02
Other provisions				
Provision against pending litigations	-	-	325.83	325.83
Total	**679.81**	**497.84**	**458.75**	**421.34**

Movement of provision against pending litigations

Nature of provisions	Non-current		Current	
	2024-25	2023-24	2024-25	2023-24
Carrying amount at the beginning of the year	-	-	325.83	435.47
Amount provided made during the year	-	-	-	-
Amount reversed during the year	-	-	-	109.64
Carrying amount at the end of the year	**-**	**-**	**325.83**	**325.83**

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 March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 23: Deferred tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	10,101.72	9,621.18
Fair valuation of investments	-	111.15
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax/ provision for employee benefits	77.75	60.54
Allowance for expected credit loss	129.25	68.06
Fair valuation of investments	320.49	-
Demerger & Amalgamation (refer note 54)	66.01	-
Unabsorbed Losses	14.75	-
Net deferred tax liability (A)-(B)	**9,493.47**	**9,603.73**

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, 2025

Particulars	As at April 1, 2024	Recognized in the profit or loss	Recognized in other comprehensive income	Acquired through business combination (refer note no. 48)	As at March 31, 2025
Deferred tax liabilities (A)					
Difference between carrying value of property plant and equipment as per books of account and tax base	9,621.18	458.50	-	22.04	10,101.72
Fair valuation of investments	111.15	(284.91)	-	173.76	-
Deferred tax assets (B)					
Expenses deductible on payment basis under income tax/ provision for employee benefits	60.54	(20.30)	1.26	36.25	77.75
Allowance for expected credit loss	68.06	61.19	-	-	129.25
Fair valuation of investments	-	320.49	-	-	320.49
Demerger & Amalgamation (refer note 54)	-	66.01	-	-	66.01
Unabsorbed Losses	-	40.94	-	(26.19)	14.75
Net deferred tax liabilities/(assets) (A)-(B)	**9,603.73**	**(294.73)**	**(1.26)**	**185.74**	**9,493.47**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

There are no unrecognised deferred tax liabilities/assets as at March 31, 2025 and March 31, 2024. 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Deposits from employees against various schemes	494.69	418.43	72.01	138.78
Advance from customers	-	-	814.54	657.12
Statutory dues payable	-	-	311.97	251.10
Payable against unspent Corporate Social Responsibility expenditure (refer note 43)*	-	-	206.07	80.34
Others payables	-	-	395.90	265.95
Total	**494.69**	**418.43**	**1,800.49**	**1,393.29**

*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.

Note 25A: Non -Current tax assets / (liabilities)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (net of provision for taxation)	10,539.34	10,507.56
Total	**10,539.34**	**10,507.56**

Note 25B: Current tax liabilities / (assets)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax liabilities (net of advance tax)	(1,420.91)	(1,172.04)
Total	**(1,420.91)**	**(1,172.04)**

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 26: Revenue from operations

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
Sale of products				
Graphite electrodes (including by-products)	2,10,798.39		2,34,761.36	
Power	2,935.48	2,13,733.87	3,220.62	2,37,981.98
Sale of services				
IT related & medical transcription services	698.20	698.20	-	-
Other operating income				
REC sales	330.52		162.76	
Fly Ash Income	11.66		-	
Export incentives	1,194.86		1,345.62	
		1,537.04		**1,508.38**
Total		**2,15,969.11**		**2,39,490.36**

Refer note 47 for disclosures as per Ind AS 115 "Revenue from contracts with customers"

Note 27: Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income from financial assets measured at amortized cost	1,676.95	4,017.29
Interest income from financial assets measured at fair value through profit or loss	300.11	302.64
Rental income	153.99	144.89
Net gain on sale of investments measured at fair value through profit or loss	1,699.71	619.35
Net gain on fair valuation of investments measured at fair value through profit or loss	-	194.63
Net gain on sale of property, plant and equipment	-	128.60
Dividend income from investments measured at fair value through profit or loss	190.03	236.49
Gain on foreign currency fluctuation (net)	0.60	161.50
Liabilities / provisions written back (including allowances for expected credit losses, if any)#	1,750.04	5,499.65
Government Grant* (refer note 51)	5,714.00	-
Miscellaneous	1,271.17	2,861.94
Total	**12,756.60**	**14,166.98**

#Based on favourable order received from the Electricity Consumer Grievance Redressal Forum (ECGRF), Bhopal, Madhya Pradesh, the liability amounting to ₹5,181.63 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.

*State Government investment promotion assistance as per MP industrial promotion policy 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 28: Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material consumed		
Opening stock	16,341.60	38,302.83
Add : Purchases	1,08,084.71	87,338.45
	1,24,426.31	**1,25,641.28**
Less: Closing stock	28,953.71	16,341.60
Cost of raw material consumed	**95,472.60**	**1,09,299.68**

Note 29: Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(1) Inventories at the beginning 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**
(2) Inventories at the end of the period		
Finished goods	45,750.22	50,558.61
Work-in-progress	45,087.85	35,182.52
Total	**90,838.07**	**85,741.13**
Net (increase)/decrease [(1) - (2)]	**(5,096.94)**	**5,839.04**

Note 30: Employee benefit expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages (refer note 40)	9,317.19	8,564.77
Contribution to provident and other funds (refer note 40)	648.18	607.66
Staff welfare expenses	401.52	354.31
Total	**10,366.89**	**9,526.74**

Note 31: Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Interest on borrowings	3,116.32	3,428.49
(ii) Foreign Exchange Fluctuation on Foreign Currency Loans to the extent regarded as an adjustment to borrowing cost	444.70	-
(iii) Others		
- Interest on lease liabilities	13.48	16.84
- Interest on direct taxes i.e. income tax/TDS	31.79	127.12
- Others	313.35	1.41
Total	**3,919.64**	**3,573.86**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 32: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(1) Depreciation of property, plant and equipment (refer note 4)	19,929.46	17,348.69
(2) Depreciation of right of use assets (refer note 6)	64.66	67.03
(3) Depreciation on investment property (refer note 7)	32.86	34.11
(4) Amortisation of intangible assets (refer note 8)	32.50	15.30
Total	**20,059.48**	**17,465.14**

Note 33: Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts (including refractory blocks)	15,880.47	15,362.15
Job/process charges	830.45	612.88
Power and fuel	33,167.47	31,008.46
Repairs and maintenance		
Plant and machinery	3,774.01	3,130.90
Building	338.02	280.61
Others	1,231.47	1,023.33
Insurance	1,340.78	1,547.96
Rent (refer note 41)	37.23	36.88
Rates and taxes	229.15	234.88
Directors' sitting fees and incidental expenses	121.18	99.12
Freight & forwarding	17,372.51	13,850.06
Packing expenses (including packing material consumption)	2,145.84	1,863.70
Commission	1,478.22	1,501.38
Claims and rebates	218.87	162.69
Donations	-	5.50
Contribution made to political parties#	-	1,440.00
Power generation charges	487.50	400.50
Travelling expenses	443.85	448.39
Postage and communication	74.17	63.56
Payment to auditors(refer details below##)	49.78	38.51
Contribution towards Corporate Social Responsibility (refer note 43)	929.80	695.20
Legal and professional expenses	1,388.74	689.92
Vehicle running and maintenance	68.23	70.38
Allowances for expected credit losses/ credit impairment	154.09	270.42
Net loss on sale/discard of property, plant and equipments	7.24	-
Loss on Foreign Currency Fluctuation (Net)	160.59	-
Net loss on fair valuation of investments measured at fair value through profit or loss	6,352.95	
Miscellaneous expenses*	1,432.57	1,744.09
Total	**89,715.18**	**76,581.47**

#Includes contributions through electoral trusts ₹ Nil and directly to the political parties ₹ Nil (31 March, 2024: ₹940.00 lakhs and ₹500.00 lakhs respectively).

*Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

##Payments to auditors (excluding GST)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor		
Statutory audit	35.32	32.50
Other services		
Tax audit	2.00	2.00
Certification fees	3.64	0.59
Reimbursement of out of pocket expense	8.82	3.42
Total**	**49.78**	**38.51**

**Includes payment to auditors of subsidiary companies.

Note 34: Tax expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	4,929.38	7,564.12
2) Current tax adjustment related to earlier years	(103.36)	(106.76)
3) Deferred tax	(294.74)	912.35
	4,531.28	**8,369.71**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	(1.26)	11.72
	(1.26)	**11.72**
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, 2025	For the year ended March 31, 2024
Accounting profit before tax & share of profit of Associates	14,288.86	31,371.41
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**3,596.22**	**7,895.56**
Add/(less) :		
Effect of expenses that are not deductible in determining taxable profits	245.41	583.59
Effect of expenses that are deductible in determining taxable profits	(27.23)	(26.21)
Tax rate differential and other adjustments on gain on sale /fair valuation of investments	859.86	(175.95)
Others	(39.62)	(52.44)
Effect of unused tax losses	-	38.41
Current tax adjustment related to earlier years	(103.36)	106.76
Total (B)	**935.06**	**474.16**
Income tax expense recognized for the year (A+B)	**4,531.28**	**8,369.71**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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 account.

Note 35: Other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined employee benefit plans	(4.99)	46.57
Total	**(4.99)**	**46.57**
(ii) Tax expense relating to items that will not be reclassified to profit or loss		
- Remeasurement of defined employee benefit plans	(1.26)	11.72
Total	**(1.26)**	**11.72**

Note 36: Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit attributable to equity shareholders of the Company (₹)	11,505.54	31,167.91
Weighted average number of equity shares for basic/diluted earning per share (face value of ₹2 each)* (refer note 17)	19,29,77,530	19,29,77,530
Basic / diluted earning per share (₹)	5.96	16.15

* There are no potential equity shares

Note 37: Segment information

The Holding Company's Chief Operational Decision Makers consisting of Executive whole time director (CEO) 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 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 March 31, 2025

(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, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Segment revenue								
Turnover	2,12,004.91	2,36,106.98	3,266.00	3,383.38	698.20	-	2,15,969.11	2,39,490.36
Less: Inter segment turnover	-	-	-	-	-	-	-	-
External turnover	**2,12,004.91**	**2,36,106.98**	**3,266.00**	**3,383.38**	**698.20**	**-**	**2,15,969.11**	**2,39,490.36**
Segment result before interest & taxes	**21,661.06**	**31,775.98**	**1,576.77**	**1,362.85**	**(2,353.14)**	**(3,327.47)**	**20,884.69**	**29,811.36**
Add: Interest income							1,977.06	4,319.93
Add / (Less): net gain/(loss) on sale/fair valuation of investments measured at fair value through profit or loss							(4,653.25)	813.98
Less: finance cost							3,919.64	3,573.86
Profit before tax & share of profit of Associates							14,288.86	31,371.41
Add: Share of profit of Associates							1,747.96	8,166.21
Less: Income tax (including deferred tax)							4,531.28	8,369.71
Net profit for the year							11,505.54	31,167.91
Depreciation and amortisation expense	19,754.39	17,187.50	206.84	187.61	98.25	90.03	20,059.48	17,465.14
Non cash expenses other than depreciation and amortization	202.65	270.42	-	-	24.44	(0.00)	227.09	270.42

2) Segment assets, liabilities and other details

Particulars	Graphite (including other carbon products)		Power		Unallocable items/others		Total	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Segment assets	3,86,113.63	3,86,580.31	2,104.54	2,228.67	1,76,598.02	1,81,326.89	5,64,816.20	5,70,135.87
Segment liabilities	1,06,526.13	1,14,925.56	249.61	263.71	12,663.63	12,352.47	1,19,439.37	1,27,541.74
Capital expenditure incurred during the year	14,778.63	31,490.17	43.94	163.18	3,560.15	2,066.06	18,382.72	33,719.41

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

3) Details of unallocated items/ others

I. Unallocated assets

Particulars	As at March 31, 2025	As at March 31, 2024
Property, plant & equipments and investment property (including capital work-in-progress)	6,458.78	3,097.14
Right of use asset	3,124.18	2,996.09
Investments	1,40,022.45	1,19,973.91
Trade receivable	475.35	-
Inventories	14.68	14.68
Cash and cash equivalents	3,037.85	2,946.28
Bank balances other than cash & cash equivalents	10,330.92	36,862.59
Financial assets-loans	43.44	57.87
Goodwill on Consolidation	92.97	
Other financial assets	357.65	1,185.98
Other assets	2,184.21	3,684.78
Income tax asset	10,455.53	10,507.56
Total	**1,76,598.02**	**1,81,326.88**

II. Unallocated liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities	9,493.47	9,603.73
Current tax liabilities	1,420.91	1,172.04
Lease liabilities	154.14	151.33
Trade payables	89.03	1.16
Other financial liabilities	905.93	994.36
Other liabilities	250.93	266.84
Provisions	349.22	163.02
Total	**12,663.63**	**12,352.47**

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, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Segment revenue	72,607.46	78,191.05	1,43,361.65	1,61,299.31	2,15,969.11	2,39,490.36
b) Segment non-current assets*	2,13,018.31	2,14,824.85	-	-	2,13,018.31	2,14,824.85

#Export incentives have been included in segment revenue within India

*Non-current segment assets includes non-current assets other than financial assets and deferred tax assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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, 2025	For the year ended March 31, 2024
India (including sale to SEZ units)#	72,607.46	78,191.05
United Arab Emirates	1,802.24	4,291.52
Japan	2,950.56	625.84
Egypt	9,461.62	14,982.72
Korea (South)	10,944.49	8,901.32
South Africa	4,081.60	3,613.16
Spain	7,495.44	7,035.01
Turkey	11,058.46	16,341.86
USA	36,696.48	40,276.52
Mexico	6,860.64	13,207.21
Others*	52,010.12	52,024.16
Total	**2,15,969.11**	**2,39,490.36**

*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 2024-25 and 2023-24

7) The group has business operations only in India and does not hold any non current asset outside India.

8) For the purpose of reporting as per the requirements of Ind AS 108 'Operating Segments', until the last financial year, the 'Power Segment' comprised of two Thermal Power Plants having total capacity of 63 MW at Mandideep, Bhopal (Madhya Pradesh) and a Hydro Power Plant having capacity of 13.5 MW at Tawa Nagar, District Hoshangabad (Madhya Pradesh). Keeping in view the intended future use of the Thermal Power Plants exclusively to meet the power requirement of graphite business, the thermal power plants have been considered as a part of 'Graphite Segment' w.e.f. current financial year. Further, the Hydro Power Plant is considered a separate segment and is being continued to be disclosed under 'Power segment' for reporting as per Ind AS 108 'Operating Segments', Accordingly, Previous year figures relating to these have been rearranged/regrouped, wherever considered necessary, to make them comparable with those of current year.

Note 38: Contingencies and commitments

1) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
For taxation matters		
a) Excise duty	220.04	238.09
b) Goods & services tax	36.70	36.70
c) Income tax	7,227.04	7,227.04
d) Sales tax	450.70	450.70

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Other than taxation matters		
a) Power related matters	847.00	748.56
b) Labour related matters	29.20	29.20
c) Other matters	1,315.19	1,107.40

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.

2) Commitments outstanding

Particulars	As at March 31, 2025	As at March 31, 2024
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹781.60 lakhs, (previous year ₹932.09 lakhs.)]	8,450.90	6,754.01
b) Outstanding commitments under letter of credits established by the Company	1,101.33	-
c) Pending export obligation against EPCG/Advance license	26,244.23	18,247.67
d) Other commitments	900.00	-

Note 39: Related party disclosure

A) Names of related parties and transactions taken place during the year

Relationship		Related parties	
		Year ended March 31, 2025	Year ended March 31, 2024
I)	Associates	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
			(ii) Bhilwara Infotechnology Ltd (BIL)~
II)	Subsidiaries of Associates	(i) Balephi Jalvidhyut Company Limited, Nepal	(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.
		(vii) Replus Engitech Private Limited	
		(viii) LNJ Greenpet Private Limited	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Related parties	
	Year ended March 31, 2025	Year ended March 31, 2024
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 Dawar	Sh. Jayant Dawar
	Sh. Davinder Kumar Chugh^	Sh. Davinder Kumar Chugh
	Sh. Sandip Somany	
	Dr. Nand Gopal Khaitan	
	Sh. P S Dasgupta	
	Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Executive Director
	Sh. Ravi Kant Tripathi -Chief Financial Officer*	
	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)
	Smt. Indu Mehta- Director Operations of Bhilwara Infotechnology 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
	Smt. Mansi Jhunjhunwala	
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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Related parties	
	Year ended March 31, 2025	Year ended March 31, 2024
	LNJ Financial Services Limited#	LNJ Financial Services 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 (Trust)	Graphite Education & Welfare Society (Trust)
	Dreamon Commercial Pvt Ltd.	Dreamon Commercial Pvt Ltd.
	LNJ Reality Pvt. Ltd	
	Kalati Holdings (P) Ltd.	
	Redrose Vanijya LLP	
	Bhilwara Services Private Limited	
	Jawahar Foundation	

~Associate upto 8th December 2024

^Resigned with effect from 22nd May 2024.

*Appointed with effect from 13th November 2024.

**Resigned with effect from 18th September 2024.

#Amalgamated with Redrose Vanijya LLP (formerly known as Redrose Pvt. Ltd.) pursuant to scheme of arrangement duly sanctioned by Hon'ble NCLT Kolkata Bench.

B) Transaction during the year with related parties

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
I) Associates	Bhilwara Energy Ltd.	Reimbursement received	1.47	3.94
II) Subsidiaries of Associates	Malana Power Co.Ltd.	Reimbursement received	14.61	14.36
	AD Hydro Power Ltd	Reimbursement received	1.18	18.74
	Indo Canadian Consultancy Services Ltd.	Reimbursement received	7.93	7.27
	BG Wind Power Limited	Reimbursement received	-	0.45
	Chango Yangthang Hydro Power Ltd.	Reimbursement received	-	0.27
III) Key Management Personnel	Sh. Ravi Jhunjhunwala -CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	432.56	376.78
		Commission	662.88	977.00
		Purchase of equity shares of BIL	583.27	-
		Dividend Paid	0.16	0.31

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
	Sh. Riju Jhunjhunwala -Vice Chairman	Director sitting fee	8.25	9.75
		Dividend Paid	0.31	0.58
		Reimbursement of expenses	0.33	0.39
		Purchase of equity shares of BIL	168.30	-
	Sh. Shekhar Agarwal	Director sitting fee	10.50	7.50
		Reimbursement of expenses	0.42	0.30
	Sh. Satish Chand Mehta	Director sitting fee	17.25	9.75
		Reimbursement of expenses	0.93	0.80
	Dr. Kamal Gupta	Director sitting fee	15.75	24.75
		Reimbursement of expenses	0.63	0.99
		Dividend Paid	0.11	0.20
	Smt. Vinita Singhania	Director sitting fee	5.25	4.50
		Reimbursement of expenses	0.33	0.30
	Smt. Ramni Nirula	Director sitting fee	18.75	9.75
		Reimbursement of expenses	0.75	0.39
	Sh. Jayant Dawar	Director sitting fee	17.25	12.75
		Reimbursement of expenses	0.69	0.51
		Dividend Paid	0.00	0.00
	Sh. Davinder Kumar Chugh	Director sitting fee	-	11.25
		Reimbursement of expenses	-	0.45
	Sh. Sandip Somany	Director sitting fee	4.50	-
		Reimbursement of expenses	0.18	-
	Dr. Nand Gopal Khaitan	Director sitting fee	8.25	-
		Reimbursement of expenses	2.19	-
	Sh. P S Dasgupta	Director sitting fee	1.50	-
		Reimbursement of expenses	0.06	-
	Sh. Manish Gulati - Executive Director	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	187.80	167.14
		Commission	108.33	100.00
	Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	68.92	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
		Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	71.98	69.27
			Housing Loan Repayment -Principal	8.75	5.00
			Special Loan sanctioned	-	3.96
			Special loan Repayment- Principal	1.98	1.98
			Housing Loan & Special Loan - Interest Repayment	0.19	0.60
		Sh. Vivek Chaudhary- Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	54.54	44.98
			Housing Loan Repayment -Principal	1.40	1.40
			Special loan sanctioned	-	12.00
			Special loan Repayment- Principal	2.40	1.60
			Housing Loan & Special Loan - Interest Repayment	1.12	0.78
			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)#	102.65	75.00
		Ms Indu Mehta- Director Operations of Bhilwara Infotechnology Limited	Consultancy Fees	69.21	-
			Reimbursement of expenses	4.80	-
IV)	**Close family members of Key Management Personnel**	Sh. Rishabh Jhunjhunwala	Dividend Paid	0.41	0.77
			Purchase of equity shares of BIL	88.42	-
		Smt. Rita Jhunjhunwala	Dividend Paid	0.42	0.80
			Purchase of equity shares of BIL	114.57	-
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	156.77	184.26

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
VI) Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd	Rent Paid	43.52	43.52
		Reimbursement received	65.69	60.17
		Reimbursement made	200.70	172.47
		Dividend Paid	71.64	135.32
	Shashi Commercial Co. Ltd.	Rent Paid	20.22	32.97
		Dividend Paid	152.00	287.10
		Purchase of equity shares of BIL	110.66	-
	Purvi Vanijaya Niyojan Ltd.	Rent Paid	-	3.64
		Reimbursement made	-	0.34
		Reimbursement received	0.21	2.36
		Dividend Paid	420.43	794.15
		Purchase of equity shares of BIL	232.27	
	Giltedged Industrial Securities Ltd.	Rent Paid	4.08	22.77
		Dividend Paid	199.73	377.27
		Reimbursement received	-	0.45
		Purchase of equity shares of BIL	18.56	-
	BSL Ltd	Rent Received	12.19	12.19
		Purchase of Fabrics	2.23	3.32
		Reimbursement received	1.52	1.07
	Maral Overseas Ltd	Reimbursement received	24.01	23.94
	BMD Pvt Ltd	Reimbursement received	17.06	13.07
	Bhilwara Technical Textiles Ltd.	Reimbursement received	-	0.27
	Bharat Investments Growth Ltd.	Reimbursement received	-	0.57
		Dividend Paid	615.36	1,162.34
		Purchase of equity shares of BIL	241.33	-
	Jet(India) Pvt. Ltd.	Dividend Paid	226.26	427.38
	India Texfab Marketing Limited	Dividend Paid	46.51	87.86
		Purchase of equity shares of BIL	130.33	-
	Investors India Limited	Dividend Paid	8.16	15.41
	LNJ Financial Services Limited	Dividend Paid	370.87	700.54
		Reimbursement received	-	0.27
		Purchase of equity shares of BIL	884.96	-
	M.L. Finlease Pvt Limited	Dividend Paid	77.95	147.25
	Raghav Commercial Limited	Dividend Paid	325.84	615.47
		Reimbursement received	-	0.54
		Purchase of equity shares of BIL	182.20	-
	RLJ Family Trusteeship Pvt. Ltd.	Dividend Paid	0.11	0.21

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for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
	Dreamon Commercial Pvt Ltd.	Reimbursement received	0.08	0.27
		Dividend Paid	71.22	134.52
		Purchase of equity shares of BIL	363.72	-
	LNJ Reality Pvt. Ltd	Rent Paid	39.25	-
		Reimbursement received	0.45	-
		Reimbursement made	0.08	-
	Kalati Holdings (P) Ltd.	Purchase of equity shares of BIL	185.83	-
	Redrose Vanijya LLP	Reimbursement received	0.64	-
	Sabhyata Foundation	Donation under Corporate Social Responsibility (CSR)	-	200.00
	LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	35.38	37.70
	Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	12.60	500.00

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, 2025	As at March 31, 2024
1	**Associates**	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
		Bhilwara Infotechnology Ltd	Investments	-	419.00
2	**Key Management Personnel**	Sh. Ravi Jhunjhunwala -CMD & CEO	Salary payable (including commission)	407.20	600.97
		Sh Manish Gulati - Executive Director	Salary payable (including commission)	76.00	64.27
		Sh Gulshan Kumar Sakhuja - Chief Financial Officer	Loan outstanding at the end of the year	-	10.73
			Salary payable	-	3.05
		Sh. Vivek Chaudhary - Company Secretary	Loan outstanding at the end of the year	11.97	15.77
			Salary payable (including commission)	1.69	0.34
		Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary payable	1.74	-
		Sh.Ankur Khaitan- MD & CEO (TACC Limited)	Salary payable	4.07	1.09
		Smt. Indu Mehta- Director Operations of Bhilwara Infotechnology Limited	Reimbursement Payable	0.40	-
3	**Post employment benefit Plan Trust**	Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Payable	157.88	183.76

Note: There is no provision for doubtful debts related to amount of outstanding balances due from related parties.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

D) Transactions with Key Managerial Personnel

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Short term benefits	1,679.66	1,745.41
Post employment benefits#	79.20	64.75
Director's Sitting Fee	107.25	90.00
Reimbursement of expenses and Incidental expenses	11.31	4.13
Dividend paid by the company	0.58	1.08
Purchase of equity shares of BIL	751.57	-
Housing loan given	-	-
Housing loan repayment -principal	(10.15)	(6.40)
Special loan given	-	15.96
Special loan repayment-principal	(4.38)	(3.58)
Housing loan and Special loan repayment -interest	(1.31)	(1.38)

#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, 2025 and March 31, 2024.

For the year ended March 31, 2025, the group has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2024: Nil).

Note 40: Disclosures required as per Indian Accounting Standard-19 "Employee Benefits"

(A) Defined contribution plan

The group makes contribution to Provident fund, ESIC, retirement benefits plans and labour fund 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, 2025	For the year ended March 31, 2024
Employer's contribution to Provident Fund (including administrative and other expenses)	466.31	401.61
Employer's contribution to Superannuation Fund	156.77	184.26
Employer's contribution to Employees State Insurance Corporation	25.05	21.80
Employer's contribution to Labour Welfare Fund	0.05	-
Total	**648.18**	**607.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(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	For the year ended March 31, 2025	For the year ended March 31, 2024
I. Movement in the present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	1,389.40	1,241.64
Current service cost	95.70	88.47
Interest cost	105.51	92.38
Past service cost including curtailment (gains)/losses	-	-
Acquired through Business Combination	129.05	
Benefits paid	(176.90)	(93.79)
Actuarial changes (gain)/loss	19.27	60.70
Present value of defined benefit obligation at the end of the year	**1,562.03**	**1,389.40**
II. Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year	2,054.20	1,812.11
Interest income	146.88	134.82
Contribution	-	-
Benefits paid	-	-
Remeasurement- return on plan assets excluding amount included in interest income	16.58	107.28

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fair value of plan assets at the end of the year	**2,217.66**	**2,054.20**
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	1,562.03	1,389.40
Fair value on plan assets	2,217.66	2,054.20
Surplus/(deficit)	655.63	664.80
Effect of asset ceiling (if any)	-	-
Net assets/(liability) recognized in balance sheet	**655.63**	**664.80**
The surplus of the respective entity has been disclosed in note-13 "Other assets" under the head "Gratuity fund receivable"		
The deficit of the respective entity has been disclosed in note-22 "Provisions" under the head "Gratuity"		
IV(a). Amount recognized in statement of profit and loss		
Current service cost	95.70	88.47
Net interest expense on net defined benefit liability / (asset)	(41.36)	(42.44)
Net cost	**54.33**	**46.03**
The above amount has been included in note-30 "Employee benefit 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	(21.57)	(60.70)
Remeasurement- return on plan assets (excluding amount included in net Interest on net defined benefit liability/(asset))	16.58	107.28
Net income/(expense) for the period recognised in OCI	**(4.99)**	**46.57**
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))	6.90	(31.46)
3. Actuarial changes arising from changes in experience adjustments (gain/ (loss))	14.67	(29.25)
4 Actuarial gain/(loss) arising for the year on plan assets	(16.58)	107.28
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		
Discount rate (per annum)	7.09%	7.15%
Salary escalation (per annum)	5.00	5.00
Retirement age	58/60	58/60

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
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 obligations.

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.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase(decrease) in obligation	(55.90)	(54.18)
Impact due to decrease of 0.50 %-increase(decrease) in obligation	60.12	58.24
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase(decrease) in obligation	51.85	50.64
Impact due to decrease of 0.50 %-increase(decrease) in obligation	(49.48)	(48.08)

IX. The defined benefit obligation shall mature after the year end as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) 0-1 year	95.02	140.43
b) 1-2 year	104.59	64.43
c) 2-3 year	142.54	109.44
d) 3-4 years	66.32	129.55
e) 4-5 years	121.11	58.03
f) More than 5 years	1,032.45	887.52

X. The group expects to make a contribution of ₹44.43 lakhs to defined benefit plans during the next financial year(March 31, 2024 ₹47.28 lakhs).

(C) Other long term employee benefits (compensated absences)

(i) Expense of compensated absences amounting to ₹107.82 has been recognised in note 30 "employee benefits expense" under the head "salaries and wages" (previous year ₹229.65 lakhs).

(ii) Liability towards compensated absences as at the end of the year is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Current liability	106.75	95.49
Non-current liability	557.88	492.93

The above amount has been shown in note-22 "Provisions" under the head "Compensated absences".

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 41: Leases

(i) Group as a lessee

(a) The depreciation expense on ROU assets of ₹64.66 lakhs (previous year ₹67.03 lakhs) is included under depreciation and amortization expense in the statement of profit and loss after netting off ₹41.85 lakhs (previous year ₹22.79 lakhs) transferred to CWIP in the subsidiary company i.e. TACC Limited.

(b) Interest expense on the lease liability amounting to ₹13.48 lakhs (previous year ₹16.84 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, 2023	889.90	268.69	621.21
Addition during the year	3,170.22	-	
Depreciation during the year	-	41.98	
As at March 31, 2024	4,060.11	310.67	3,749.44
As at April 1, 2024	4,060.11	310.67	3,749.44
Addition during the year	18.60	-	
Depreciation during the year	-	58.61	
As at March 31, 2025	**4,078.71**	**369.28**	**3,709.43**
(ii) Buildings			
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	299.63	212.35	87.28
As at April 1, 2024	299.63	212.35	87.28
Addition during the year	-	-	
Adjustments during the year	-	-	
Depreciation during the year	-	47.90	
As at March 31, 2025	**299.63**	**260.25**	**39.38**

(d) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	58.70	63.58
Non current lease liabilities	222.77	266.16
Total	**281.47**	**329.74**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

(e) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	329.74	166.25
Additions during the year	18.60	3,226.55
Adjustments during the year	-	-
Finance cost accrued during the year	13.48	16.84
Payment of lease liabilities	80.35	3,079.90
Balance at the end of the year	**281.47**	**329.74**

(f) The table below provides details regarding the contractual maturities of lease liabilities:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	72.19	58.70	79.70	63.58
After one year but not more than 5 years	116.33	52.36	161.89	105.13
More than 5 years	1,706.71	170.41	1,720.50	161.02
Total minimum lease payments	1,895.23	281.47	1,962.09	329.74
Less: amount representing finance charges	1,613.76		1,632.35	
Present value of minimum lease payments	281.47	281.47	329.74	329.74

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) Short- term leases

The group incurred ₹37.23 lakhs during the year ended March 31, 2025 towards expense relating to short-term leases having tenure of less than 12 months (previous year ₹36.88 lakhs).

(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, 2025 is ₹153.99 lakhs (previous year ₹144.89 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, 2025	As at March 31, 2024
(i) Not later than one year	150.44	134.58
(ii) Later than one year and not later than five years 269.78 287.72	139.13	269.78
(iii) Later than five years	-	-
Total	**289.57**	**404.36**

Note 42: Events after the reporting period

The Board of Directors of holding company has recommended a final dividend of ₹1.80/- per equity share of the face value of ₹2 each (previous year ₹22.50/- per equity share of face value of ₹10 each) which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2025	For the year ended March 31, 2024
(i) Amount required to be spent for the year	929.80	659.17
(ii) Interest earned on deposits under on-going projects-Included in CSR Expense in the statement of profit and loss	-	36.03
(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	723.73	604.01
(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	80.34	894.85
(iv) Shortfall of current year	206.07	55.16
(v) Total of previous years shortfall (including interest earned on deposits under on-going projects)	-	25.18
(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 group in relation to CSR expenditure as per relevant Accounting Standard	Refer note no. 39 of consolidated financial statements	Refer note no. 39 of consolidated financial statements

Note 44: 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, 2025	For the year ended March 31, 2024
Investment made (For detail of investments made, refer note 9)		
Investments as at the beginning of the year	36,803.78	31,130.50
Add: investments made during the year	20,893.02	7,117.03
Less: investments sold during the year	(366.66)	-
Less: reduction on account of business combination	(419.00)	
Add/(less): gain/(loss) on fair valuation of such investments till end of the year	(8,016.20)	(1,443.75)
Investments as at the end of the year	**48,894.94**	**36,803.78**

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 45: Financial instruments and risk management

45A. 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.

(i) The gearing ratios were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Debt*	58,485.65	61,937.81
(b) Cash & cash equivalents	(5,076.34)	(13,705.17)
(c) Net debt (a)+(b)	53,409.31	48,232.64
Total equity	4,45,376.83	4,42,594.15
Net debt to equity ratio	**0.12**	**0.11**

*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 in respect of loans and borrowing during the year ended March 31, 2025 and March 31, 2024.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 45B: Financial instruments- accounting classification and fair value measurement

(a) Classification of financial instruments

As at March 31, 2025

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	-				18,183.44	18,183.44	18,183.44
-Fixed maturity plans					9,674.30	9,674.30	9,674.30
-Mutual funds					34,481.02	34,481.02	34,481.02
-Bond funds					8,871.65	8,871.65	8,871.65
-Infra trust					5,060.00	5,060.00	5,060.00
-Bonds	-					-	-
Trade receivables (refer note 10)	44,469.66			-	-	44,469.66	44,469.66
Cash and cash equivalents (refer note 15)	5,076.34			-	-	5,076.34	5,076.34
Other bank balances (refer note 16)	9,627.62					9,627.62	9,627.62
Loans (refer note 11)	180.22			-	-	180.22	180.22
Other financial assets (refer note 12)	12,214.44					12,214.44	12,214.44
Derivative financial instruments (refer note 12)	-			-	-	-	-
Total financial assets	**71,568.28**	**-**	**-**	**-**	**76,270.41**	**1,47,838.69**	**1,47,838.69**
Financial liabilities							
Borrowings (refer note 19)	58,485.65				-	58,485.65	58,485.65
Trade payables (refer note 20)	39,929.16				-	39,929.16	39,929.16
Lease liabilities (refer note 21A)	281.47					281.47	281.47
Other financial liabilities (refer note 21B)	6,394.96				-	6,394.96	6,394.96
Derivative financial instruments (refer note 21B)	-				-	-	-
Total financial liabilities	**1,05,091.24**	**-**	**-**	**-**	**-**	**1,05,091.24**	**1,05,091.24**

Notes to the Consolidated Financial Statements

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(All amounts are in ₹ Lakhs unless otherwise stated)

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 frust					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**
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**

[#]Investment value excludes investment in Subsidiaries / Associates of ₹46,858.40 lakhs (March 31, 2024: ₹39,130.50 lakhs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

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(All amounts are in ₹ Lakhs unless otherwise stated)

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.

As at March 31, 2025

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)	18,183.44	18,183.44		
-Fixed maturity plans	9,674.30	-	9,674.30	-
-Mutual funds	39,307.04	-	39,307.04	-
-Bond funds	8,871.65	-	8,871.65	
-Infra trust	5,060.00	-	-	5,060.00
Derivative financial instruments	-	-	-	-
Total	**81,096.43**	**18,183.44**	**57,852.99**	**5,060.00**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Total	**-**	**-**	**-**	**-**

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(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	**-**	**-**	**-**	**-**

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.

(c) Reconciliation of Level 3 fair value measurements is given below:

Particulars	Amount
As at April 1, 2023	6,028.00
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit or loss on fair value changes	(690.80)
As at March 31, 2024	**5,337.20**
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit or loss on fair value changes	(277.20)
As at March 31, 2025	**5,060.00**

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(All amounts are in ₹ Lakhs unless otherwise stated)

Note 45C Financial risk management

This note explains the risk which group is exposed to and policies and framework adopted by the group to manage these risks.

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	As at March 31, 2025			As at March 31, 2024		
	No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)
Against receivables	-	-	-	25	250.00	20,843.48
Against receivables	-	-	-	9	50.00	4,510.89

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 group's exposure to foreign currency risk at the end of the reporting period is as follows:

Particulars	Currency	As at March 31, 2025		As at March 31, 2024	
		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	162.84	13,935.97	187.63	15,643.82
	Euro	0.14	13.26	2.69	243.07
Other payables (B)	USD	12.03	1,029.50	11.22	935.50
	Euro	5.52	509.35	4.19	378.17
Total exposure to foreign currency risk (liabilities) (C=A+B)	USD	174.87	14,965.47	198.85	16,579.31
	Euro	5.66	522.61	6.89	621.23

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(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Currency	As at March 31, 2025		As at March 31, 2024	
		Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)	Amount in FC (in Lakhs)	Amount in INR (₹ in Lakhs)
II. Financial assets					
Trade receivables (D)	USD	244.03	20,884.49	342.40	28,547.14
	Euro	97.93	9,041.28	56.73	5,118.12
Bank balances (E)	USD	0.02	1.74	0.01	0.96
	Euro	0.00	0.00	0.00	0.11
Total exposure to foreign currency risk (assets) (F=D+E)	USD	244.05	20,886.23	342.41	28,548.10
	Euro	97.93	9,041.28	56.73	5,118.23
Net exposure to foreign currency risk after considering natural hedge receivable/(payable) (G=F-C)	USD	69.18	5,920.75	143.56	11,968.79
	Euro	92.27	8,518.67	49.85	4,497.00
Foreign currency forward contracts outstanding in respect of receivables (H)	USD	-	-	250.00	20,843.48
	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	69.18	5,920.75	-	-
	Euro	92.27	8,518.67	-	-
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 group's profit before tax :

Particulars	Impact on profit-increase/(decrease)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
USD Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	296.04	-
Decrease in exchange rate by 5% (previous year 5%)	(296.04)	-
EURO sensitivity		
Increase in exchange rate by 5% (previous year 5%)	425.93	-
Decrease in exchange rate by 5% (previous year 5%)	(425.93)	-

(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.

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(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2025			As at March 31, 2024		
	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	6.03%	58,485.65	100	5.37%	61,937.81	100
Fixed rate borrowings	-	-		-	-	
Total borrowings	**6.03%**	**58,485.65**	**100**	**5.37%**	**61,937.81**	**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, 2025	For the year ended March 31, 2024
Interest rate - increase by 50 basis points	(292.43)	(309.69)
Interest rate - decrease by 50 basis points	292.43	309.69

(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, equity instruments 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 equity instruments is reflected through price listed on stock exchange. 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	For the year ended March 31, 2025	For the year ended March 31, 2024
Investments in debt based fixed maturity plans, mutual fund schemes, equity instruments and infrastructure trust carried at fair value through profit and loss	81,096.43	60,479.76

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case fair value/NAV has been 1% higher / lower.

Particulars	Impact on profit-increase/(decrease)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Fair value/NAV increase by 1%	810.96	604.80
Fair value/NAV decrease by 1%	(810.96)	(604.80)

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(All amounts are in ₹ Lakhs unless otherwise stated)

(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 2024-25 and 2023-24

(i) Expected credit loss for financial assets

As at March 31, 2025

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	180.22	-	180.22
Security deposits	4,481.39	-	4,481.39

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	44,983.21	513.54	44,469.66

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

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

(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	For the year ended March 31, 2025	For the year ended March 31, 2024
As at the beginning of year	359.45	89.02
Provided during the year	154.09	270.43
Reversal during the year	-	-
As at the end of the year	**513.54**	**359.45**

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(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.

The group had access to the following undrawn fund based borrowing facilities at the end of the reporting period

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Floating rate		
– Expiring within one year – Working Capital Loans	781.21	575.20

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, 2025

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	58,485.65				58,485.65
Trade payables	39,929.16	-	-	-	39,929.16
Lease liabilities	72.19	58.17	58.17	1,706.71	1,895.23
Other financial liabilities	6,394.96	-	-	-	6,394.96
Total	**1,04,881.96**	**58.17**	**58.17**	**1,706.71**	**1,06,705.00**
Financial assets					
Investments (other than investment in Associates)	39,307.04	41,789.39	-	-	81,096.43
Trade receivables	44,469.66				44,469.66
Cash and cash equivalents	5,076.34				5,076.34
Other bank balances (other than earmarked balances)	7,728.15				7,728.15
Loans	83.09	97.13	-	-	180.22
Others financial assets	6,885.44	847.61	-	4,481.39	12,214.44
Total	**1,03,549.72**	**42,734.13**	**-**	**4,481.39**	**1,50,765.24**

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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	42,529.59	-	-	-	42,529.59
Lease liabilities	79.70	80.94	80.94	1,720.50	1,962.09
Other financial liabilities	9,238.63	-	-	-	9,238.63
Total	**1,13,785.73**	**80.94**	**80.94**	**1,720.50**	**1,15,668.12**
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**

Note 46: Carrying amount of pledged assets

Particulars	As at March 31, 2025	As at March 31, 2025
First charge		
Current assets		
(a) Trade receivables	44,469.66	50,824.88
(b) Inventories	1,25,463.80	1,19,415.23
Total (A)	**1,69,933.46**	**1,70,240.11**
Secondary charge		
Property, plant and equipment (including capital work-in-progress and leasehold land)	1,91,549.29	1,96,277.57
Total (B)	**1,91,549.29**	**1,96,277.57**
Total (A+B)	**3,61,482.75**	**3,66,517.68**

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Note 47: 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, 2025	For the year ended March 31, 2024
- Graphite electrode	1,97,636.80	2,19,492.36
- Graphite by-products	13,161.59	15,269.00
- Power	2,935.48	3,220.62
- IT related & medical transcription services	698.20	-
Total	**2,14,432.07**	**2,37,981.98**

(b) Geographical

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from customers within India (including sale to SEZ units)	71,070.43	76,682.66
Revenue from customers based outside India	1,43,361.64	1,61,299.32
Total	**2,14,432.07**	**2,37,981.98**

(c) Timing of revenue recognition

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from goods transferred to customers at a point in time	2,13,733.87	2,37,981.98
Revenue from goods transferred to customers over time	698.20	-
Total	**2,14,432.07**	**2,37,981.98**

(ii) Reconciliation of revenue from contract with customer

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contract with customer as per the contract price	2,16,203.85	2,38,634.32
Adjustments made to contract price on account of :-		
a) Discounts / rebates / incentives	-	-
b) Sales returns / credits / reversals	1,771.78	652.34
Revenue from contract with customer	**2,14,432.07**	**2,37,981.98**
Other operating revenue	1,537.04	1,508.38
Revenue from operations	**2,15,969.11**	**2,39,490.36**

(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 10 and 24 respectively

The revenue recognised during the year ended March 31, 2025 includes revenue against advances from customers amounting to ₹657.12 Lakhs (previous Year- ₹147.20 lakhs) at the beginning of the year. Advance from customers of current year will be recognised as revenue in coming twelve months.

The revenue of Nil has been recognised during the Year ended March 31, 2025 (Previous year -Nil) against performance obligations satisfied (or partially satisfied) in previous periods.

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(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2025	As at March 31, 2024
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Note 48: Business combination

Acquisition of Bhilwara Infotechnology Limited (BIL) and Step Down Subsidiary Texnere India Private Limited ("Texnere")

On December 09, 2024, the Holding Company has acquired additional 61.41 percent equity interest of BIL, a company engaged primarily in the business of IT enabled services. As a result, the Holding Company's equity interest in BIL increased from 38.59 percent to 100 percent, along with acquisition of control from Significant influence. Further, BIL has acquired additional 100 percent equity interest in Texnere, a company engaged primarily in the business of IT enabled services w.e.f 6th February 2025. The primary reason for the business acquisition was in connection with merger scheme.

(a) Consideration Transferred

The following table summarises the acquisition date fair value of major class of consideration transferred:

Particulars	BIL	Texnere
Consideration paid/invested in cash	3,726.90	1.00

(b) Identifiable assets acquired and liabilities assumed

The following table summarises the acquisition date fair value of assets acquired, fair value of the consideration transferred:

Particulars	BIL	Texnere
Property, Plant and Equipment	180.26	-
Intangible Assets	0.97	-
Non-current financial assets	577.34	-
Other Non-Current Assets	136.26	0.01
Investments	4,200.01	-
Trade Receivables	537.79	-
Cash and Cash Equivalents	159.25	0.74
Bank Balances	471.32	-
Loans	1.70	-
Other current financial assets	181.38	-
Other Current Assets	39.77	0.01
Total Assets Acquired	**6,486.05**	**0.76**
Non-current financial liabilities	11.20	-
Deferred Tax Liabilities	185.74	-
Non - current Provisions	116.81	-
Trade Payables	65.83	-
Other Current Financial Liabilities	98.16	-
Current Provisions	27.12	-
Other Current Liabilities	60.92	0.08
Total Liabilities Acquired	**565.78**	**0.08**
Assets net of Liabilities	**5,920.27**	**0.68**

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(All amounts are in ₹ Lakhs unless otherwise stated)

(c) Goodwill on Consolidation

Goodwill on consolidation arising from the acquisition has been determined as follows:

Particulars	BIL	Texnere
Consideration transferred (refer note (a) above)	3,726.90	1.00
Fair value of investment already held as on the date of acquisition	2,286.02	-
Fair value of net identifiable assets (refer note (b) above)	5,920.27	0.68
Goodwill on Consolidation	**92.65**	**0.32**

(d) From the date of acquisition, BIL contributed ₹698.20 Lakhs revenue from operations and ₹354.92 Lakhs Loss to the Group during the year ended March 31, 2025.

(e) The amount of gain recognised as a result of remeasuring to fair value the equity interest in the acquiree held before the business combination is ₹6.04 Lakhs and the same has been recognised under Other Income in the Consolidated Statement of Profit and Loss.

(f) Effect of acquisition of Subsidiaries on the financial position of the Group:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Property, Plant and Equipment	180.26	-
Intangible Assets	0.97	-
Non-current financial assets	577.34	-
Other Non-Current Assets	136.27	-
Investments	4,200.01	-
Trade Receivables	537.79	-
Cash and Cash Equivalents	159.99	-
Bank Balances	471.32	-
Loans	1.70	-
Other current financial assets	181.38	-
Other Current Assets	39.78	-
Total Assets Acquired	**6,486.81**	**-**
Non-current financial liabilities	11.20	-
Deferred Tax Liabilities	185.74	-
Non - current Provisions	116.81	-
Trade Payables	65.83	-
Other Current Financial Liabilities	98.16	-
Current Provisions	27.12	-
Other Current Liabilities	61.00	-
Total Liabilities Acquired	**565.86**	**-**
Assets net of Liabilities	**5,920.95**	**-**
Consideration paid - Satisfied in Cash	(3,727.90)	-
Cash and cash equivalents acquired	159.99	-
Net Cash (flows)	**(3,567.91)**	**-**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 49. 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, 2025		For the year ended March 31, 2024	
	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	61,937.81	-	74,090.73	-
Changes during the year				
a) Changes from cash flows	(3,763.16)	-	(12,152.92)	-
b) The effect of changes in foreign exchanges rates- (gain)/loss	311.00		-	
c) Changes in fair value	-	-	-	-
d) Other changes	-	-	-	-
Closing balance of financial liabilities coming under the financing activities of Statement of cash flows	**58,485.65**	**-**	**61,937.81**	**-**

Note 50: Details of research and development expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Capital	-	-
b) Revenue	319.79	158.11

Note 51: Government grants

Particulars	Grants recognised during the year		Grants recoverable	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Government grant shown as other operating revenue				
Export incentives	1,194.86	1,345.62	625.74	79.09
B. Government grant deducted from expenses				
Interest subvention on export packing credit loans reduced from finance cost (#)	-	1,257.62	286.95	286.95
Subsidy in electricity tariff reduced from power and fuel expenses	510.97		510.97	
C. Government grant shown as other income				
State Government investment promotion assistance as per MP industrial promotion policy 2018	5,714.00	-	5,714.00	-
Total of government grants recognised & grants recoverable	**7,419.83**	**2,603.24**	**7,137.66**	**366.05**

(#)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 Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 52

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 53: 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 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 utilised 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.

(x) The group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961(such as search, survey or any other relevant provisions of the Income Tax Act, 1961.

Note 54:

A. The Board of Directors of the holding Company at its meeting held on 22 May 2024 had approved the Composite Scheme of Arrangement amongst HEG Limited ("the Company") and HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors ("Scheme").

The proposed Scheme inter alia provides for:

(a) the demerger of the Demerged Undertaking (i.e. Graphite Business) from the Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Company in consideration thereof, and

(b) amalgamation of the Transferor Company with the Company and issue of equity shares by the Company to the shareholders of the Transferor Company (except the Company itself) in consideration thereof. The Appointed Date for the Scheme is 1st April 2024.

Thereafter, the Company had filed the requisite application with the stock exchanges (viz. BSE Limited and National Stock Exchange of India Limited) under Regulation 37 of the listing Regulations ("Regulation 37 Application").

Taking into consideration the business needs, the board of directors of the Transferor Company vide its resolution dated 10 March 2025 has approved the execution of definitive agreements in connection with the issue of further shares to proposed investors.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

In view of the aforesaid, the companies involved in the Scheme have modified the Scheme basis SEBI's observation, after taking into account, inter alia, the updated valuation reports issued by the registered valuer and fairness opinion issued by the merchant banker on the modified scheme.

The Company has thereafter filed fresh Regulation 37 application with the stock exchanges in relation to the modified Scheme. The Scheme is, inter alia, subject to receipt of approval from the statutory and regulatory authorities, including BSE Limited, National Stock Exchange of India Limited, jurisdictional National Company Law Tribunal and the shareholders and creditors (as applicable) of the Companies involved in the Scheme.

Pending receipt of final approvals, no adjustments have been made in the financial statements for the year ended 31st March 2025.

B. During the year ended 31st March, 2025, Bhilwara Infotechnology Limited ("BIL") a wholly owned subsidiary of the Holding Company had acquired 100% equity shares of the Texnere India Private Limited ("Texnere") and Texnere has become wholly owned subsidiary of the Bhilwara Infotechnology Limited.

BIL is negotiating and under process to execute Business Transfer Agreement with Texnere its wholly owned subsidiary company to sell ""Infotech Division of the BIL which comprises its manpower staffing operations, all customer contracts, customer relationships, operative assets (including software licenses, computers, laptops, servers, printers, scanners etc and the associated employees (both technical and non-technical) to Texnere. BIL is seeking consent from its shareholders to enter into the transaction involving Business Transfer Agreement.

Pending shareholders consent and the execution of Business Transfer Agreement by BIL, no impact has been taken in consolidated financial statements of the Holding Company and same shall be given effect in the ensuing financial year upon entering into Business Transfer Agreement by BIL.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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, 2025	March 31, 2024
A. Subsidiary				
TACC Limited	India	Anode manufacturing for lithium ion batteries	100.00%	100.00%
Bhilwara Infotechnology Limited*	India	IT enabled services	100.00%	0.00%
HEG Graphite Limited	India	Manufacturing of Graphite Electrodes	100.00%	0.00%
Texnere India Private Limited**	India	IT enabled services	100.00%	0.00%
B. Associates				
Bhilwara Energy Limited	India	Power Generation and Power Consultancy	49.01%	49.01%
Bhilwara Infotechnology Limited*	India	IT enabled services	38.59%	38.59%

* Refer note 48

** Wholly owned subsidiary of Bhilwara Infotechnology Limited, acquired during the year

Note 55 B: Summarised financial information of Associates

Particulars	Bhilwara Energy Limited	
	As at March 31, 2025	As at March 31, 2024
I. Assets		
(A) Non Current Assets	**1,49,989.97**	**1,54,083.48**
(B) Current Assets		
i) Cash and cash equivalent	1,581.19	18,148.10
ii) Others	60,025.01	34,560.44
Total Current Asset	**61,606.20**	**52,708.54**
Total Asset (A+B)	**2,11,596.17**	**2,06,792.02**
II. Liabilities		
(A) Non Current Liabilities		
i) Financial Liabilities		
A. Borrowings	2,351.11	2,732.09
B. Other financial liabilities	86.66	24.12
ii) Other liabilities (including provisions)	17,892.54	8,712.92
Total Non Current Liabilities	**20,330.31**	**11,469.13**
(B) Current Liabilities		
i) Financial Liabilities		
A. Borrowings	4,753.27	548.03
B. Trade Payables	1,501.24	3,938.75
C. Other financial liabilities	1,789.88	1,541.27
ii) Other liabilities (including provisions)	2,993.98	3,897.61
Total Current Liabilities	**11,038.37**	**9,925.66**
Total Liabilities (A+B)	**31,368.68**	**21,394.79**
Net Assets (including non controlling interest) (I-II)	**1,80,227.49**	**1,85,397.23**
III. Contingent liabilities and commitments		
Contingent liabilities	12,596.13	760.79
Capital commitments	-	1,622.64
Group's share of contingent liabilities	6,172.81	372.83
Group's share of capital commitments	-	795.19

#The previous year figures mentioned above are the comparative figures as mentioned in the financial statements of associates for the year ended 31st March 2025.

Note 55 C. Summarised performance of Associates

Particulars	Bhilwara Energy Limited	
	For the year ended March 31, 2025	For the year ended March 31, 2024
I. Summarised performance of Associates		
(i) Revenue from operations	57,770.83	47,509.65
(ii) Profit/(Loss) before Tax	22,634.18	34,657.51
(iii) Profit/(Loss) after Tax (net of non-controlling interest)	3,218.23	16,240.48
(iv) Other comprehensive Income(net of non-controlling interest)	(71.67)	(20.04)
(v) Total comprehensive Income(for the purpose of calculation of Group's share)	3,146.56	16,220.44
II. Group's share in Associate		
Proportion of group's ownership in associate	49.01%	49.01%
(i) Group's share in profit after tax	1,577.25	7,959.46
(ii) Group's share in other comprehensive income	(35.13)	(9.82)
(iii) Group's share in total comprehensive income	1,542.12	7,949.64
III. Other information		
(i) Depreciation & amortisation expense	4,961.43	4,741.78
(ii) Interest income	3,458.55	2,070.46
(iii) Interest expense	3,059.54	141.31
(iv) Tax expense	10,680.10	7,211.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 55: D. Movement of investment in Associates accounted for using the Equity method

Particulars	As at March 31, 2025	As at March 31, 2024
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)	3,726.90	-
Less: Reduction on account of acquisition of control (refer note 48)	(4,145.90)	
Investment at cost -at the end of the reporting year	30,711.50	31,130.50
Profit till date at the beginning of the year	**28,363.63**	**20,496.80**
Add: Share of profit for the period	1,747.95	8,166.21
Add: Share of OCI for the period	(35.13)	(10.74)
Add: Impact of direct adjustment in reserves of associates	-	(288.64)
Less: Reduction on account of acquisition of control (refer note 48)	(1,860.90)	-
Profit till date at the end of the reporting year	**28,215.55**	**28,363.63**
Investment at equity method - at the beginning of the year	59,494.13	51,627.30
Investment at equity method - at the end of the year	**58,927.05**	**59,494.13**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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, 2025

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								
HEG Limited	88.95%	3,96,171.67	88.11%	10,137.12	7.43%	-2.89	88.38%	10,134.23
Subsidiary (Indian)								
TACC Limited	2.63%	11,701.26	-0.18%	-20.90	0.00%	-	-0.18%	-20.90
Bhilwara Infotechnology Limited	1.25%	5,552.74	-3.08%	-354.92	2.21%	-0.86	-3.10%	-355.78
HEG Graphite Limited	-0.01%	-1.47	-0.04%	-3.72	0.00%	-	-0.03%	-3.72
Associates (Indian) (Investment as per Equity Method)								
Bhilwara Infotechnology Limited	0.48%	2,132.63	1.48%	170.70	0.00%	0.00	1.49%	170.70
Bhilwara Energy Limited	6.70%	29,819.99	13.71%	1,577.25	90.36%	-35.13	13.45%	1,542.12
Total	**100.00%**	**4,45,376.82**	**100.00%**	**11,505.54**	**100.00%**	**-38.88**	**100.00%**	**11,466.66**
Attributable to								
Owners of the Company	100.00%	4,45,376.82	100.00%	11,505.54	100.00%	-38.88	100.00%	11,466.66
Non Controlling Interest	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

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								
HEG Limited	93.65%	4,14,508.29	74.29%	23,154.31	144.55%	34.85	74.34%	23,189.16
Subsidiary (Indian)								
TACC Limited	-0.06%	-277.83	-0.49%	-152.61	0.00%	-	-0.49%	-152.61
Associates (Indian) (Investment as per Equity Method)								
Bhilwara Infotechnology Limited	0.38%	1,690.24	0.66%	206.74	-3.81%	-0.92	0.66%	205.82
Bhilwara Energy Limited	6.03%	26,673.43	25.54%	7,959.47	-40.74%	-9.82	25.49%	7,949.65
Total	**100.00%**	**4,42,594.13**	**100.00%**	**31,167.91**	**100.00%**	**24.11**	**100.00%**	**31,192.02**
Attributable to								
Owners of the Company	100.00%	4,42,594.13	100.00%	31,167.91	100.00%	24.11	100.00%	31,192.02
Non Controlling Interest	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(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 'Material Uncertainties relating to going concern' and 'Emphasis of matter' paragraph are being reproduced hereunder:

(a) Chango Yangthang Hydro Power Limited (CYHPL), a Subsidiary of the Associate - Material Uncertainties relating to going concern

The company has written off Capital Work in progress during the year 2017-2018 ₹2713.18 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 various socio-legal issues and non-availability of the clearances from the appropriate authorities.

This company 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.

(b) NJC Hydro Power Limited (NHPL), a Subsidiary of the Associate - Emphasis of matter

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) Chango Yangthang Hydro Power Limited (CYHPL), a Subsidiary of the Associate - Emphasis of matter

Due to various socio-legal issues and non-availability of the clearances from the appropriate authorities, the Board of Directors decided to surrender the project. Accordingly, the company vide its letter dated 11th July 2017 to Directorate of Energy, Govt. of Himachal Pradesh surrendered the project and demanded refund of the entire upfront premium and security deposit paid on the project along with interest.

The management is confident of recovering fully the upfront premium and security deposit. The Company is in constant follow up with GoHP for refund of money.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2025

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 57 : Capitalization of Pre-Operative Expenditure

The following expenditure has been included under Capital work in progress:	For the year ended 31st March, 2025	For the year ended 31st March,2024
Travelling expenses	178.78	47.79
Power cost	24.13	2.57
Salaries and wages	1,185.92	328.87
Insurance & Other Charges	293.41	312.69
Total	**1,682.24**	**691.92**

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

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:	01.04.2024 to 31.03.2025
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: ₹120 Crore
5.	Reserves & surplus:	(298.74) Lakhs
6.	Total assets:	12105.46 Lakhs
7.	Total Liabilities:	404.21 Lakhs
8.	Investments:	0
9.	Turnover:	0
10.	Profit/Loss before taxation:	(20.90) Lakhs
11.	Provision for taxation:	0
12.	Profit/Loss after taxation:	(20.90) Lakhs
13.	Proposed Dividend:	-
14.	% of shareholding:	100%

1.	**Name of the subsidiary:**	**HEG Graphite Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	04.06.2024 to 31.03.2025
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: ₹1 Lakh Paid Up Share Capital: ₹1 Lakh
5.	Reserves & surplus:	(371.81) Thousands
6.	Total assets:	99.51 Thousands
7.	Total Liabilities:	371.32 Thousands
8.	Investments:	0
9.	Turnover:	0
10.	Profit/Loss before taxation:	(371.81) Thousands
11.	Provision for taxation:	0
12.	Profit/Loss after taxation:	(371.81) Thousands
13.	Proposed Dividend:	-
14.	% of shareholding:	100%

Notes:
1. The aforesaid subsidiaries are yet to commence operations.

1.	**Name of the subsidiary:**	**Bhilwara Infotechnology Ltd**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	01.04.2024 to 31.03.2025
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: ₹97 Lakhs Paid-Up Share Capital: ₹327.06 Lakhs
5.	Reserves & surplus:	5225.68 Lakhs
6.	Total assets:	5952.66 Lakhs
7.	Total Liabilities:	399.91 Lakhs
8.	Investments:	4826.02 Lakhs
9.	Turnover:	2537.34 Lakhs
10.	Profit/Loss before taxation:	73.91 Lakhs
11.	Provision for taxation:	0
12.	Profit/Loss after taxation:	87.46 Lakhs
13.	Proposed Dividend:	-
14.	% of shareholding:	100%

Notes:

1. No subsidiary has been liquidated or sold during the financial year.
2. During the year under review, Bhilwara Infotechnology Limited, an erstwhile associate Company of HEG Limited became wholly owned subsidiary of HEG Limited as a result of purchase of shares by HEG Limited from remaining shareholders of Bhilwara Infotechnology Limited.

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
1. Latest audited Balance Sheet Date	31/03/2025
2. Date on which the Associate was associated or acquired	28/03/2007
3. Shares of Associate held by the company on the year end	
No. of Shares	8,12,32,560
Amount of Investment in Associates	30,711.50
Extend of Holding (in percentage)	49.01
4. Description of how there is significant influence	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	55,570.76
7. Profit / Loss for the year	
i. Considered in Consolidation (₹ in Lakhs)	1,542.13
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.

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

Sunny Singh
Partner
Membership No. 516834

Place : Noida(U.P)
Date : May 19, 2025

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

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

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

Ramni Nirula
Director

Jayant Davar
Director

Sandip Somany
Director

Dr. Nand Gopal Khaitan
Director

Priya Shankar Dasgupta
Director

Group Chief Financial Officer
O. P. Ajmera

Chief Financial Officer
Ravi Kant Tripathi

Company Secretary
Vivek Chaudhary

Bankers

State Bank of India	Axis Bank Ltd.
HDFC Bank Ltd.	Yes Bank Ltd.
IDBI Bank Ltd.	ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.	CTBC Bank Co.,Ltd.

Auditors
SCV & Co. LLP
Chartered Accountants

Registrar & Share Transfer Agent
MCS Share Transfer Agent Ltd.
179-180, DSIDC Shed, 3rd Floor,
Okhla Industrial Area, Phase-I
New Delhi - 110020
Phone: 011-41406149-51
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
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Fax: +91 (0120) 4277841
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Phone: + 91 (07480) 233524 to 233527, 405500

Hydro Electric Power
Village Ranipur, Tawa Nagar
Distt. Hoshangabad - 461001
Madhya Pradesh, India
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Cautionary Statement
Statements in this document that are not historical facts are forward looking statements. These 'forward-looking' statements may include the company's objectives, strategies, intentions, projections, expectations and assump-tions regarding the business and the markets in which the company operates. The statements are based on in-formation which is currently available to us, and the company assumes no obligation to update these statements as circumstances change. There may be a material difference between actual results and those expressed herein. The risks, uncertainties and important factors that could influence the company's operations and business are the global and domestic economic conditions. The market demand and supply for products, price fluctuations, currency and market fluctuations, changes in the government's regulations, statutes and tax regimes, and other factors not specifically mentioned herein but those that are common to the industry.

Notes

Notes

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

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