FORGING AHEAD

HEG Limited

54th Annual Report 2025-26

CONTENT

Every industry has its survivors.
Few have its shapers.

We arrived last. Every decade since,
we have chosen to shape.

What follows is the story of a conviction held through long winters: that endurance, practised deliberately, becomes an advantage.

THREE TRAITS.
ONE COMPANY.
FORGING AHEAD.

Forward Looking Statement

In our reporting, we may include forward-looking statements that reflect our expectations, projections, and plans for future performance and growth. These statements are based on current assumptions, estimates, and forecasts, and may involve inherent risks and uncertainties. While we endeavour to provide accurate and reliable information, actual results may differ materially from those expressed or implied in these statements due to various factors beyond our control. We encourage stakeholders to review our disclosures alongside the cautionary statements and risk factors outlined in our reports and filings with regulatory authorities.

WE ARE VISIONARIES.

We stepped into a high-technology space which the world kept zealously guarded. Where most saw a roadblock, we saw an opening — a moat not to be feared, but to be earned. We strove. We learned. We built. We endured.

We remain the last entrant to the graphite electrode industry anywhere in the world (except China) — and we have never once looked back. Across nearly five decades, we have climbed the global rankings until the very barrier meant to keep us out became the one that sets us apart.

We were the last to enter.
We aim to be the longest-lasting.

WE ARE DIFFERENT FROM THE REST.

In our business, cost competitiveness and logistics are the key.

While global majors spread their plants across geographies, we chose to keep expanding at one site to master scale, placing every incremental capacity at a single home: Mandideep (near Bhopal).

A contrarian bet became a competitive moat. Today we sit in the lowest-cost quartile of our industry — a discipline, compounded over decades, that is not easy to replicate.

The world chose to spread out.
We chose to dig in.

WE ARE HARDENED GO-GETTERS.

Ours is an industry that bleeds, for years at a stretch. Across a long span, the graphite electrode world endured a punishing downturn, relieved only by the brief, brilliant flare. While the industry bled, we held our ground by force of will.

When competitors decided the pain had gone on long enough and began to cut their losses, we chose to climb. We expanded into the teeth of the downturn, ready for the day the super-cycle arrives. As peers reduced capacity, we added it.

Today, we operate the world's largest single-location graphite electrode plant. Every other large plant sits well behind ours.

The industry learned to survive its winters.
We learned to grow in them.

WE ARE FORGING AHEAD.

FY26 tested our endurance for the nth time. The dull spell in our sector held — steel demand remained muted, weighed down by geopolitical upheaval worldwide. It was a year that asked, again, whether we would merely stay afloat.

We chose to aim higher. While the entire electrode sector ran its assets at roughly 60-65%, we sweated ours at 90%, even after further capacity additions — turning a hard year into deeper output, and deeper output into stronger partnerships.

We are further investing in another brownfield expansion, readying for an upcycle expected over the coming five years — demand holding as supply recedes. We are not waiting for the tide. We are positioning to meet it.

The cycle tested us, as it has so many times before.
And once again, we answered by forging ahead.

WORLD'S LARGEST SINGLE SITE UHP GRAPHITE ELECTRODE PLANT

OUR OPTIMISM PREMISE

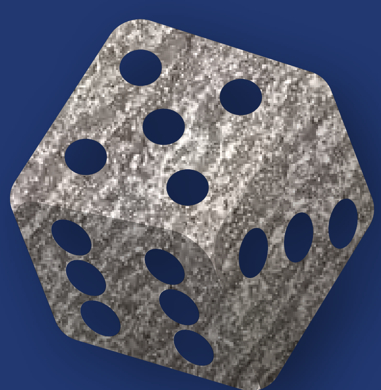
20 mmt
New Greenfield Electric Arc Furnace-based steel plants have already come into production in the last 12-18 months

60 mmt
New Greenfield Field Electric Arc Furnace-based steel plants are at various stages of implementation, with production expected by 2028.

~30 mmt
New Greenfield Electric Arc Furnace-based steel plants likely to be operational by 2030.

200,000 tpa
Approximate incremental graphite electrode demand by 2030, excluding China.

15,000 tpa
HEG's capacity addition by 2028.



FORGING AHEAD

Scaling Leadership

115,000 TPA
in sight.

Phase II expansion underway with

₹ 650 Crore
investment.

Capital-efficient. High-return.
Completion targeted by Q4 FY2028.

Entering the Battery Materials Space

Through TACC Limited, our wholly-owned subsidiary, we are building a next-generation graphite anode platform—extending our carbon expertise into the fast-growing energy storage ecosystem.

20,000ton
Anode Facility.

Commissioning by March 2027.

Creating a Dual Growth Engine

Demerger into HEG Greentech:
- Anode Materials
- 278 MW Hydropower Assets
- BESS EPC (scaling to 6 GWh)
- Solar + BESS IPP solutions

Two focused platforms. One integrated vision.

Our transition

From Electrodes to Energy Materials

From Steel Decarbonisation to Energy Management

From Capacity Expansion to Capability Expansion

We are not just growing bigger. We are becoming future-ready.

WE ARE HEG LIMITED

We are the flagship company of the LNJ Bhilwara Group and one of the world's leading manufacturers and exporters of graphite electrodes. At our manufacturing facility in Mandideep, Madhya Pradesh, we produce the UHP (Ultra High Power) and HP (High Power) electrodes that power the Electric Arc Furnaces of the global steel industry. Our equity shares are listed on the BSE and the National Stock Exchange of India, and our team is led by Mr Ravi Jhunjhunwala, Chairman, Managing Director and CEO.

Our story carries a quiet distinction.

We were the youngest entrant in the global graphite electrode space, and we turned that late start into a position few can claim. Today we operate the world's largest single-site graphite electrode plant, a 100,000-tonne facility at Mandideep backed by around 77 MW of captive power. Other large plants sit well behind ours.

What we make travels far.

Our electrodes reach the Top 25 steel producers of the world and a marketing presence that spans India and 35 nations, with the majority of our output crossing borders. For several years running, we have been recognised as the highest exporter in our product category, a record built on consistency rather than chance.

Our work also carries weight beyond our own books.

Electric Arc Furnace steelmaking is one of the cleaner routes to steel, and our electrodes are central to it. In supplying them at scale, we play a defining role in decarbonising the steel sector worldwide.

100,000 TPA
Manufacturing Capacity

35+ NATIONS
Global Presence

TOP 25 STEEL COMPANIES (ex-China)
Strong Relationships

Our competitive moat

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

STABILITY
Nearly five decades of experience in the graphite electrode space

LIQUIDITY
Zero-Debt position with a treasury balance of ₹729 Crore as on March 31, 2026

Our certifications

ISO 9001:2015 –
Quality Management Systems

ISO 14001:2015 –
Environmental Management Systems

ISO 45001:2018 –
Occupational Health & Safety Management Systems

Our Financial Highlights (FY2026)

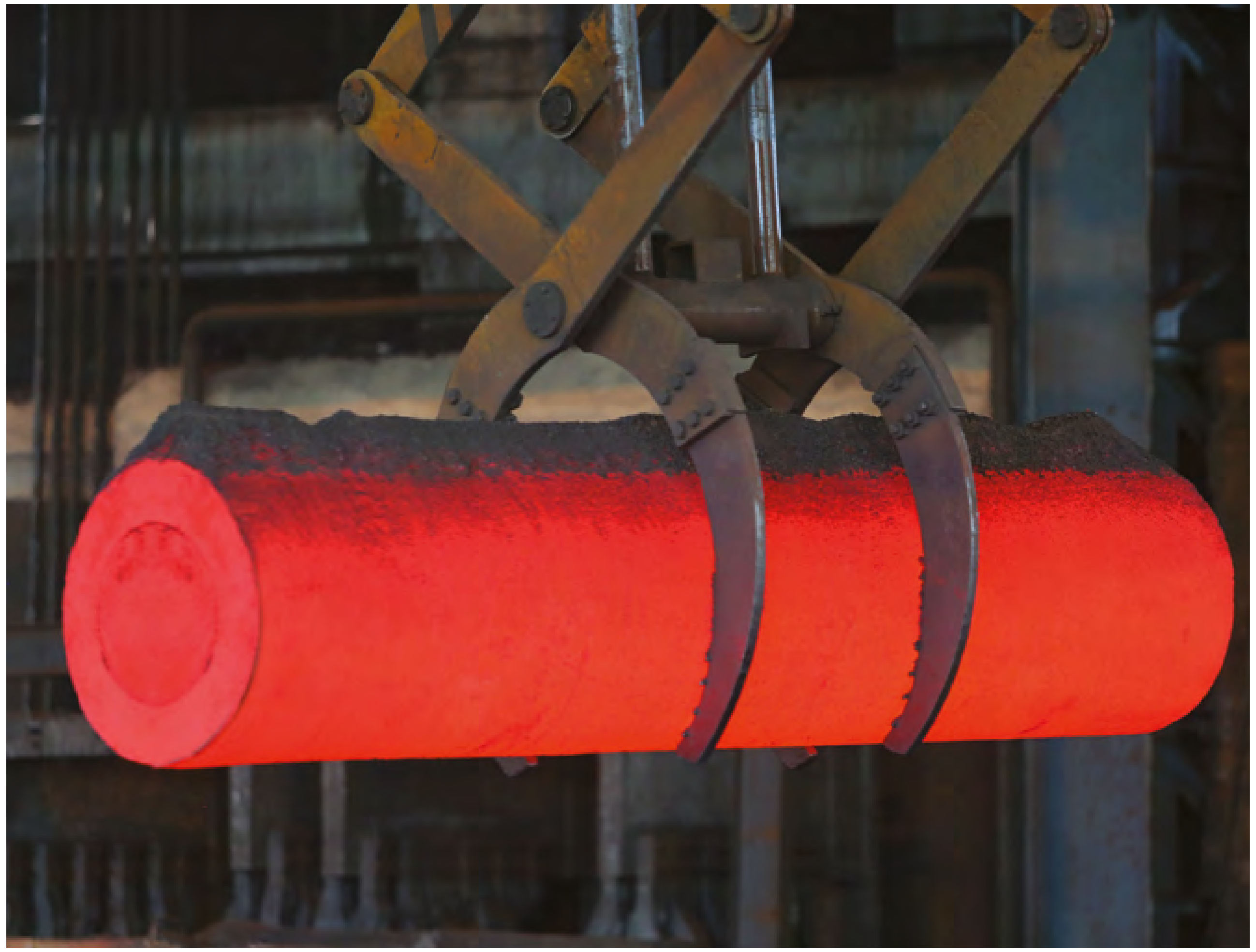
- **Total Income: ₹2,569 Crore**
- **EBITDA: ₹497 Crore**
- **Net Profit: ₹181 Crore**
- **Net Cash Flow from Operations: ₹355 Crore**
- **Market Capitalisation: ₹10,467 Crore** (as on March 31, 2026)

Our Vision

To be a vibrant, globally acknowledged top-league player in graphite electrodes and allied businesses, driven by growth, innovation, quality, customer focus, international reach and acceptance.

Our Mission

To become a leading international player in graphite electrodes and related businesses by leveraging core competencies and creating sustainable value for customers, shareholders, employees and society.



STATEMENT FROM THE CHAIRMAN'S DESK

Dear Shareholders,

It gives me great pleasure to share the Company's performance for the year 2025-26 with you. This has been a year of measured progress in a demanding global environment. We have delivered volume growth where others contracted. We advanced a strategic restructuring of considerable consequence. And we have positioned HEG for what will be the most defining decade in its history.

The Business Environment

The global steel industry is in the midst of its most profound structural reordering in five decades. World crude steel production declined by about 2% during the calendar year. The headline number, however, conceals a much more important story — a permanent migration of the value chain from coal-intensive and highly polluting blast furnaces to the cleaner Electric Arc Furnace route.

The drivers are unambiguous. EAF steelmaking emits approximately one-fourth as much carbon as the traditional Blast Furnace. The Carbon Border Adjustment Mechanism in Europe, the Tariff Rate Quota regime effective July 2026, and tightening regulations across major economies have converted what was once an environmental preference into a financial necessity. Steelmakers across Europe, North America and all other parts of the world are decommissioning legacy capacity at an unprecedented pace.

India tells a different, and equally important, story. Domestic crude steel output grew by over 10% during the year, anchored by sustained infrastructure spending and the strength of our economy. Your Company is privileged to serve both ends of this divergence — the structural transition in the developed world, and the growth story closer to home.

Chinese export aggression and regional logistics disruptions continue to shape the near-term picture. We are mindful of these headwinds. However, we are not distracted by them

Performance for the Year

Given the overall environment worldwide, your Company has delivered a credible performance under these conditions.

Revenue from operations grew by 20% to ₹2,569 Crores. Sales volumes were up 20% year on year, even as the broader industry contracted. EBITDA margin was held firm at 19%. We maintained capacity utilisation above 90% throughout the year, despite expansion, while the global industry average has been between 60% and 65%.

I must address the loss of ₹189 Crores reported in the fourth quarter. This was driven almost entirely by non-cash, unrealised adjustments — a mark-to-market revaluation of our investment in GrafTech International, and the sharp 5% depreciation of the Rupee in a single quarter. The operating business remained healthy throughout. The underlying earning power of your Company is intact, and in my view, understated by the headline.

We end the year long-term debt-free, with a treasury of approximately ₹792 Crores. This balance sheet strength is not incidental. It is the result of five decades of disciplined capital allocation. It is the platform from which everything that follows is being built.

The Emerging Landscape

The opportunity before us is rare in its clarity and in its scale.

Outside of China, more than 100 million tonnes of new EAF steel capacity is scheduled to come on stream by 2030. Twenty million tonnes are already operational. Sixty million tonnes are under active construction, with commissioning planned by 2028. The balance is scheduled for the closing years of the decade.

At an industry consumption ratio of 1.5 to 2 kilograms of graphite electrodes per tonne of steel, this expansion will create an incremental annual demand of approximately 150,000 to 200,000 tonnes of high-quality electrodes — almost entirely in the Ultra-High Power segment, in which your Company is dominant.

"Forging ahead is not a phrase we use lightly. For us, it means conviction over convenience, building over buying, and the long view over an easy win. That is how your Company has approached the year under review — and that is how it will continue to approach the years to come."

Ravi Jhunjhunwala
Chairman, Managing Director & CEO

Dividend per share

₹3.40
170%

Revenue

₹2,660 cr
16.7% Growth

The supply side cannot respond easily. No new company has entered the graphite electrode space since 1976 (ex-China), with the singular exception of our Mandideep facility. Most of the Western world's capacity is more than 50 years old. Reactivating shuttered plants is prohibitively expensive. The barriers to entry are profound. Your Company sits pretty at the very centre of this demand-supply gap.

Strategy to Scale — and Why Organic

During the past year, your Board approved an expansion of capacity at Mandideep from 100,000 tonnes to 115,000 tonnes at a capex of ₹650 Crores. Production will commence in the first quarter of calendar year 2028 — precisely in time to capture the peak of the new EAF commissioning cycle.

Our large Indian base provides us with cost competitiveness through scale, economical manpower costs and a competitive cost of electrical power, making it more viable than the Western world's old GE plants.

Hence, we would rather build new, build right, and build in India.

Our Brownfield expansion at Mandideep is an outcome of this thought process. Moreover, it complements our existing capability perfectly.

It costs less than half the capital intensity of a greenfield plant. It leverages our surplus nipple capacity — the highest value-add component of the electrode. It adds tonnage to the world's largest single-location plant, deepening the economies of scale that already place us in the lowest cost quartile globally. This is disciplined growth.

Restructuring and the New Business Space

During the year, your Board approved a composite scheme of arrangement, filed with the NCLT — among the most consequential strategic decisions in your Company's recent history. The scheme provides for the demerger of the Company into two distinct and focused listed entities - the graphite electrode business, which will continue as a global cost leader, well positioned to capture the EAF super-cycle and the HEG Greentech platform, which will bring together a portfolio of high-growth, energy-transition businesses. We expect to receive the final approval of the Tribunal shortly. I am confident that this restructuring will unlock and demonstrate the intrinsic value of each business, afford investors a clear and direct line of sight into each line of activity with greater accountability, and, above all, enhance value for our shareholders — an objective that remains foremost in your Board's considerations. The arrangement will also simplify future capital raising by enabling each entity to access capital independently, allow each to concentrate on its core competencies, and establish a distinct brand identity for our new-age businesses as they build the capabilities their markets demand. Importantly, it will create a clean and transparent platform for future growth and value-accretive opportunities across both HEG Graphite Limited and HEG Greentech Limited. In separating these businesses, we are not so much dividing the Company as giving each enterprise the focus, identity and financial architecture it needs to realise its full potential in the years ahead.

HEG Greentech

We stand at the threshold of one of the largest industrial shifts of our generation — the electrification of energy and the build-out of the supply chains that make it possible — and HEG Greentech has been created to lead that shift in India from a vantage point very few companies anywhere can claim as both the maker of the materials that go into batteries and the producer of the green power those batteries store. The company, which is proposed to be listed, will be India's first manufacturing-led, research-driven battery components and applications company, operating across two divisions — the advanced battery materials and battery solutions business, and the green power generation business spanning hydro, solar, wind and BESS — built on our pedigree of turning large, capital-intensive projects into profitable and enduring ventures. As the first listed platform of its kind, with a balanced presence across the entire value chain, it is at once a battery-materials manufacturer producing high-quality products at highly competitive prices and a power producer, allowing it to own the full ecosystem — from hydro, to advanced battery materials, to battery EPC, and finally to independent power production. It is, in essence, an integrated and self-reinforcing system in which suppliers are customers and customers are suppliers, and where every pillar strengthens the next. In advanced battery materials, we begin with a 20,000-tonne anode plant and a clear vision to reach at least 60,000 tonnes by FY32. In graphene, we stand on the cusp — all technical tests passed and patents filed on our in-house process — scaling towards a 4,000 MT+ derivatives facility with applications across cement, road infrastructure, textiles, paints and anodes.

Strengthening Our Sustainability Commitment

Your Company's core business is itself an enabler of decarbonisation. Every ton of graphite electrode we ship displaces the carbon intensity of legacy steelmaking. Our growth and the world's climate ambition are aligned.

We are deepening this commitment. The consolidation of our hydroelectric assets, the move into anode materials, the build-out of battery storage and renewable IPP capacity — these are not adjacencies. They are coherent extensions of a single strategic identity: a Company built on carbon science, in the service of the global energy transition.

Within our operations, energy efficiency at Mandideep, water and waste stewardship, the safety of our people and our engagement with the communities around our plants remain non-negotiable priorities.

Growing Margins, Enhancing Liquidity, Creating Value

Our priorities for the coming year are clear.

We remain attentive to margins and to the factors that influence them. Over time, industry-wide pricing recovery looks possible as supply and demand rebalance. If ex-China utilisation approaches the 80-85% range, the pricing environment could become more favourable for producers. Your Company is best-placed to capture the operating leverage of that recovery.

We will protect and grow liquidity. Our zero long-term debt position, our treasury, and the GrafTech holding, which serves as a powerful needle coke hedge, together provide what I term as staying power. We will fund our entire ₹650 Crore electrode expansion and the larger Greentech build-out without compromising the Balance Sheet.

We will create value for all stakeholders. The demerger is, at its core, a value unlock for shareholders. Organic expansion is value creation for customers, who will receive a secure supply in a structurally tight market. Sustained employment, fair treatment of suppliers, contribution to the exchequer and meaningful engagement with our host communities — these remain the constants of how we do business.

Forging Ahead

Having led this Company for several decades, I have seen many cycles. I can say with conviction that the next five years will be the most consequential in our history. The convergence of a structural electrode super-cycle, a high-margin Greentech platform, a debt-free balance sheet, and a focused dual-entity structure — this combination does not come together by accident. It is the product of years of patient strategic positioning.

We are forging ahead with clarity, capital, and conviction. The right plant in the right location. The right product in the right market. The right platform from which to participate in the defining industrial transition of this generation. I am optimistic about what your Company will deliver. I remain optimistic about what your Company will become.

Acknowledgements

I place on record my appreciation to my colleagues on the Board for their counsel during a year of significant strategic decisions. I thank our customers, who have stood by us through a demanding global environment. I thank our bankers, our partners and the regulatory authorities for their continued support.

Above all, I thank the women and men of HEG — at Mandideep, across our Greentech operations, and in our offices — whose discipline and commitment translate strategy into performance every single day.

To our shareholders — thank you for your trust. We will continue to be worthy of it.

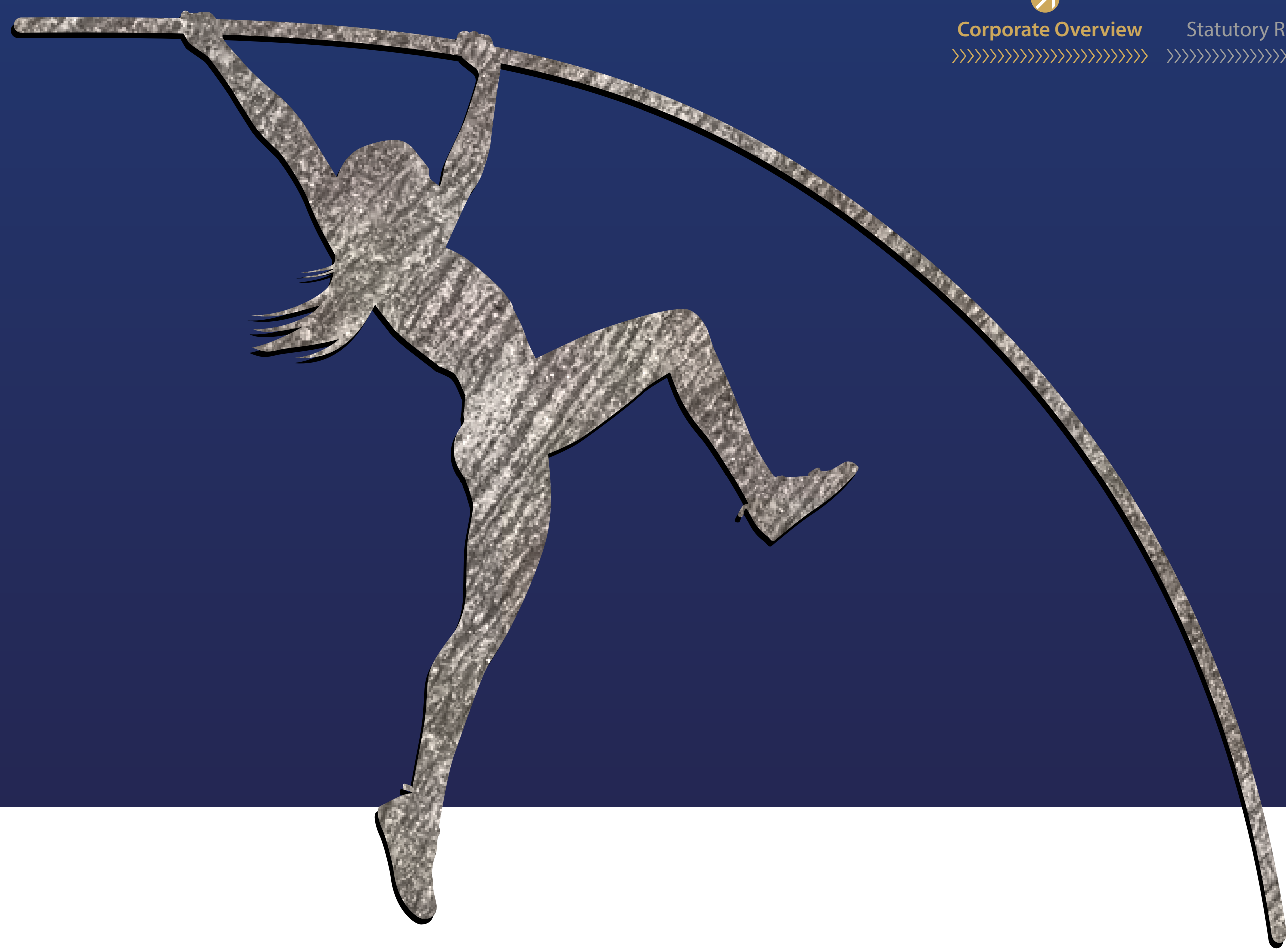
With warm regards,

Ravi Jhunjhunwala

Chairman, Managing Director & CEO

KEY PERFORMANCE INDICATORS

HEG's performance this year is built on years of purposeful groundwork — capacity investments, product quality and a relentless focus on operational rigour. Sales volumes have grown. Cash flows have strengthened. The balance sheet carries more strength. These are outcomes of a strategy designed to perform over cycles, in which disciplined capital allocation and working capital efficiency create room for sustained value creation.



Total Income
(₹ in Crore)

₹ 2,660 cr

FY 24	2,537
FY 25	2,279
FY 26	2,660

EBITDA
(₹ in Crore)

₹ 497 cr

FY 24	526
FY 25	388
FY 26	497

Net Worth
(₹ in Crore)

₹ 4,303 cr

FY 24	4,145
FY 25	4,160
FY 26	4,303

Earnings per share
(₹)

₹ 9.36

FY 24	12.00
FY 25	5.25
FY 26	9.36

Net Profit
(₹ in Crore)

₹ 181 cr

FY 24	232
FY 25	101
FY 26	181

Net Cash from Operations
(₹ in Crore)

₹ 355 cr

FY 24	615
FY 25	319
FY 26	355

Return on capital employed
(In %)

5.66%

FY 24	7.19
FY 25	3.86
FY 26	5.66

Dividend payout
(₹ in Crore)

₹ 37 cr

FY 24	164
FY 25	87
FY 26	37

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy Overview

The global economy in 2025 was expected to stabilise into a disinflation-led recovery. Instead, it evolved into a transition year marked by an interrupted normalisation, in which improving macro fundamentals were increasingly offset by geopolitical shocks, energy volatility, and structural fragmentation. According to the IMF's January 2026 World Economic Outlook Update, global growth momentum entering 2025 remained steady, supported by easing inflation and resilient demand. However, the trajectory shifted over the year, culminating in a more cautious outlook in the April 2026 WEO, in which the global economy is described as operating under the "shadow of war" amid elevated uncertainty.

Growth: Resilient but Resetting Lower

Global GDP growth for 2025 is estimated at around 3.4%, reflecting a modest but stable expansion, albeit below long-term averages. This momentum, however, proved difficult to sustain. By April 2026, the IMF revised forward growth expectations downward, projecting 3.1% growth for 2026, indicating that the global economy is settling into a structurally slower growth regime. The key takeaway from 2025 is not a collapse in growth, but a reset in global growth expectations, driven by:

- Weakening industrial momentum
- Tightening financial conditions
- Rising geopolitical disruptions

Projecting

3.1%

growth for 2026

Inflation

Global inflation eased to around 4.1% in 2025, reflecting the impact of monetary tightening and improved supply conditions, as noted in the IMF's January 2026 Update. However, this disinflation trend has weakened. The IMF's April 2026 World Economic Outlook now projects inflation to rise to ~4.4% in 2026, signalling a reversal in the earlier downward trajectory.

The nature of inflation is also shifting. Rather than demand-led pressures, it is increasingly driven by supply-side shocks—particularly energy volatility, commodity disruptions, and rising logistics and input costs. This is creating a more complex environment where inflation and slower growth are occurring simultaneously.

The impact is uneven across regions, with emerging economies facing greater pressure due to currency weakness, higher import dependence, and limited policy flexibility.

Trade and Supply Chains: The Cost of Fragmentation

The global trade environment in 2025 continued to move away from efficiency-driven globalisation toward resilience-led regionalisation. The IMF highlights rising risks from geopolitical fragmentation, trade barriers, and supply chain realignments, all of which are increasing system-wide costs and reducing efficiency. For industrial sectors, this has translated into:

- Higher logistics and sourcing costs
- Duplication of supply networks
- Increased working capital intensity

This evolving structure has effectively introduced a "fragmentation premium" into global production systems.

Energy: The Central Transmission Channel

Energy markets emerged as the defining macroeconomic variable through 2025. Supply disruptions and geopolitical tensions led to renewed volatility in oil, gas, and power prices, directly influencing inflation, trade balances, and industrial cost structures. The IMF notes that rising commodity prices and tighter financial conditions are key transmission channels through which global shocks are impacting growth and inflation simultaneously. For energy-intensive industries such as graphite electrodes, this dynamic has dual implications:

- elevated input cost volatility
- indirect impact on downstream steel demand

Divergence Across Economies

The global recovery in 2025 remained asynchronous and uneven:

- Advanced economies experienced subdued growth due to restrictive monetary policy and weaker industrial output
- Emerging markets retained relatively strong momentum but faced rising vulnerability to capital-flow volatility, currency volatility, and energy import costs.

The April 2026 WEO further emphasises that emerging and developing economies are disproportionately exposed to downside risks, particularly from commodity shocks and tighter financial conditions.

Outlook: Stability with Elevated Downside Risks

The global economic outlook emerging from 2025 is best characterised as stable but fragile.

While baseline projections suggest moderate growth continuity, risks remain firmly skewed to the downside, including:

- escalation of geopolitical conflicts
- prolonged energy price shocks
- deepening trade fragmentation
- financial market volatility

The IMF explicitly notes that the global economy is now operating amid heightened uncertainty, with multiple adverse scenarios that could materially weaken growth outcomes.

At a time when global growth moderated and trade flows became fragmented, India's growth model demonstrated a decisive shift toward internal demand, infrastructure-led expansion, and policy-backed capital formation.

Real GDP growth estimated at

~7.4%

GDP reached approximately

$4.15 trillion

Indian Economy Overview

In FY2025-26, India's economy stood out as a pillar of stability amid an increasingly uncertain global landscape, driven less by external tailwinds than by structural domestic resilience. At a time when global growth moderated and trade flows became fragmented, India's growth model demonstrated a decisive shift toward internal demand, infrastructure-led expansion, and policy-backed capital formation.

India's economic momentum remained robust in FY2025-26, with real GDP growth estimated at ~7.4% as per the First Advance Estimates. This level of expansion reflects strong underlying domestic drivers, particularly investment activity and resilient consumption, and positions India well above prevailing global growth levels, even as the broader world economy adjusted to a more moderate and uneven growth environment.

Growth Quality: Investment-Led, Not Consumption-Led Alone

A defining feature of FY2025-26 was the improving quality of growth, with a stronger contribution from investment and manufacturing alongside consumption:

- Public capital expenditure continued to anchor growth, particularly in infrastructure, railways, roads, and energy
- Urban demand remained resilient, supported by income growth and tax rationalisation
- Rural recovery gained traction, aided by improved agricultural output and stable commodity cycles

Unlike earlier cycles, growth was not purely consumption-driven but reflected a more balanced, investment-oriented expansion that strengthened the economy's medium-term productive capacity.

India's Position in the Global Economy: Scale vs Momentum

In nominal terms, India's GDP reached approximately USD 4.15 trillion in 2026 (IMF April 2026 WEO).

However, currency movements and global revisions have led to India being ranked the sixth-largest economy, highlighting a key distinction: India's growth momentum remains strong, but currency dynamics and external factors increasingly influence its global ranking. This reinforces that India's economic story is less about short-term ranking shifts and more about sustained real growth and scale expansion.

Inflation and Macro Stability: Controlled but Exposed

Macroeconomic stability remained a key strength through FY2025-26. Inflation trends were relatively contained compared to global levels, supported by:

- proactive monetary policy
- supply-side interventions
- stable food price dynamics

At the same time, India's structural exposure to imported energy inflation remained a critical vulnerability. As a major crude importer, the economy is sensitive to global oil price movements, which have begun to reintroduce inflationary pressures and external imbalances toward the latter part of the period.

External Sector: Resilient but Rebalancing

India's external sector in FY2025-26 reflected measured resilience amid global trade disruptions:

- Services, exports and remittances continued to provide stability
- Merchandise exports faced headwinds from weak global demand and trade barriers
- Import pressures persisted, particularly from energy and capital goods

This resulted in a manageable but structurally persistent current account pressure, reinforcing the importance of domestic demand as the primary growth engine.

Industrial and Infrastructure Momentum

FY2025-26 saw continued momentum in infrastructure and industrial activity, supported by government-led investments and policy initiatives, including PLI schemes and logistics reforms.

For core sectors linked to HEG's business ecosystem:

- Steel demand remained supported by infrastructure, construction, and capital goods
- Power demand continued to rise, reflecting industrial expansion and electrification trends

This created a supportive, though not uniformly strong, demand environment for energy-intensive industrial value chains.

Outlook: Strong Foundations, Emerging Constraints

Looking ahead, the IMF projects India's growth to moderate to around 6.5% in FY2026-27, reflecting base effects and emerging global headwinds.

A combination of strengths and constraints shapes the near-term outlook:

Structural Strengths

- strong domestic demand base
- sustained public investment
- improving the manufacturing ecosystem

Emerging Risks

- energy price volatility
- global trade fragmentation
- capital flow sensitivity
- currency fluctuations

The Steel Sector

Global Steel Sector

At the Trough of a Structural Cycle

The global steel industry in 2025 operated at the intersection of cyclical weakness and structural transition, a year defined less by expansion and more by stabilisation. After multiple years of volatility driven by pandemic aftershocks, geopolitical tensions, and uneven demand recovery, the industry entered a phase of consolidation. According to the World Steel Association's April 2026 Short Range Outlook, global steel demand remained broadly stable at around 1.72 billion tonnes in 2025, signalling that the industry is approaching the bottom of its current cycle rather than entering a strong recovery phase.

While overall volumes were largely unchanged, the underlying composition of demand shifted meaningfully. The prolonged slowdown in China's real estate sector continued to weigh on global consumption, reducing the dominance of construction-led demand. In contrast, infrastructure spending, particularly in emerging economies, and investments linked to manufacturing and energy transition began to play a more prominent role. Sectors such as automotive and capital goods showed selective recovery, though not at levels sufficient to drive broad-based growth. This shift indicates a gradual transition from a real estate-driven cycle to one anchored in public investment and industrial activity.

Global crude steel production totalled 1,849.4 million tonnes in 2025, a decline of 2.0% from 1,886.8 million tonnes in 2024. The drop was driven almost entirely by China, where output fell 4.4% to 960.8 million tonnes amid a prolonged real estate slowdown and weak domestic demand.

The rest of the world recorded modest growth of 0.8%, led by India's strong 10.4% increase to 164.9 million tonnes. While developed markets such as Europe, Japan, and Russia continued to face economic and industrial headwinds, the United States posted a comparatively healthy 3.1% rise in production.

Although geopolitical tensions had some marginal impact, the key story of 2025 was fundamentally structural rather than cyclical. With WSA, forecasting a gradual recovery in demand through 2026 and into 2027, the global steel industry now appears to be approaching the bottom of the cycle.

Metric	Value	Movement (YoY)	Strategic Significance
2025 Global Crude Steel Output	1849.4MnT	▼ 2.0%	World Ex-China increased by 0.8% while China declined by -4.4%.
2025 Global Steel Demand	1718.2 MnT	Stable	Signals the bottoming out of the cyclical low.
2026 Demand Projection	1724.1 MnT	▲ 0.3%	Anticipates a measured, non-linear recovery.

Diverging Regional Trends

China remained central to the global steel narrative, though its role evolved during the year. Weak domestic demand led to lower crude steel production, while exports increased significantly as surplus capacity was redirected to international markets. This resulted in heightened competitive intensity and pricing pressure across regions, particularly in Southeast Asia, the Middle East and Europe. The imbalance between domestic slowdown and export expansion reinforced concerns around global overcapacity and continued to influence trade dynamics.

In developed economies, steel demand showed early signs of stabilisation after a prolonged period of contraction. Growth remained marginal, constrained by high interest rates, subdued construction activity, and elevated energy costs, especially in Europe. Although the decline appears to have bottomed out, demand in these markets remains below historical peaks, suggesting recovery will likely be gradual rather than immediate.

Emerging economies continued to serve as the primary growth drivers for the industry. Countries such as India and those in Southeast Asia benefited from ongoing urbanisation, infrastructure expansion, and industrialisation, supporting steady increases in steel consumption. This trend reflects a broader rebalancing of global demand, with growth becoming more distributed and less dependent on a single geography.

Cost Pressures and Trade Realignment

Energy costs remained a defining factor for the industry throughout 2025. Volatility in electricity, natural gas, and raw material prices influenced production economics and created disparities in regional competitiveness. For electric arc furnace-based production, which is closely linked to graphite electrode consumption, electricity pricing became particularly critical, directly affecting operating margins and production decisions. This reinforced the strong linkage between energy markets and steel industry dynamics.

Trade patterns continued to evolve under the influence of geopolitical considerations and policy interventions. The expansion of tariffs, safeguard duties, and anti-dumping measures, along with the emergence of carbon-related regulations such as Europe's Carbon Border Adjustment Mechanism, contributed to a more fragmented global market. As a result, trade flows were increasingly shaped by regulatory frameworks and regional priorities rather than purely by cost efficiencies.

At a structural level, the industry continued to move toward consolidation, value addition, and sustainability. Steel producers focused on improving operational efficiency, investing in higher-value products, and expanding capacity in high-growth regions. Simultaneously, there was a growing emphasis on decarbonisation, with increased investments in electric arc furnace routes, scrap-based production, and emerging technologies such as hydrogen-based steelmaking. While these initiatives are essential for long-term sustainability, they also introduce additional cost considerations in the near- to medium-term.

Outlook

The outlook for the global steel industry in 2026 points to a measured, uneven recovery rather than a sharp cyclical rebound. According to the World Steel Association (April 2026 Short Range Outlook), global steel demand is projected to grow marginally by ~0.3% to approximately 1.72 billion tonnes, indicating that the industry is moving past the trough but remains constrained by structural and geopolitical factors.

This subdued growth trajectory reflects a balance of stabilising and adverse forces. On one hand, the global steel cycle is bottoming out over the 2025–2026 period, supported by continued infrastructure investments, gradual easing of financial conditions, and resilient demand in key economies. On the other hand, geopolitical disruptions—particularly in the Middle East—along with a challenging global trade environment are weighing on demand recovery and have already led to downward revisions in growth expectations.

Regionally, the outlook remains divergent. China's steel demand is expected to contract at a slower pace (~-1.5%), suggesting that the prolonged real estate correction is approaching its bottom, while infrastructure and manufacturing provide partial offsets. In contrast, emerging economies—particularly India—are expected to remain key growth drivers, supported by infrastructure expansion, manufacturing activity, and capital expenditure cycles.

Developed markets are anticipated to transition from contraction to modest growth (~1.0%), indicating early signs of recovery after several years of decline. However, this recovery remains fragile, with energy price volatility, high interest rates, and policy-driven trade distortions continuing to pose risks.

The industry is expected to move into a more visible recovery phase beyond 2026, with stronger growth projected in 2027, signalling a shift from cyclical bottoming to early-stage expansion within a redefined global steel landscape.

Global Steel Demand Outlook - Executive Snapshot (2025-2026)

GLOBAL TREND

2025: Flat demand vs 2024

2026: Moderate rebound of +1.3%

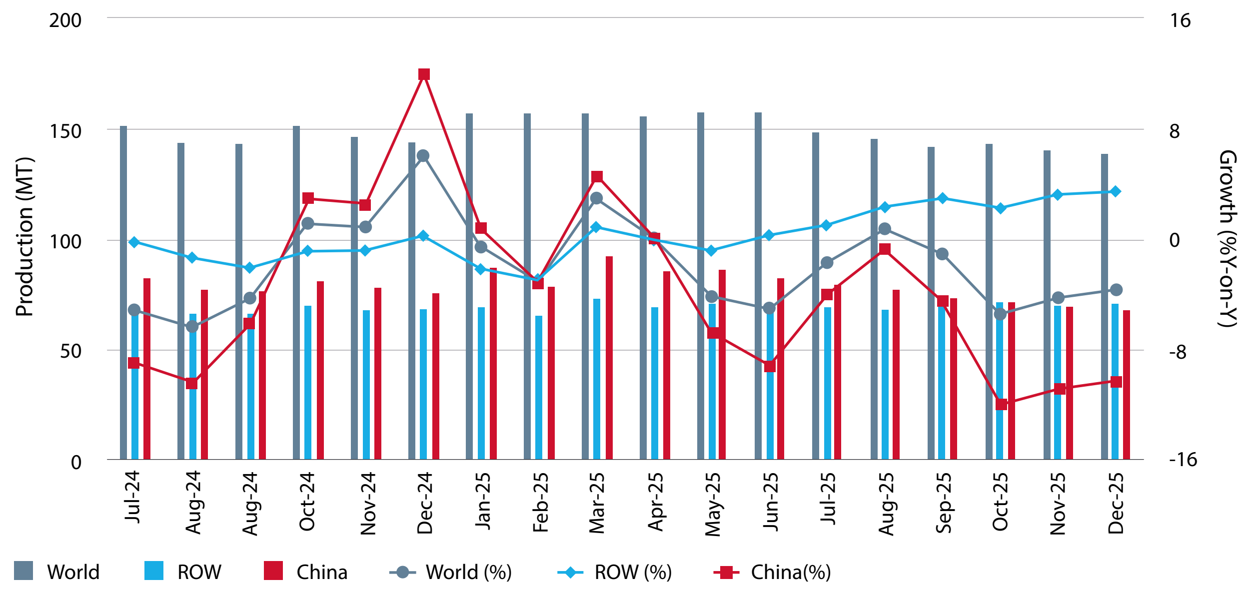
DRIVERS

Infrastructure spending, easing financing conditions, and resilience in global economy

REGIONAL HIGHLIGHTS

Region	2025 Growth	2026 Forecast	Key Insights/Risk
China	-7.1%	-1.5%	Housing market correction nears bottom. Infrastructure investments to edge up.
India	+8.0%	+7.4%	Infrastructure-led construction and a thriving automotive sector.
Africa	+10.4%	+3.8%	Resurgence in construction activity and domestic steel consumption.
Developing World ex-China & India	+3.8%	+0.6%	Sharp contraction in the Middle East.
Central & South America	+7.8%	-1.3%	Social housing in Brazil, infrastructure investments in Mexico, and economic stabilisation in Argentina.
EU+UK	+3.8%	+1.3%	Increased infrastructure and defence spending.
US	+2.0%	+1.7%	Private sector investment & public infrastructure spending.

Crude Steel Production



Indian Steel Sector

A Domestic-Led Expansion in a Fragmented Global Cycle

In FY2025-26, the Indian steel industry emerged as a structural outlier in an otherwise subdued global steel environment, driven by strong domestic fundamentals rather than external demand. While global steel demand remained largely flat, India's steel sector demonstrated broad-based expansion across production, consumption, and trade, reinforcing its position as a key growth engine within the global steel ecosystem.

Crude steel production in India grew by ~10.7% year-on-year to approximately 168.4 million tonnes, reflecting sustained industrial momentum and capacity utilisation. At the same time, finished steel consumption reached ~164 million tonnes, registering a ~7–8% increase, supported by strong demand across infrastructure, construction, railways, and manufacturing sectors.

This divergence from global trends highlights a fundamental shift:

India's steel growth is increasingly domestically anchored, rather than export-dependent.

Demand Drivers: Infrastructure as the Core Engine

A defining feature of FY2025-26 was the central role of infrastructure-led demand. Government-led investments in roads, railways, urban development, and capital goods continued to provide a strong and stable demand base for steel consumption.

Unlike previous cycles, which were partially influenced by global trade flows, the current growth phase is being driven by domestic economic activity and public capex, creating greater visibility into demand. The expansion in manufacturing and continued urbanisation further supported steel consumption, while sectors such as automotive and engineering contributed incremental demand.

This shift indicates a transition toward a more structurally resilient demand model, less vulnerable to global volatility and external shocks.

Production and Capacity: Scaling with Confidence

India's steel production growth in FY2025-26 was accompanied by continued expansion in installed capacity, which reached ~220 million tonnes, with a long-term target of 300 million tonnes by 2030.

The industry witnessed sustained capital expenditure across both public and private sector players, reflecting strong confidence in long-term domestic demand. Investments were directed not only toward capacity expansion but also toward technological upgrades, efficiency improvements, and value-added product segments.

This ongoing scale-up positions India to play a more prominent role in global steel supply, while also strengthening its domestic manufacturing base.

Trade Dynamics and Cost Structures

A notable development during FY2025-26 was India's return to net exporter status in steel. Finished steel exports rose sharply by 35.9% to 6.6 million tonnes, while imports declined by 31.7%, reversing the trend of the previous two years.

This shift was driven by a combination of improved domestic competitiveness, selective recovery in global demand, and trade measures that supported local producers. Key export markets included West Asia, Europe, and Southeast Asia.

However, despite this improvement, global pricing pressures—particularly from excess supply in international markets—continued to weigh on realisations, underscoring the interconnectedness of domestic and global steel markets.

Despite strong volume growth, the industry faced continued margin pressures during the year. Volatility in raw material costs—particularly coking coal—and fluctuations in global steel prices affected profitability.

While some moderation in input costs provided temporary relief, rising logistics costs and energy-related disruptions, including fuel supply constraints linked to geopolitical tensions, added to operational challenges.

As a result, FY2025-26 was a period in which volume growth outpaced profitability growth, highlighting the interconnected nature of domestic and global steel markets

Structural Shifts

The Indian steel industry continued to benefit from strong policy support, including initiatives to enhance domestic manufacturing, promote speciality steel production, and reduce import dependence.

At the same time, the sector is gradually aligning with global sustainability trends. Increasing focus on energy efficiency, scrap utilisation, and low-carbon technologies is shaping future investment decisions, although the transition remains gradual due to cost and infrastructure constraints.

The push toward decarbonisation, combined with global mechanisms such as carbon border taxes, is expected to influence both production processes and export competitiveness over the medium term.

Outlook: Sustained Growth with Emerging Complexities

The outlook for the Indian steel industry remains structurally positive, supported by strong domestic demand fundamentals and continued infrastructure investments. Industry estimates suggest steel demand growth of ~8–9% in the near term, driven by broad-based sectoral consumption.

However, the growth trajectory is not without challenges. Key risks include:

- volatility in raw material and energy costs
- exposure to global price movements
- increasing competitive pressures from imports in certain segments
- evolving sustainability and regulatory requirements

Implications for HEG Limited

For HEG Limited, the Indian steel industry's trajectory presents a structurally supportive demand environment, particularly as electric arc furnace (EAF)-based steelmaking gains relevance.

- **Strong domestic steel production supports stable electrode demand**
- **Infrastructure-led growth ensures consistent consumption cycles**
- **Energy cost dynamics remain critical for both steel and electrode economics**
- **Transition toward cleaner steel production aligns with higher efficiency electrode demand**

Key Metric	FY2025-26 Performance	Strategic Signal
Crude Steel Production	168.4 MnT (▲ 10.7%)	Aggressive capacity utilisation and momentum.
Finished Steel Consumption	~164 MnT (▲ 7–8%)	Deepening industrial and urban absorption.
Installed Capacity	~220 MnT	Stepping stone toward the 300 MnT 2030 goal.
Export Velocity	6.6 MnT (▲ 35.9%)	Return to Net Exporter status; improved competitiveness.
Import Displacement	▼ 31.7%	Successful import substitution and policy support.

Demand Catalysts

- **Infrastructure-led expansion:** Sustained government capex across roads, railways, urban infrastructure, and energy projects remained the primary driver of demand, creating a stable base for steel consumption.
- **Urbanisation and construction:** Continued momentum in residential, commercial, and warehousing segments supported steady demand, particularly in urban and peri-urban markets.
- **Manufacturing and industrial growth:** Policy support through initiatives such as PLI and "Make in India" boosted demand from capital goods, engineering, and defence sectors.
- **Automotive and energy transition:** Recovery in the automotive sector and rising investments in renewable energy and power infrastructure added incremental demand and influenced the shift toward higher-grade steel.

The EAF Steel Sector

The Electric Arc Furnace (EAF) steel sector is emerging as a strategic pillar within India's evolving steel ecosystem, driven by its inherent advantages in flexibility, lower capital intensity, and alignment with sustainability goals. Unlike the traditional blast furnace route, EAF-based steelmaking relies primarily on scrap and direct reduced iron (DRI), making it less resource-efficient and better suited to variable demand conditions.

In India, the steel industry has a structurally high reliance on secondary routes, with over 50% of production originating from EAF and induction furnace (IF) processes. In comparison, the EAF route itself contributes ~20–21% of crude steel output. This reflects the country's raw material dynamics, including the availability of DRI and the gradual formalisation of the scrap ecosystem.

Globally, EAF-based production accounts for ~29% of total steel output and is steadily gaining share, supported by the shift toward lower-emission steelmaking. In India, this transition is being reinforced by policy initiatives such as the Vehicle Scrappage Policy and the broader push toward decarbonisation and circular-economy practices, which are expected to improve the availability of scrap over time.

However, the EAF route remains highly sensitive to power costs and energy availability, as electricity accounts for a significant share of production costs. This makes energy price volatility a key determinant of operating efficiency and capacity utilisation.

Looking ahead, the EAF segment is expected to play an increasingly important role in India's steel capacity expansion, particularly in the context of sustainability and green steel ambitions. For graphite electrode manufacturers, this translates into a structurally supportive demand environment, as EAF-based steelmaking remains the primary driver of electrode consumption.

Adoption of the EAF Route by Key Steel-producing Regions

The adoption of Electric Arc Furnace (EAF) technology varies significantly across regions, reflecting differences in resource availability, industrial structure, and decarbonisation priorities.

In **North America**, particularly the **United States**, the EAF route dominates steel production, accounting for over 70% of total output. This high adoption is driven by abundant scrap availability, well-developed recycling infrastructure, and a long-standing shift toward cost-efficient and flexible steelmaking processes.

In **Europe**, EAF adoption is also significant, contributing approximately 40–45% of total steel production. The region's strong environmental regulations, high energy-efficiency standards, and growing focus on decarbonisation have accelerated the transition to scrap-based steelmaking, although high electricity costs remain a key constraint.

In contrast, **China**, the world's largest steel producer, continues to rely predominantly on the blast furnace-basic oxygen furnace (BF-BOF) route, with EAF accounting for only ~10% of production. This lower adoption is primarily due to limited scrap availability, legacy investments in integrated steel capacity, and the scale of its traditional steelmaking infrastructure.

India and select emerging economies present a contrasting model in which secondary steel routes—including EAF—play a much larger role. In India, EAF and induction furnace routes are supported by the availability of direct reduced iron (DRI) and a gradually expanding scrap ecosystem. Similar trends are observed in regions such as the Middle East, where EAF-based production is widely adopted due to access to gas-based DRI.

The Graphite Electrode Sector

The graphite electrode sector in 2025 operated in close alignment with the global steel cycle, particularly the trajectory of electric arc furnace (EAF)-based steelmaking. As a critical consumable in EAF steel production, graphite electrodes remain directly linked to steel output levels, energy intensity, and operating utilisation rates across steel plants. Consequently, the sector experienced a subdued yet stabilising environment during the year, reflecting the broader trends of flat global steel demand and cautious production levels.

Demand for graphite electrodes remained largely stable, supported by the continued dominance of secondary steel routes in key markets and the gradual shift toward EAF-based production globally. While weak steel demand in certain regions impacted graphite electrode consumption, which was partially offset by steady growth in emerging economies such as India, where steel production continued to expand. The increasing structural relevance of EAF steelmaking, which accounts for nearly one-third of global steel output, continues to underpin the long-term demand outlook for graphite electrodes.

On the supply side, the industry remained relatively consolidated, with capacity additions being measured and aligned to demand visibility. Pricing dynamics in 2025 reflected a balance between stable demand and fluctuating input costs. Key raw materials, particularly needle coke, experienced volatility driven by energy markets and refining economics, directly impacting electrode realisations and margins.

Energy costs also played a significant role in shaping sector dynamics. Given the energy-intensive nature of both steelmaking and graphite electrode production, fluctuations in electricity and fuel prices influenced cost structures across the value chain. This reinforced the importance of operational efficiency and cost optimisation for graphite electrode manufacturers.

Structurally, the sector continues to benefit from the global push toward decarbonisation, as EAF-based steelmaking is increasingly preferred over traditional blast furnace routes due to its lower carbon footprint. This transition is expected to drive incremental demand for graphite electrodes over the medium- to long-term, even as short-term demand remains linked to steel production cycles.

At the same time, the industry faces ongoing challenges, including pricing pressure from global competition, exposure to steel sector cyclicality, and sensitivity to raw material availability. However, the combination of disciplined capacity, stable demand fundamentals, and structural alignment with sustainable steelmaking positions the graphite electrode sector for gradual recovery as the global steel cycle improves.

Green Steel in India

Green steel is gaining importance in India as the sector works to reduce its ~10–12% share of industrial CO_2 emissions and align with global regulations such as CBAM. The transition is being driven by policy support and a gradual shift toward EAF-based production, gas-based DRI, and emerging hydrogen technologies, alongside efficiency improvements.

While challenges such as limited scrap availability and higher costs persist, the shift is expected to be phased. Over time, green steel will enhance competitiveness and support sustainable growth, while also strengthening demand for EAF-linked inputs such as graphite electrodes.

About the Company

HEG Limited remains strategically well-positioned as one of the world's leading graphite electrode manufacturers and the third-largest producer in the Western world. The company operates the world's largest single-site graphite electrode plant, with an existing production capacity of 100,000 tonnes per annum. HEG is further expanding capacity by an additional 15,000 tonnes at the same location, bringing the total installed capacity to 115,000 tonnes per annum by early 2028.

With the global steel industry gradually shifting toward electric arc furnace (EAF)-based steelmaking due to sustainability and decarbonization initiatives, long-term demand for graphite electrodes is expected to strengthen steadily. In this evolving landscape, HEG's scale, operational efficiency, technological capabilities, and strong global presence position the company favourably to benefit from the structural growth in EAF steel production worldwide.

While short-term challenges such as raw material volatility, energy costs, and global trade uncertainties remain, the broader industry outlook appears constructive. Supported by India's rapidly expanding steel sector and the anticipated recovery in global steel demand through 2026–2027, HEG appears well placed to capitalise on the next phase of growth in the graphite electrode industry.

The company is currently executing a bold strategic demerger, decoupling its legacy dominance in graphite from its high-growth future in Anode materials.

This "Double Engine" strategy leverages HEG's deep carbon expertise to fuel both the EAF steel revolution and the burgeoning EV battery ecosystem, transforming a 50-year legacy into a future-ready Green-Tech powerhouse.

Operational Performance

The company operated at 90% capacity utilisation for the year 2025-26, the highest among the peer group, and is on a trajectory of higher capacity utilisation going forward.

Compared to last year, we have shown strong growth in both volume and revenue. Our sales volume increased by 20%, helping revenue grow from ₹2,153 Crores to ₹2,569 Crores. Total income also increased to ₹2,660 Crores from ₹2,279 Crores.

Our EBITDA increased from ₹388 Crores to ₹497 Crores, with margins increasing from 17% to 19%. Our operating margins remained stable in the 15–20% range throughout the year.

PBT has increased from ₹148 Crores to ₹246 Crores, representing a 66% increase. Net profit also increased from ₹101 Crores to ₹181 Crores. This improvement came from higher volumes, better control on input costs, and focused monitoring on fixed costs.

The company remains financially strong, with no long-term debt. As of 31st March 2026, it had a treasury of around ₹792 Crores.

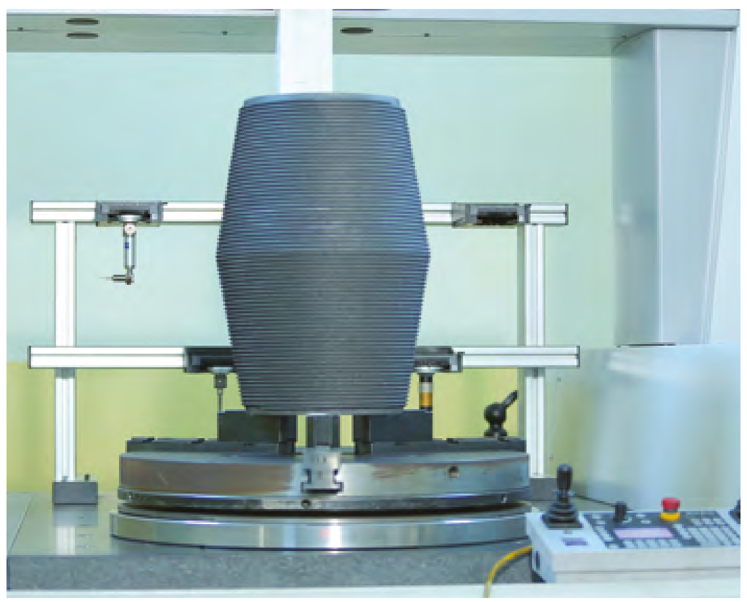
Key Ratios

Particulars	FY 2025-26	FY 2024-25	Variance (%)	Reasons for Change
Operating Profit Margin (%)	7.46	2.80	166.47	The increase is attributable to higher operating profit due to lower input costs.
Net Profit Margin (%)	7.08	4.74	49.40	The increase is attributable to higher profit after tax due to lower input costs.
Return on Net Worth (%)	4.27	2.44	75.04	The increase is attributable to higher profit after tax due to lower input costs.
Interest Coverage Ratio	7.62	4.77	59.76	Earnings before Interest has increased due to lower input costs.
Current Ratio	1.95	2.19	-10.74	
Debt-Equity Ratio	0.18	0.14	31.11	The increase is due to higher utilisation of short-term loans.
Debtors Turnover Ratio	5.43	4.51	20.51	
Inventory Turnover Ratio	0.89	0.74	20.64	

Internal Control and Its Adequacy

Our operational integrity is anchored in a precision-engineered internal control framework designed to pre-emptively mitigate risks and uphold the highest standards of financial transparency. This system is digitised through an integrated ERP backbone, which embeds real-time checks and balances directly into our daily workflows.

To ensure this architecture remains resilient, a systematic audit cycle continuously stress-tests our legal, regulatory, and environmental adherence. Under the strategic oversight of the Audit Committee, our internal audit teams drive a culture of constant refinement—transforming static compliance into a dynamic engine of systemic improvement.



Quality Management

At HEG, quality is a cultural imperative that transcends product specifications—it is our primary engine for value creation. By embedding a zero-defect philosophy at every production milestone, we bridge the gap between industrial precision and customer expectation.

On the Shop Floor: Our manufacturing ecosystem is governed by a dual-track quality protocol that focuses on both process integrity and product excellence. Through rigorous Standard Operating Procedures (SOPs) and stage-wise audits—from raw material sourcing to post-production—we have significantly minimised waste and optimised performance. Continuous upskilling initiatives ensure that our workforce remains the vanguard of this excellence.

At the Top Floor: Quality is driven by Business Process Automation (BPA), eliminating human error and accelerating service delivery. This digital oversight is paired with a strategic feedback loop; our leadership engages directly with the world's top 25 steel producers, distilling global insights into actionable operational refinements. This 'Top-to-Bottom' synergy ensures HEG remains not just a supplier, but a benchmark for reliability in the global steel landscape.

Innovation

Engineering the Carbon Frontier

Our R&D division, led by a distinguished cohort of scientists, serves as the company's primary engine for technological disruption. In FY2025-26, innovation was centred on two critical vectors:

- Process Optimisation: Enhancing yield and product longevity through advanced molecular engineering.
- Next-Gen Materials: Developing specialised carbon alternatives designed for superior thermal regulation, energy efficiency, and environmental resilience.

Through strategic alliances with global research centres, we are not just refining existing products but are actively investigating sustainable carbon strategies that will define our expansion into the next decade.

ESG

Stewardship as a Competitive Advantage

For HEG, sustainability is a mechanical necessity for long-term profitability, not a peripheral goal. We are embedding Environmental, Social, and Governance (ESG) excellence into the core of our graphite manufacturing process.

Environmental Stewardship: We are aggressively reducing our carbon footprint and energy intensity, aligning our operations with global climate transition goals.

Market Alignment: By prioritising the production of eco-friendly graphite, we are capturing the rising global demand for "Green Steel" inputs, strengthening our market position.

Transparency & Resilience: We started our ESG journey in 2023-24 by formally evaluating all metrics, followed by the publication of our inaugural ESG Report (2023–24), and continued with our 2024-25 ESG Report, demonstrating improvements. This commitment enhances our adaptability to evolving global regulations and shifts in the carbon-border trade landscape.

Human Resources

Cultivating High-Performance Capital

We recognise that our people drive our "Structural Outlier" status. Our HR strategy focuses on transforming a proficient workforce into a highly driven, future-ready team.

Holistic Upskilling: Our development programs bridge technical mastery with business acumen and behavioural excellence, ensuring our leadership pipeline remains robust.

Cultural Cohesion: Beyond technical training, we foster a collaborative ecosystem through dynamic team-building and the celebration of cultural milestones, reinforcing a sense of purpose beyond the workplace.

Digital Automation: In synergy with our IT department, we have deployed real-time applications that enhance organisational transparency and deepen our connectivity with stakeholders, ensuring that data-driven insights reach every level of the team.

Risk Management

Resilience by Design

At HEG, we view risk management as an indispensable strategic tool that safeguards our "Structural Outlier" status. Our Enterprise Risk Management (ERM) framework is not merely a compliance layer but a core component of our decision-making engine, ensuring that every strategic move is calibrated for long-term profitability and shareholder protection.

The ERM ecosystem operates on a rigorous annual cycle, structured across five critical vectors:

- Objective Alignment: Setting clear organisational benchmarks that define our risk appetite.
- Continuous Identification: Real-time scanning of the global landscape to isolate emerging threats before they materialise.
- Mitigation Engineering: Developing agile, robust strategies to neutralise volatility across our supply chain and financial operations.
- Indicator Monitoring: Utilising data-driven lead indicators to sense market shifts in their infancy.
- Gap Closure: Maintaining a closed-loop system that proactively addresses and resolves procedural or systemic vulnerabilities.

By institutionalising this framework, HEG transforms potential uncertainties into manageable variables, ensuring organisational resilience in a shifting global steel landscape.

CORPORATE SOCIAL RESPONSIBILITY

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

Responsibility is embedded in how we operate. It shapes our decisions, our investments and the relationships we build with the communities around us.

Our CSR programmes are designed for measurable, on-ground change. Healthcare reaches underserved populations. Education opens pathways for children who would otherwise fall behind. Skill development equips young people for dignified livelihoods. Rural development strengthens local economies at their source.

Each initiative is selected for its ability to create compounding, self-sustaining impact — where outcomes outlast the intervention itself.

On the environmental front, we are raising the bar on resource efficiency within our operations. Energy optimisation, waste reduction and responsible sourcing are advancing steadily. These are operational commitments, tracked and reviewed — they go beyond intent.

Inside HEG, we are building a workplace defined by respect, openness and professional growth. People who feel valued deliver their best work. That conviction drives every policy we put in place.

What follows is a showcase of the year's progress— programs delivered, lives touched, benchmarks met. Every outcome here is a foundation for what comes next.

The Akshaya Patra: Sustaining Smiles, Empowering Futures

A child who eats well learns well. That conviction drives HEG's flagship CSR initiative.

The centralised Akshaya Patra kitchen in Bhopal, established by HEG at an investment of ₹14 Crores, is the first of its kind in Madhya Pradesh. It operates on a simple premise: every government school student in its coverage area receives a hot, nutritious meal every school day. Zero exceptions.

The numbers speak clearly. As of March 2026, the kitchen has served over 2.25 Crore + meals. In FY26 alone, 56.40 Lakh meals reached children across 501 government schools in the Bhopal and Raisen districts. Today, 44,910 enrolled students depend on this programme for daily nutrition.

HEG funds the gap between what the central and state governments allocate and the actual cost of meal preparation and distribution. The annual commitment stands at approximately ₹7.5 Crores.

The outcomes extend well beyond the plate. Attendance has improved. Dropout rates have declined. Children stay in school longer and engage more deeply with learning. A meal becomes a reason to show up, and showing up becomes a habit that reshapes futures.

The kitchen itself is built for scale. Semi-automated preparation lines, stringent food safety protocols and a centralised distribution model enable it to operate consistently and efficiently across a wide geographic area.

This partnership with The Akshaya Patra Foundation remains central to HEG's social responsibility agenda. Every meal served is a quiet investment in a child's potential, compounding over the years into stronger communities and a more capable generation.

2.25 Crore+
Meals served to date
Box item ends

Global Vikas Trust: Mitigating Economic Deprivation through Sustainable Agriculture

What began as a response to agrarian distress has become a replicable blueprint for rural transformation.

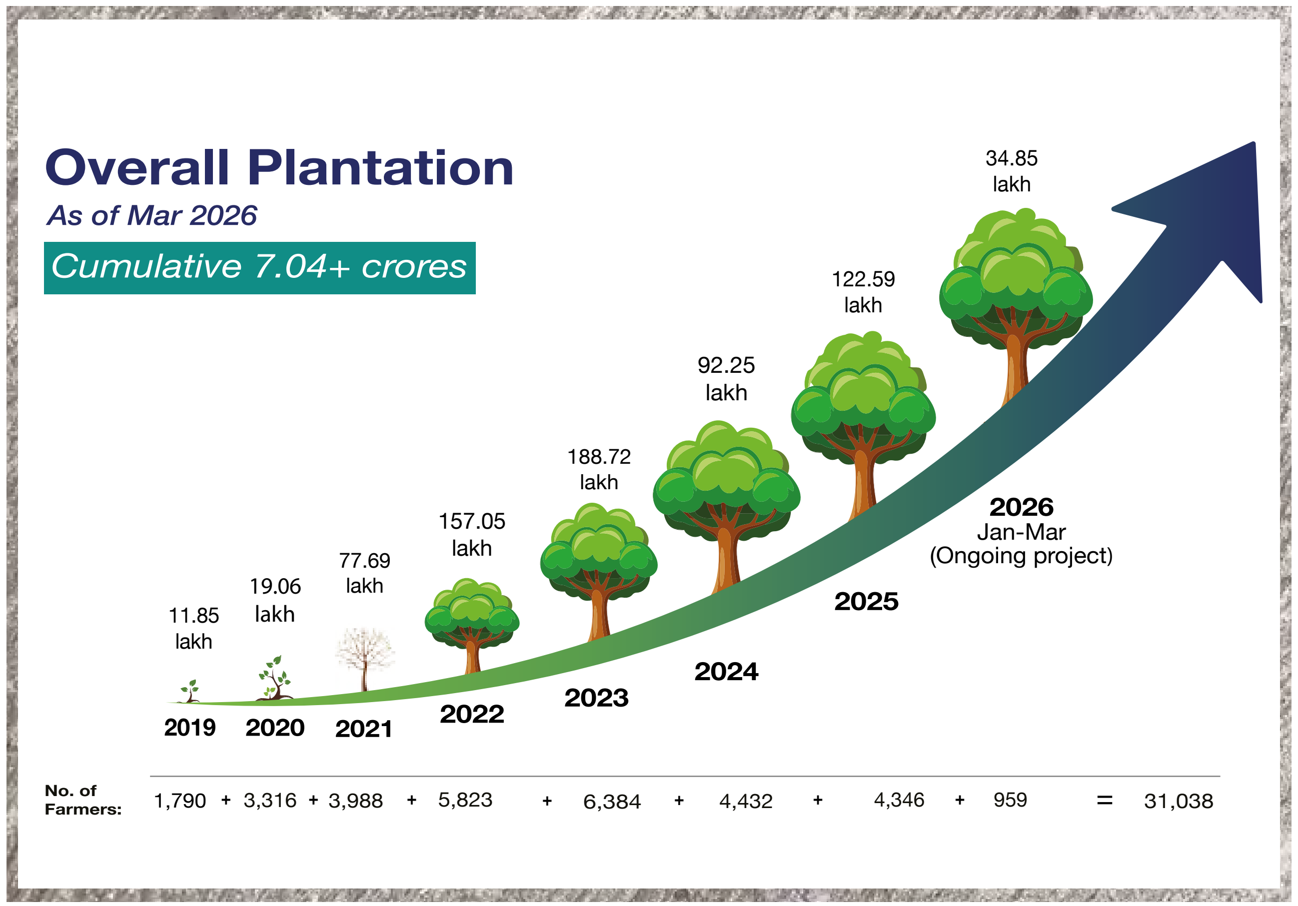
HEG's partnership with Global Vikas Trust (GVT) works at the intersection of agriculture, income and ecology. The core method is straightforward: transition farmers from subsistence crops to high-value horticulture, anchor the shift with water-conservation infrastructure, and let compounding harvests do the rest.

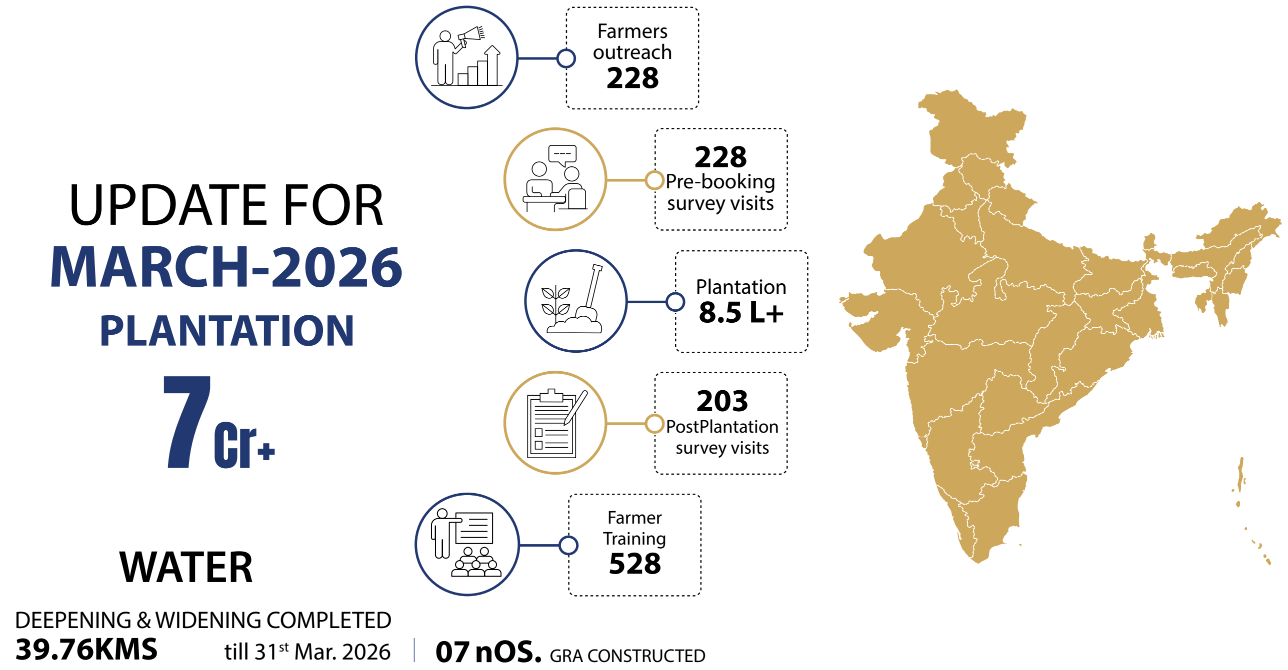
The scale is significant. As of March 2026, the programme has facilitated the plantation of over 7.04 Crore fruit-bearing and forestry saplings across project locations, directly benefiting more than 31,000 farmers. In FY26 alone, over 8.5 Lakh saplings were planted, sustaining the initiative's year-on-year momentum.

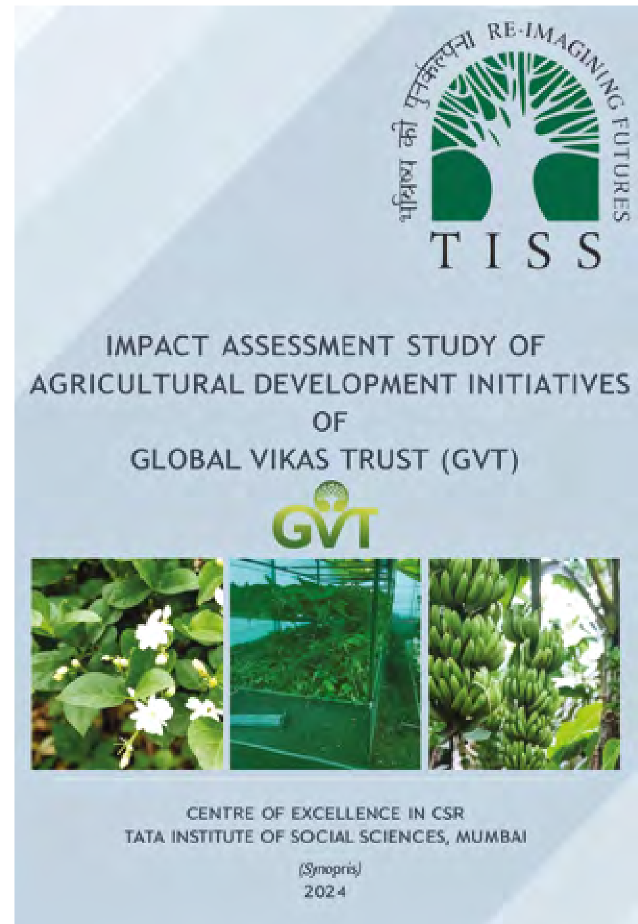
The economics are tangible. Farmers who once struggled with volatile returns from traditional crops now earn from orchards that yield income for decades. Productivity has improved. Rural incomes have strengthened. Dependence on erratic monsoon cycles has reduced.

The environmental dividend is equally real. Large-scale green cover creation restores degraded land, recharges groundwater and rebuilds local ecosystems. Every sapling planted serves a dual purpose: it is an income asset for the farmer and an ecological asset for the region.

HEG continues to invest in this model because it works — and because it scales.







Empowering Six Decades of Building Futures

HEG's commitment to education predates most of its CSR initiatives.

When the Mandideep facility was established, quality schooling in the region was scarce. The response was direct: build a school. Graphite Higher Secondary School, founded under the vision of Mr L.N. Jhunjhunwala, has served the community ever since.

In 2023, HEG invested ₹22 Crore in a new state-of-the-art campus, expanding capacity from 1,300 to 2,500 students. The facility was designed for the next generation of learning — modern classrooms, advanced science laboratories, a well-stocked library and full-scale sports infrastructure.

The results are visible in the outcomes. Students delivered outstanding performances in the Class X and XII Board Examinations during the year. Consistent academic results have established Graphite School as the preferred institution in the region.

Learning here extends well beyond the curriculum. Students participated in experiential programmes, skill-enhancement workshops and initiatives designed to develop critical thinking, creativity and real-world awareness.

The school produces informed, capable young people — and has done so for generations.

HEG invested

₹22 Crore

in a new state-of-the-art campus

Apna Ghar Ashram: Dignity Restored, Lives Rebuilt.

Some interventions are measured in meals served or saplings planted. This one is measured in lives reclaimed.

HEG has supported the Bhopal centre of Apna Ghar Ashram since 2019. Founded by Dr Bharadwaj in 2000, the Ashram provides shelter, nutrition, healthcare and emotional rehabilitation to individuals who are homeless, abandoned, or without family support. Residents, referred to as Prabhujans, receive comprehensive care designed to restore confidence, well-being and a sense of belonging.

Since the inception of HEG's association, the Bhopal centre has provided rehabilitation services to approximately 670 Prabhujans. The Ashram's family tracing efforts have enabled several residents to reconnect with loved ones and reintegrate into society.

A larger facility is currently under construction and is expected to be completed by the end of 2027. This expansion will increase the accommodation capacity from 125 to 200 Prabhujans, enabling us to serve more individuals in need.

What sets this initiative apart is its intent. It goes beyond basic sustenance. Every resident is treated with respect, offered a path to recovery and allowed to live with security and purpose. HEG's continued support reflects a straightforward belief: compassion, delivered consistently, transforms lives.

Ashoka University: Investing in India's Intellectual Infrastructure

HEG is a founding supporter of Ashoka University, established through the collective vision of leading Indian industrialists to bring world-class liberal education to India.

The University's model is built on rigour. Critical thinking, interdisciplinary research and holistic learning form the academic core. A need-based financial aid programme ensures access for deserving students regardless of their financial background.

Ashoka produces graduates equipped to engage with complexity — future leaders who can navigate evolving global challenges with clarity and purpose. HEG's continued association with the University is an investment in the quality of India's next generation of thinkers, builders and decision-makers.

Sabhyata Foundation: From Red Fort to Bhimbetka

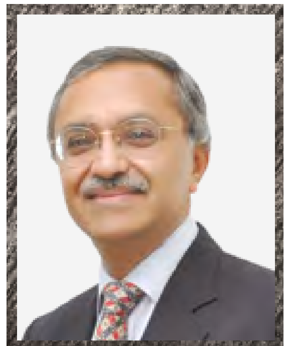
HEG's partnership with Sabhyata Foundation has moved from restoration to recognition.

The journey began with a ₹70 Crore investment in the conservation of the Red Fort. The success of that intervention established a benchmark. HEG's efforts now focus on conserving and promoting the Bhimbetka Rock Shelters, a UNESCO World Heritage Site of extraordinary archaeological significance.

The credibility earned through these projects has led to a broader mandate. The Government of India has entrusted the Foundation with conservation and development work at Safdarjung Tomb, Purana Qila, Humayun's Tomb, Mehrauli Archaeological Park and Gandikota Fort.

Heritage preservation at this scale is rare in the Indian corporate landscape. HEG's involvement signals a long-term commitment to safeguarding the nation's built legacy, ensuring that what belongs to history remains accessible to the future.

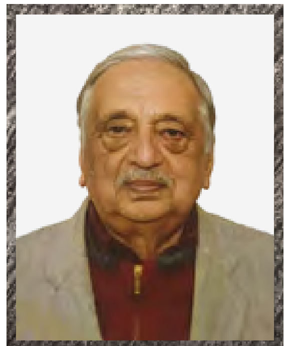
BOARD OF DIRECTORS



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

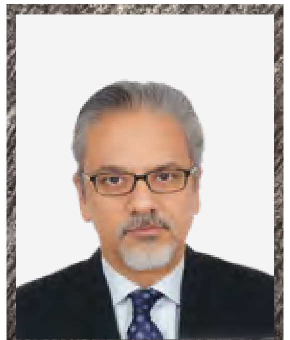
Vinita Singhania
Non-Executive Director
DIN: 00042983

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

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

President and Group Chief Strategy Officer
Puneet Anand

President - Investor Relation
Salil Bawa

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
Phone: +91 (0120) 4390300
Fax: +91 (0120) 4277841
Website: www.hegltd.com
E-mail: heg.investor@lnjbhilwara.com

Registered Office
Mandideep (Near Bhopal)
Distt. Raisen - 462046
Madhya Pradesh, India
Phone: +91 (07480) 233524 to 233527, 405500
CIN: L23109MP1972PLC008290

Works
Graphite Electrode & Thermal Power Plants
Mandideep (Near Bhopal)
Distt. Raisen - 462046
Madhya Pradesh, India
Phone: + 91 (07480) 233524 to 233527, 405500

Hydro Electric Power
Village Ranipur, Tawa Nagar
Distt. Hoshangabad - 461001
Madhya Pradesh, India
Phone: +91 (07480) 405500 Extn. 6301

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.

BOARD'S REPORT

Dear Members,

Your Directors have the pleasure of presenting their 54th Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2026.

1. Financial Results

(₹ in Crores)

Particulars	2025-26	2024-25
Net sales	2551.77	2,137.34
Other operating income	16.73	15.37
Total income from operations (Net)	2568.50	2,152.71
Other income	91.96	126.68
Total income	**2660.46**	**2,279.39**
Profit before finance cost, depreciation and amortization	**496.81**	**387.56**
Finance cost	37.21	39.20
Profit before depreciation and amortization	**459.60**	**348.36**
Depreciation and amortization	213.20	200.54
Profit/(Loss) before tax	246.40	147.82
Provision for taxation:		
Current tax	76.44	48.42
Deferred tax	(10.76)	(1.91)
Net Profit/(Loss) for the period	**180.72**	**101.31**
EPS (Basic) (₹)	**9.36**	**5.25**

Note: No amount transferred to reserves.

2. Overall Performance

The Company recorded net sales of ₹2551.77 Crore during the financial year 2025-26 as compared to ₹2137.34 Crore in the previous financial year. The Net Profit during the financial year 2025-26 was ₹180.72 Crore as compared to a net profit of ₹101.31 Crore in financial year 2024-25 translating to Basic Earnings Per Share at ₹ 9.36 for the financial year 2025-26 as against ₹5.25 in financial year 2024-25.

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 published by the World Steel Association, total global crude steel production declined by 2.0% in CY 2025 to 1,803.8 mmt, compared with 1,840.9 mmt in CY 2024, reflecting continued weakness in global steel demand.

Steel production in the world ex-China increased by 0.9% to 843.0 mmt in CY2025 from 835.8 mmt in CY2024, indicating relatively resilient demand trends across ex-China markets.

China's steel production declined by 4.4% from 1,005.0 mmt in 2024 to 960.8 mmt in 2025, mainly due to prolonged weak domestic demand and continued stress in the real estate sector. In contrast, China's steel exports increased by 7.5% year-on-year to a record 119 mmt in 2025, up from 110.7 mmt in 2024.

Over the last five years, despite an overall 7.5% decline in steel production, China's exports surged by 78%, rising from 67 mmt in 2021 to 119 mmt in 2025, thereby exerting pressure on graphite electrode demand in global markets outside China.

Among major steel-producing countries, the United States registered a 3.1% increase in production to 82.0 mmt in 2025, compared with 79.5 mmt in 2024.

India, firmly established as the world's second-largest steel producer, reported a 10.4% increase in production to 164.9 mmt in 2025, supported by robust domestic demand, particularly from the infrastructure and real estate sectors. It is noteworthy that steel production in India is predominantly through the blast furnace route, with a substantial share also produced through induction furnaces, which do not form part of the Company's 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 in the graphite electrode industry, the Company operated at a capacity utilisation rate of 91 % during FY 2025-26, the highest among all western graphite electrode manufacturers.

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

While short-term prospects for graphite electrodes remain cautiously optimistic, near-term market conditions continue to be influenced by geopolitical tensions and trade disruptions arising from conflicts in the Middle East and the Russia-Ukraine region, which are impacting industrial activity in developed markets. Nevertheless, the long-term outlook remains positive, driven by the global transition toward EAF-based steelmaking.

To date, more than 100 mmt of new greenfield EAF steelmaking capacity has been announced globally. Of this, approximately 21 mmt became operational between 2022 and 2025, while an additional 60 mmt is expected to come on stream between 2026 and 2028.

The Company anticipates 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 in ex-China markets of approximately 500,000–600,000 mt.

The Company remains among the most cost-competitive and high-quality producers of graphite electrodes globally. Supported by an extensive customer base, the Company is well positioned to capitalise on 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 2025-26 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 ₹28.95 Crore in FY 2025-26 from ₹32.66 Crore in FY 2024-25.

4. Change in Share Capital

During the Financial Year 2025-26, there was no change in the Share Capital of the Company.

The Authorized Share Capital of the Company as at 31st March, 2026 was ₹70,00,00,000 (Rupees Seventy Crores) divided into:

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

b) 15,00,000 (Fifteen Lakhs) Preference Shares of Rs100/- (Rupees One Hundred) each.

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as at 31st March, 2026 was ₹38,95,55,060/-(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).

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 2025-26.

7. Significant Developments

The Board of Directors of the Company at its meeting held on 22nd 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 10th March, 2025 has approved the execution of definitive agreements in connection with the issue of further shares to 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 modified scheme was approved by the board of directors of respective companies on 10th March, 2025. 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 (NCLT) and the shareholders and creditors (as applicable) of the Companies involved in the Scheme. Approval/observation letters from BSE and NSE were received on 8th January, 2026 and 9th January, 2026 respectively. Thereafter, the Scheme was filed with the Hon'ble National Company Law Tribunal, Indore Bench on 24th January, 2026.

Pursuant to order dated 26th March, 2026, the Hon'ble NCLT has directed convening of meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of HEG Limited and Equity Shareholders of Bhilwara Energy Limited through Video Conferencing / Other Audio Visual Means for approval of the Scheme. Accordingly, notices have been issued to the respective stakeholders and the meetings are scheduled to be held on Tuesday, 5th May, 2026.

Pending receipt of final approvals from NCLT, no adjustments have been made in the Audited financial results/ statements for the quarter and financial year ended 31st March, 2026.

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 2025-26 and Net profit was ₹0.02 Crore.

ii. HEG Graphite Limited

HEG Graphite Limited had no business operations during the financial year 2025-26 and Net Loss was ₹0.03 Crore.

iii. Bhilwara Infotechnology Limited

Bhilwara Infotechnology Limited had a consolidated turnover (Revenue from Operations) of ₹7.37 Crore (from continued and discontinued operations) and Profit after Tax was ₹10.42 Crore (from continued and discontinued operations) as per their audited consolidated financial statements for the financial year ended 31st March, 2026.

In terms of provisions of Section 136(1) of the Companies Act, 2013, the audited financial statements of all the Wholly Owned Subsidiaries namely TACC Limited, HEG Graphite Limited and Bhilwara Infotechnology 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 ₹909.66 Crore and Net Profit (attributable to owners of the parent) was ₹243.22 Crore as per their audited consolidated financial statements for the financial year ended 31st March, 2026.

The Company has no Joint Ventures.

No Company has become/ceased to be Joint Venture during the financial year 2025-26.

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 ₹3.40 /- (i.e. 170%) per equity share on 19,29,77,530 equity shares of face value of ₹2/- each for the financial year ended 31st March, 2026 subject to the approval of the Shareholders at the ensuing 54th 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 and can be accessed at: https://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf .

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 2025-26 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 in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations, in line with the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

A risk-based internal audit programme covers key business processes, and its findings are periodically reviewed by the management and the Audit Committee. The Company also has a well-defined organizational structure, clearly laid down authority levels, and documented policies and procedures for efficient conduct of its business.

The internal financial controls are regularly monitored by the Audit Committee, the Board and the Statutory Auditors. During the year, no material weakness in the design or operating effectiveness of such controls 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 2025-26 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

The Shareholders upon the recommendation of Nomination and Remuneration Committee and the Board of Director have approved in the 53rd Annual General Meeting of the Company held on August 20, 2025, the continuation of Smt. Vinita Singhania (DIN: 00042983) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, who would attain the age of 75 years on March 12, 2027 in FY 2026-27

There was no cessation of Director during the FY 2025-26.

(b) Retire by Rotation/Continuation of Director

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

Shri Shekhar Agarwal (DIN: 00066113) (Presently Aged: 73 Years 8 Months), Non-Executive Director Non-Independent Director of the Company will attain the age of 75 years in FY 2027-2028, therefore upon the recommendation of Nomination & Remuneration Committee, the Board has recommended continuation of Shri Shekhar Agarwal (DIN: 00066113) 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 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.

Furthermore, all Independent Directors have duly registered their names in the data bank maintained by the Indian Institute of Corporate Affairs, in accordance with the applicable statutory requirements.

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 issued by ICSI, of the Directors eligible for appointment/ re-appointment forms part of the Notice of Annual General Meeting.

ii. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company as on 31st March, 2026:

a) Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO
b) Shri Manish Gulati, Executive Director
c) Shri Puneet Anand, President and Group Chief Strategy Officer
d) Shri Ravi Kant Tripathi, Chief Financial Officer
e) 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. The Nomination and Remuneration Policy of the Company is available on the Company's website and can be accessed at: https://hegltd.com/wp-content/uploads/2022/05/HEG_NRC-Policy_09.02.2022.pdf

22. Meetings of the Board

The Board of Directors met five (5) times in the financial year 2025-2026 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, 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

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 2025-26.

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, 2025 was conducted by M/s. N.D. Birla & Co. (M. No. 7907). The said Cost Audit Report was filed on 27th August, 2025.

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 29th April, 2026, 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 2026-2027 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 Shareholder in their 53rd Annual General Meeting have approved the appointment of M/s. GSK & Associates, a firm of Company Secretaries in Practice for a term of five consecutive financial years commencing from the financial year 2025-26 till the financial year 2029-30 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for FY 2025-26 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.

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 Company has in place a comprehensive enterprise-wide risk management framework to identify, assess, monitor and mitigate risks, with the objective of safeguarding shareholder value and ensuring sustainable business growth. The Risk Management Policy of the Company is aligned with the overall business strategy and is disseminated across the organization, making risk management an integral part of business processes and decision-making.

Key risks are identified and evaluated as part of the annual planning process, and appropriate mitigation plans are implemented. The status of key risks and the effectiveness of mitigation measures are periodically reviewed by the management and placed before the Board. The Company has constituted a Risk Management Committee in accordance with the requirements of the SEBI (LODR) Regulations, 2015 to oversee the risk management framework. Details relating to its composition, meetings and terms of reference are provided in the Corporate Governance Report forming part of this Annual Report.

In the opinion of the Board, there are no material risks that may threaten the existence of the Company.

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 & ESG 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. 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. Approximately 44,000 students from around 501 Schools and Madrasas have been enrolled under the Mid-Day Meal Programme and a total of about 2.25 Crore + meals have been served up to March 2026. 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. Global Vikas Trust has positively impacted the lives of over 30,000 farmers, resulting in the plantation of approximately 7.00 Crore trees across Madhya Pradesh and Maharashtra. 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 2026-2027.

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 2025-26 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

During the year under review, the Company has made loans, provided guarantees and made investments in compliance with the provisions of Section 186 of the Companies Act, 2013. Such transactions, inter-alia, include the following:

i. Loan of ₹100 Crore extended to TACC Limited, a wholly owned subsidiary, which was fully repaid during the year.

ii. Corporate Guarantee provided in favour of State Bank of India on behalf of TACC Limited, a wholly owned subsidiary, in respect of financial assistance amounting to ₹1,230 Crore to be availed by the said subsidiary.

iii. Loan of ₹210 Crore extended to Bhilwara Energy Limited, an associate company.

iv. Subscription of debentures (OCDs) amounting to ₹400 Crore of TACC Limited, a wholly owned subsidiary.

The details of all loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the notes to the financial statements forming part of the Annual Report.

35. Investor Education and Protection Fund (IEPF)

As required under Section 124 of the Companies Act, 2013, the following unclaimed dividend was transferred during the Financial Year 2025-26, to the Investor Education and Protection Fund established by the Central Government:

i. ₹1,16,65,650 pertaining to Unclaimed final dividend of FY 2017-18

ii. ₹78,07,860 pertaining to Unclaimed interim dividend of FY 2018-19

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.

The Company has duly and timely disclosed to the Stock Exchanges all instances of violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as required under the applicable provisions. Appropriate actions have been taken in accordance with the Company's Code of Conduct.

The Company continues to strengthen its internal controls and sensitization mechanisms to ensure strict adherence to the applicable regulations and to prevent recurrence of such instances.

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 20 workshops or awareness programmes against sexual harassment of women at the workplace. No complaint of Sexual Harassment was received during the financial year 2025-26.

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.

f) The Company is Compliant with the applicable provisions of the Maternity Benefit Act, 1961 and has policies, systems and Process in place to ensure ongoing compliance.

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

The Company has duly constituted a Stakeholders' Relationship Committee with broad terms of reference in compliance with the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The details relating to its composition, meetings and terms of reference are provided in the Corporate Governance Report forming part of this Annual Report.

As a responsible corporate citizen, the Company continues to support the 'Green Initiative' of the Ministry of Corporate Affairs, Government of India, by enabling electronic delivery of documents, including the Annual Report, Notices and other communications to Members at their registered email addresses. Members who have not registered or wish to update their email addresses are requested to register the same with their Depository Participants or with the Company's Registrar and Share Transfer Agent, as applicable, in accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014.

In line with the applicable MCA and SEBI circulars issued from time to time, the Notice of the AGM and the Annual Report for the financial year ended 31st March, 2026 are being sent to Members through electronic mode. The Company has also taken necessary steps to communicate with Members for registration/updation of their email addresses for seamless electronic communication.

The Company remained responsive to evolving market conditions and continued to maintain close engagement with its customers, which enabled better capacity utilisation and operational efficiency. Improved utilisation supported optimal absorption of costs and strengthened cash flows. The Company continues to stay connected with its customers on a regular basis.

The IT function is focused on developing and strengthening digital capabilities aimed at enhancing transparency in business operations and improving customer connectivity.

The Company is committed to environmental protection and sustainable development. The R&D team works in collaboration with reputed research institutions to develop environment-friendly solutions, including identification of alternative and regenerative carbon feedstock, to support sustainable growth.

The Company supports the principles of inclusive growth and equitable development through its Corporate Social Responsibility initiatives as well as through its core business activities.

The CSR programmes focus on areas such as healthcare, education, eradication of hunger, community development and environmental sustainability, thereby contributing to improvement in quality of life and livelihoods.

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

Date: April 29, 2026 Chairman, Managing Director & CEO

Place: Noida (U.P.) DIN: 00060972

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 2025-26	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Ravi Jhunjhunwala (Chairman, Managing Director & CEO)	15%	275.07
2	Manish Gulati (Executive Director)	15%	80.06
3	Puneet Anand (President and Group Chief Strategy Officer appointed w.e.f. December 1, 2025)	NA	NA
4	Ravi Kant Tripathi (Chief Financial Officer)	12%	NA
5	Vivek Chaudhary (Company Secretary)	9%	NA

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

Sl. No.	Name of Director	% increase in Remuneration in the financial year 2025-26	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Riju Jhunjhunwala (Non-Executive Director)	Nil	1.24
2	Shekhar Agarwal (Non-Executive Director)	Nil	1.55
3	Kamal Gupta (Non-Executive Director)	Nil	3.11
4	Vinita Singhania (Non-Executive Director)	Nil	0.47
5	Satish Chand Mehta (Non-Executive & Independent Director)	Nil	2.33
6	Ramni Nirula (Non-Executive & Independent Director)	Nil	2.18
7	Jayant Davar (Non-Executive & Independent Director)	Nil	3.42
8	Nand Gopal Khaitan (Non-Executive & Independent Director)	55%	2.64
9	Sandip Somany (Non-Executive & Independent Director)	Nil	0.78
10	Priya Shankar Dasgupta (Non-Executive & Independent Director)	200%	0.93

* 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 ₹4,82,388/- per annum.

d) Percentage increase in the median remuneration of employees in the financial year was 23%.

e) Number of permanent employees on payroll of the Company were 1,175 as on 31st March, 2026.

f) The average increase of employee's salary for the FY 2025-26 (Other than Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO and Shri Manish Gulati, Executive Director) was at a rate of 9% 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, 2026.

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	1326.89*	B.Com (Hons.), MBA	47	70	08.09.1979	-
2	Manish Gulati	Executive Director	421.86**	MBA (Marketing & Finance), BE (Electronics), B.Sc. (Statistics)	33	56	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive,0.5 Yr.
3	Puneet Anand	President and Group Chief Strategy Officer	155.00#	CA	17	39	01.12.2025	EY India, Senior Manager, 10+ Yrs.
4	Jasvinder Singh Khosla	Vice President – Operations (Nipple Plant) / Specialties / R&D / Design / EHS	119.14	BE (MECH)	34	56	25.11.2020	GIL Nasik, AVP(Works), 3.5 Yrs
5	Atul Laxman Moghe	Vice President – Maintenance & Power	119.01	BE (Electronics)	33	55	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.
6	Prasant Kumar Jha	General Manager - Commercial	95.87	ICWA, PGDBM	26	52	15.07.2011	M/s. Timex Group Ind. Limited, Noida, Manager, 2.9 Yrs.
7	Ravi Kant Tripathi	Chief Financial Officer	82.09	BCOM(TAXATION), ICWA, LLB	33	55	11.07.1994	Bharat Zinc Ltd. Bhopal, Accountant, 1 Yrs
8	Rajesh Jetha	Sr. General Manager – I T	74.36	MCA(COMPUTER APPLICATION)	30	56	17.11.1997	NSMG Pvt Ltd, New Delhi, S/w Engineer, 2 Yrs

Sl. No.	Name of Employee	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
9	Manoj Kumar Gupta	General Manager – Design	65.18	BE(MECH),M. TECH(MECH)	33	56	07.02.2011	Hindalco Industries, Bharuch. Manager Maintenance, 5.6 Yrs
10	Axay Saxena	General Manager - HR & IR	68.07	B.Sc. ,MCA, MBA(HR)	27	51	24.08.1999	Netcom, S/w Engineer, 1 year

* includes commission of ₹.829.00 Lakhs

** includes commission of ₹200.00 Lakhs

#During the year, remuneration paid to him was ₹50.30 lakhs as his appointment is w.e.f. 1st December, 2025.

b) Statement related to employee employed throughout the year and in receipt of remuneration aggregating ₹1.02 Crores or more during the FY 2025-26

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	1326.89*	B.Com (Hons.), MBA	47	70	08.09.1979	-
2	Manish Gulati	Executive Director	421.86**	MBA (Marketing & Finance), BE (Electronics), B.Sc. (Statistics)	33	56	10.05.1993	J.N.Marshal Ltd., Pune, Senior Executive,0.5 Yr.
3	Jasvinder Singh Khosla	Vice President – Operations (Nipple Plant) / Specialties / R&D / Design / EHS	119.14	BE (MECH)	34	56	25.11.2020	GIL Nasik, AVP(Works), 3.5 Yrs
4	Atul Laxman Moghe	Vice President – Maintenance & Power	119.01	BE (Electronics)	33	55	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.

* includes commission of ₹829.00 Lakhs

** includes commission of ₹200.00 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
1	Puneet Anand	President and Group Chief Strategy Officer	50.30	CA	17	39	01.12.2025	EY India, Senior Manager, 10+ years

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;	
	Replaced of conventional type light fittings (207KW) with LED light fittings (87KW) and energy units saved - 526882 KWh/annum then resulting saving of 29.87 Lacs/annum.	
(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	2025-26	2024-25
i)	Foreign Exchange Earned	1,56,477.77	1,28,923.67
ii)	Foreign Exchange Used	82,264.45	80,784.37

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 time to time.

B. Independent Director

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

C. Removal/Retirement

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

D. Letter of Appointment

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

14. REMUNERATION DUTIES

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

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

A. DIRECTOR/ MANAGING DIRECTOR

Besides the above Criteria, the Remuneration/ compensation/ commission/fee/incentives to be paid to Director/ Managing Director/Whole Time Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval of 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, 2026

[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, 2026, 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, 2026 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. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period);

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

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

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

II.

- The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
- The Environment (Protection Act 1986 and amended upto 1991) and The Environment (Protection) Rules 1986 & Amendment Rules, 2006
- The Hazardous 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.

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 in advance after complying with the necessary provisions of Companies Act, 2013 and Secretarial Standards, 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:

- The Board of Directors at their meeting held on May 19, 2025, took note on the status of Composite Scheme of Arrangement amongst HEG Limited ("Demerged/Transferee Company" or "Company") and its wholly-owned subsidiary i.e. HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective Shareholders and creditors pursuant to the provisions of Sections 230–232 of the Companies Act, 2013.

  The Scheme essentially provides for:

  - Demerger: The transfer of the Company's "Graphite Business" (including assets, liabilities, and 76.5 MW captive power capacity) into HEG Graphite Limited on a going concern basis.
  - Amalgamation: The merger of Bhilwara Energy Limited into HEG Limited.

  The procedural status of regulatory filings for the said scheme are as follows:

Date	Particulars
May 22, 2024	The Board of Directors approved the Composite Scheme of Arrangement.
June 12, 2024	The Scheme was filed with the Stock Exchanges (NSE & BSE) for requisite approvals.
Jan 25, 2025	Revised Scheme with the said changes along with other documents filed by Company.
Jan 08, 2026 and Jan 09, 2026	Receipt of No Objection Certificate from BSE Limited on Jan 08, 2026 and National Stock Exchange of India Limited on Jan 09, 2026
Jan 24, 2026	The Company filed the formal petition with the Hon'ble National Company Law Tribunal (NCLT) for sanctioning the Scheme.

  The Hon'ble National Company Law Tribunal, Indore Bench ("Tribunal") has vide its order dated March 26, 2026 has allowed and disposed the Company Application CA(CAA)/1(MP)2026 and inter alia, directed to convene (i) the meeting of equity shareholders, secured creditors and unsecured creditors of HEG Limited, and (ii) the meeting of equity shareholders of Bhilwara Energy Limited.

  The Company issued a Notice on April 2, 2026 for convening meetings of equity shareholders, secured creditors and unsecured creditors of HEG Limited ("Company") pursuant to the directions of the Hon'ble National Company Law Tribunal, Indore Bench ("Tribunal"). These meetings are scheduled to be held on May 5, 2026.

- The Company has received the Notice dated March 17, 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 has submitted a waiver application to the designated Stock Exchange (i.e. NSE), along with the requisite supporting documents on March 20, 2025, and the same was not considered favorably and therefore the company has paid the stipulated fine to BSE and NSE on July 1, 2025.

- The Board of Directors at their meeting held on July 30, 2025, has reviewed that the GST show cause notice of ₹282.34 Crores issued for the tax period April 2018 to March 2019 has been dropped by the GST authority vide their letter dated July 30, 2025.
- The Board of Directors at their meeting held on November 10, 2025, approved the appointment of Mr. Puneet Anand as President & Group Chief Strategy Officer (CSO) and KMP of the Company with effect from December 1, 2025, along with remuneration as per Company policy, and authorised designated officials to take necessary actions including revision in remuneration, as required.
- The Board of Directors at their meeting held on February 10 ,2026 noted instances of non-compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, during the quarter ended December 31, 2025 by three members of the Promoter Group involving trading without pre-clearance, contra-trades, and non-disclosure. The details of Violations are as under:

Sr. No.	Name	Date of Transaction	Transaction Type (i.e. Sale/ Purchase)	No. of Shares	Amount	Profit/ Loss (₹)	Details of Non-Compliance
1	Mr. Nivedan Churiwal	30.12.2025	Purchase	3935	2,364,852.74	-	Trading without pre-clearance, non-disclosure of transaction to the Company.
2	Mr. Nivedan Churiwal	30.12.2025	Sale	35	21,079.78	49	Trading without pre-clearance, Contra trade and non- disclosure of transaction to the Company.
3	Ms. Shubha Churiwal	30.12.2025	Purchase	1500	904,765.16	-	Trading without pre-clearance, and non-disclosure of transaction to the Company.
4	Ms. Sudha Churiwal	30.12.2025	Purchase	895	539,805.52	-	Trading without pre-clearance, and non disclosure of transaction to the Company.

The Company has issued a Show Cause Notice (SCN) dated January 16, 2026 to the aforesaid members of the Promoter Group and their replies were received via email dated January, 23 2026.

The concerned persons submitted that they promptly filed the requisite disclosure of trading in Form B on January 17, 2026, which was later submitted to the stock exchange(s). They further stated that the lapse was inadvertent, without malafide intent, and that they did not possess any Unpublished Price Sensitive Information (UPSI) at the relevant time. Copies of the SCN and their responses were placed before the members.

The Board, based on the Audit Committee's recommendation, directed the concerned persons to sell the shares and disgorge the proceeds into the designated account of SEBI. The concerned persons are further advised to ensure strict and continuous compliance with all applicable laws and internal codes at all times going forward.

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

Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)
PR No.: 2072/2022
UDIN: F004229H000387986

Date: April 29, 2026
Place: Kanpur

Annexure – VI to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

(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:**

Sr 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	2
4.	Dr. Kamal Gupta	Non- Executive Director	4	4
5.	Shri Manish Gulati	Executive Director	4	4

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

The Web-links are as under:

Composition of CSR committee	:	https://hegltd.com/wp-content/uploads/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/

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

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

5.

(a)	**Average net profit of the company as per sub-section (5) of section 135.**	:	₹3,69,80,52,650
(b)	**Two percent of average net profit of the company as per sub-section (5) of section 135.**	:	₹7,39,61,053
(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)].**	:	₹7,39,61,053

6.	**(a)**	**Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** # ₹49,34,484 was spent during financialyear on ongoing projects from Unspent CSR Account for FY 2024-25, For details please refer point no. 7 below	:	₹7,83,94,071
	(b)	**Amount spent in Administrative overheads.**	:	₹5,01,466
	(c)	**Amount spent on Impact Assessment, if applicable.**	:	NIL
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	:	₹7,88,95,537

(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.
7,39,61,053	-	-	-	-	-

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

Sl No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	7,39,61,053
(ii)	Total amount Spent for the Financial Year	7,39,61,053
(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	2024-25	2,06,06,891	1,56,72,407	49,34,484	-	-	-	-
2	2023-24	55,15,685	-	-	-	-	-	-
3	2022-23	1,09,59,101	-	-	-	-	-	-

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.

Not Applicable, since the Company has fully spent its Corporate Social Responsibility (CSR) obligation for the financial year 2025–26. .

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Date: April 29, 2026
Place: Noida (U.P.)

CORPORATE GOVERNANCE REPORT

(i) 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.

(ii) 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, 2026, 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, 2026, 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 Director-ships* in Public Ltd. Companies	Number of Member- ship(s)/ Chairmanship(s)** of Board Committees in other Companies as on 31.03.2026	No. of Board Meetings Attended/ Held	Whether attended the last AGM (Yes/ No)
Shri Ravi Jhunjhunwala	Chairman, Managing Director & CEO -Promoter Executive	7	1	4/5	Yes
Shri Riju Jhunjhunwala	Vice-Chairman Promoter Non-Executive	7	1	4/5	Yes
Shri Shekhar Agarwal	Non- executive	4	3	5/5	Yes
Shri Manish Gulati	Executive	1	0	5/5	Yes
Dr. Kamal Gupta	Non-executive	2	1	5/5	Yes
Dr. Nand Gopal Khaitan	Independent	5	5 (including 2 as Chairman)	5/5	Yes
Shri Satish Chand Mehta	Independent	1	0	5/5	Yes
Smt. Ramni Nirula	Independent	2	1	5/5	Yes
Shri Jayant Davar	Independent	1	1	5/5	Yes
Smt. Vinita Singhania	Non-Executive	4	1	3/5	Yes
Shri Priya Shankar Dasgupta	Independent	2	1	4/5	No
Shri Sandip Somany	Independent	9	3 (including 1 as Chairman)	1/5	No

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.

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 2025-26 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	RSWM Limited
	Promoter-Non-Executive	Maral Overseas Limited
	Promoter-Non-Executive	BSL Limited
Shri Shekhar Agarwal	Promoter-Non-Executive	RSWM Limited
	Chairman, Managing Director & CEO-Promoter- Executive	Maral Overseas Limited
	Chairman, Managing Director & CEO-Promoter-Executive	Bhilwara Technical Textiles Limited
	Promoter-Non-Executive	BSL Limited
Dr. Kamal Gupta	-	-
Dr. Nand Gopal Khaitan	Non-Executive	Mangalam Cement Limited
	Non-Executive	AGI Greenpac Limited
	Independent	Shyam Metalics And Energy Limited
	Independent	Hindware Home Innovation Limited
	Independent	JK Tyre & Industries Limited
Smt. Vinita Singhania	Vice Chairman, Managing Director	JK Lakshmi Cement Limited
	Non-Executive	JK Paper Limited
	Non-Executive	Udaipur Cement Works Limited
Shri Riju Jhunjhunwala	Chairman, Managing Director & CEO–Promoter-Executive	RSWM Limited
	Promoter–Non-Executive	Bhilwara Technical Textiles Limited
Shri Satish Chand Mehta	Independent	Jain Irrigation Systems Limited
Smt. Ramni Nirula	Independent	Usha Martin Limited
	Independent	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	AGI Greenpac Limited
	Non-Executive	JK Paper Limited
	Independent	Indraprastha Medical Corporation Limited
	Chairperson & Non-Executive	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 2026, 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 ef- fectively 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.	Environ-ment, Health and Safety and Sustainabil-ity- Knowl-edge 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. Five Board Meetings were held during the financial year ended the 31st March, 2026 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 19th May, 2025, 30th July, 2025, 23rd September, 2025, 10th November, 2025 and 10th February, 2026.

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. No resolution was passed by circulation in the Financial Year 2025-2026.

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.

(iii) 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, 2026 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 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, 2026, Five (5) 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 19th May, 2025, 30th July, 2025, 23rd September, 2025, 10th November, 2025 and 10th February, 2026. 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	5/ 5
2.	Shri Shekhar Agarwal	5/ 5
3.	Dr. Kamal Gupta	5/ 5
4.	Smt. Ramni Nirula	4/ 5
5.	Dr. Nand Gopal Khaitan	5/ 5
6.	Shri Jayant Davar	5/ 5

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, 2026 is as under:

Sl. No.	Name of Director	Rupees	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, 2026, three (3) 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 19th May, 2025, 10th November, 2025 and 10th February, 2026.

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	3/3
2	Smt. Ramni Nirula	2/3
3	Dr. Nand Gopal Khaitan	3/3

(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, 2026 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, 2026, four (4) meetings were held on 2nd May, 2025, 16th July, 2025, 24th October, 2025, and 30th January, 2026.

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	4/4
4	Shri Sandip Somany	3/4

The Company received 54 complaints from Shareholders during the financial year 2025-26 and all 54 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.

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 & ESG Committee as on March 31, 2026 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, 2026, 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 19th May, 2025, 30th July, 2025, 10th November, 2025 and 10th February, 2026. 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	2/4
3	Shri Satish Chand Mehta	4/4
4	Dr. Kamal Gupta	4/4
5	Shri Manish Gulati	4/4

(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, 2026 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, 2026 , 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 on 19th May, 2025 and 10th November, 2025. The attendance at the above Meeting out of total meeting eligible to attend was as under:

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

(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 30th July 2025 and 10th February, 2026 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 2025-26 (Yes / No)	Nature of change and Effective date
1	Mr. Puneet Anand	President and Group Chief Strategy Officer	Yes	Appointed as President and Group Chief Strategy Officer with effect from December 1, 2025
2	Mr. Jasvinder Singh Khosla	Vice President – Operations / R&D / Design / EHS	No	-
3	Mr. Atul Laxman Moghe	Vice President – Maintenance & Power	No	-
4	Mr. Prasant Kumar Jha	General Manager - Commercial	No	-
5	Mr. Ravi Kant Tripathi	Chief Financial Officer	No	-
6	Mr. Rajesh Jetha	Sr. General Manager – IT	No	
7	Mr. Axay Saxena	General Manager - HR & IR	No	-
8	Mr. Vivek Chaudhary	Company Secretary	No	-
9	Mr. Madhur Sharma	Dy. General Manager - Marketing	No	-
10	Mr. Nagarajan T	Dy. General Manager - Technical	No	-
11	Mr. Ashish Gaur	General Manager - Marketing	No	-
12	Mr. Tajender Bhatia	Dy. General Manager - Maintenance & Power	No	-
13	Mr. Devendra Singh Lodhi	Dy. General Manager - SCM	No	-
14	Mr. Salil Bawa	President –Investor Relation	Yes	Appointed as President –Investor Relation with effect from February 10, 2026
15	Mr. Virendra Srivastava	Vice President - Operations	Yes	Superannuated with effect from the close of business hours on May 31, 2025.

(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) Familiarization Programme

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

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

(xii) Remuneration of Directors

i. Details of Remuneration paid to the Directors for the financial year ended 31st March, 2026.

(₹ in Lakhs)

Name of Director	Salary	Benefits	Commission	Bonuses	Stock Option & Pension	Sitting Fee	Total
Shri Ravi Jhunjhunwala	386.18	111.71	829.00	-	-	-	1326.89
Shri Shekhar Agarwal	-	-	-	-	-	7.50	7.50
Dr. Kamal Gupta	-	-	-	-	-	15.00	15.00
Smt. Vinita Singhania	-	-	-	-	-	2.25	2.25
Shri Riju Jhunjhunwala	-	-	-	-	-	6.00	6.00
Shri Satish Chand Mehta	-	-	-	-	-	11.25	11.25
Smt. Ramni Nirula	-	-	-	-	-	10.50	10.50
Shri Jayant Davar	-	-	-	-	-	16.50	16.50
Shri Manish Gulati	173.14	48.72	200	-	-	-	421.86
Shri Nand Gopal Khaitan	-	-	-	-	-	12.75	12.75
Shri Priya Shankar Dasgupta	-	-	-	-	-	4.50	4.50
Shri Sandip Somany	-	-	-	-	-	3.75	3.75

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 2025-26."

(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. The Company has received an email communication dated June 30, 2025 at 7:28 P.M from NSE informing therein that waiver application of the Company for non-compliance under Regulation 17(1A) of Listing Regulations was not considered favourably and a fine of ₹1,01,480 (inclusive of GST) has been imposed on the Company. Accordingly the Company has paid the said fine of ₹1,01,480 (inclusive of GST) to both NSE and BSE on July 1, 2025.

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, 2026 is incorporated in note no. 45c 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, 2026, 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, 2026. 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:

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

   ii) 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 2025-26, 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, 2026 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

Viney Kumar Jain
Company Secretary In Practice
M.No.: F 5376
CP. No.: 4614
PR Cert.No. 1234/2021
UDIN: F005376H000229655

Place: Delhi
Date: 29/04/2026

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, 2026 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 : April 29, 2026

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 April 16, 2026.

2. We have examined the compliance of conditions of Corporate Governance by HEG Limited (hereinafter the "Company"), for the year ended March 31, 2026, 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. 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, 2026.

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

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2026.

Other Matter and Restriction on Use

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

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may

come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Sd-
(Sunny Singh)
Partner
Membership No. 516834
UDIN: 26516834PTLROA5049

Place: Noida
Date : April 29, 2026

(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
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
20th August, 2025	2024-2025	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.	12:30 P.M.	Yes

No Extra-ordinary General Meeting took place during the financial year 2025-26.

(xix) Postal Ballot

No special resolution was passed through postal ballot during the financial year 2025-26. 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.

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 of Directors in the ensuing Annual General Meeting

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

- Shri Manish Gulati (DIN: 08697512), Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.
- Smt. Vinita Singhania (DIN: 00042983), Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.
- Shri. Shekhar Agarwal (Presently Aged: 73 Years 8 Months) (DIN: 00066113), Director of the Company will attain the age of 75 years in FY 2027-2028, therefore upon the recommendation of Nomination & Remuneration Committee, the Board has recommended continuation of Shri. Shekhar Agarwal (DIN: 00066113) 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 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.

Resolution seeking shareholder's approval for re-appoint(s) along with other required details are provided as an Annexure to Notice of the 54th Annual General Meeting.

(XXII) Shareholders' Information

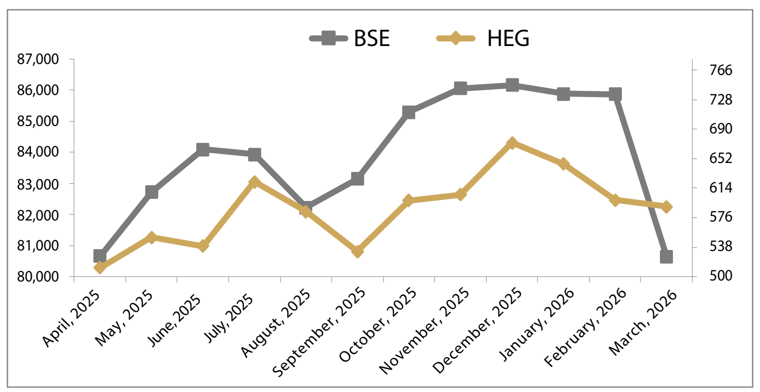
a)	Annual General Meeting (AGM): Date, Time & Venue	Wednesday, 29th July, 2026 at 12 noon through Video Conferencing / Other Audio Visual Means facility (Deemed Venue for Meeting: Registered Office at Mandideep (Near Bhopal), Distt. Raisen – 462046, Madhya Pradesh).
b)	Financial Year	Financial Year: 1st April, 2025 – 31st March, 2026.
c)	i) Date of Book Closure	Thursday 23rd July 2026 to Wednesday 29th July 2026 (both days inclusive)
	ii) Record date for Dividend:	Wednesday, 22nd July 2026
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

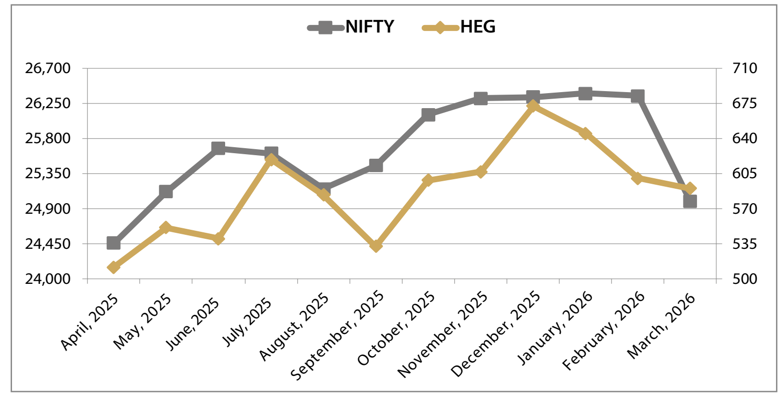
i) (a) Market Price Data: Monthly High-Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty:

Month	NSE		BSE		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2025	511.75	406.10	511.55	405.40	80,661.31	71,425.01	24,457.65	21,743.65
May, 2025	550.90	416.05	550.50	416.15	82,718.14	78,968.34	25,116.25	23,935.75
June, 2025	539.90	481.00	539.65	481.05	84,099.53	80,354.59	25,669.35	24,473.00
July, 2025	619.00	487.10	622.00	486.85	83,935.01	80,575.45	25,608.10	24,598.60
August, 2025	583.70	459.80	583.95	459.85	82,231.17	79,741.76	25,153.65	24,337.50
September, 2025	532.50	465.15	532.45	466.05	83,141.21	79,818.38	25,448.95	24,432.70
October, 2025	598.00	504.10	598.00	504.55	85,290.06	80,159.90	26,104.20	24,605.95
November, 2025	606.55	490.95	605.65	491.00	86,055.86	82,670.95	26,310.45	25,318.45
December, 2025	672.00	510.75	672.20	511.30	86,159.02	84,150.19	26,325.80	25,693.25
January, 2026	644.90	516.60	644.90	516.50	85,883.50	81,088.59	26,373.20	24,919.80
February, 2026	600.00	506.00	598.50	506.30	85,871.73	79,899.42	26,341.20	24,571.75
March, 2026	590.00	470.80	589.90	470.70	80,632.55	71,774.13	24,989.35	22,283.85

(b) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2025-2026:



(c) Comparative chart of Company's share price movement vís-à-vís the movement of Nifty during FY 2025-2026:



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.

Further, as per Regulation 40(1) of the SEBI Listing Regulations (as amended from time to time), transfer of shares (including transfers under the special window open until February 4, 2027), transmission, and transposition of securities shall be carried out only in dematerialized form. Effective April 2, 2026, SEBI has done away with the requirement of a Letter of Confirmation (LOC). Verified securities will now be credited directly to investors' demat accounts.

Additional Documents to be submitted:

In addition to the mandated documents, shareholders/claimants must provide:

a) Form ISR-4

b) Demat Conversion Request Form (DCRF) - for NSDL accounts, or Demat Request Form (DRF) - for CDSL accounts, as issued by the Depositories

c) Latest Client Master List (CML) of the demat account:
- Names must be in the same order as in the demat account
- The CML should not be older than two months
- It must be duly attested by the Depository Participant (DP)

d) Signature attestation - The signatures of the demat account holders must be attested by the DP on the DCRF/ DRF and the CML.

l) Distribution of shareholding as on 31st March, 2026:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	1,26,283	91.73	1,10,20,937	5.71
501-1,000	6,369	4.63	49,75,190	2.58
1,001-2,000	2,668	1.94	38,99,782	2.02
2,001-3,000	855	0.62	21,53,105	1.12
3,001-4,000	352	0.25	12,40,170	0.64
4,001-5,000	280	0.20	13,16,782	0.68
5,001-10,000	443	0.32	31,61,342	1.64
10,001 & above	425	0.31	16,52,10,222	85.61
Total	**1,37,675**	**100.00**	**19,29,77,530**	**100.00**

m) Category of Shareholders as on 31st March, 2026:

Category	No. of shares held	% of holding
Promoters and Promoter Group	10,86,08,870	56.28
Mutual Funds	1,31,02,620	6.79
Alternate Investment Funds	12,68,116	0.66
Financial Institutions / Banks / Central Govt. / NBFCs Registered with RBI	21,225	0.01
Insurance Companies	22,55,721	1.17
Foreign Portfolio Investors Category I	1,91,13,951	9.90
Foreign Portfolio Investors Category II	6,39,728	0.33
Bodies Corporate	65,28,032	3.38
Directors and their relatives (excluding independent directors and nominee directors)	6,365	0.01
Key Managerial Personnel	5	0.00
Individuals	3,19,72,480	16.57
Others:		
I) Trusts	1,750	0.00
II) IEPF	14,58,816	0.76
III) NRI Individuals	17,11,440	0.89
IV) Overseas Corporate Body	47,31,586	2.45
V) HUFs	14,32,393	0.74
VI) Clearing Members	1,24,432	0.06
Total	**19,29,77,530**	**100.00**

Dematerialization of shares and liquidity.	19,18,67,505 equity shares were dematerialized till 31st March, 2026, which was 99.42 % of the total paid-up Equity Share Capital of the Company on that date. The Company has sent communication to the shareholders encouraging them to dematerialize their physical holding in the Company. During the year, requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of Letter of Confirmation or share certificates and related documents. Trading in equity shares of the Company is permitted only in dematerialized form.

	Your attention is drawn to the 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. xvi (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, 2026.
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 final dividend 2017-18 and interim dividend 2018-19 has not been claimed for a period of seven consecutive years or more to the IEPF Authority.

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 2025-26 are given hereunder:

Financial Year	Amount of unclaimed dividend transferred (₹ in Lakhs)	Number of shares transferred
2025-26	116.66	36,340
	78.08	19,995

Tentative schedule for transfer to IEPF is as under:

Date of Declaration of Dividend	Financial Year	Tentative Schedule for transfer to IEPF
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
20-08-2025	2024-25 (Final)	24-09-2032

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 two reminder letters on 10th July, 2025 and 21st October, 2025 to the concerned physical shareholders with a request to update their PAN, KYC and Nomination details etc. by way of furnishing required forms as available on the website of the Company.

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 29th May, 2025. 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 2025-26.

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

During the FY 2025-26, the Company has made loans, provided guarantees and made investments in compliance with the provisions of Section 186 of the Companies Act, 2013. Such transactions, inter-alia, include the following:

i. Loan of ₹100 Crore extended to TACC Limited, a wholly owned subsidiary, which was fully repaid during the year.

ii. Corporate Guarantee provided in favour of State Bank of India on behalf of TACC Limited, a wholly owned subsidiary, in respect of financial assistance amounting to ₹1,230 Crore to be availed by the said subsidiary.

iii. Investment of ₹400 Crores made by the Company in the OCDs issued by TACC Limited, a wholly owned subsidiary.

iv. Loan of ₹210 Crore extended to Bhilwara Energy Limited, an associate Company.

The details of all loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the notes to the financial statements forming part of the Annual Report.

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Date: April 29, 2026
Place: Noida (U.P.)

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L23109MP1972PLC008290
2. Name of the Listed Entity: HEG Limited ('HEG' or 'the Company' or 'We')
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, India
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: 2025-26
10. Name of the Stock Exchange(s) where shares are listed: 1. BSE Limited 2. National Stock Exchange of India Limited.
11. Paid-up Capital: ₹ 38.60 Crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: Mr. Manish Gulati, 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 does not fall within the top 500 listed companies based on average market capitalisation and, therefore, is not mandatorily required to undertake external assessment or assurance for the Business Responsibility and Sustainability Report (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	91.26%

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 Electrodes	23994	91.26%

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	-	-	-

19. Markets served by the entity:

    a. Number of locations

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

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

    The overall contribution of the exports to the total turnover is 67.03%.

    c. A brief on types of customers.

    HEG 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 clientele primarily comprises leading steel manufacturers operating Electric Arc Furnaces (EAF) in their production processes. Notable clients include Jindal Steel and Power Limited (JSPL), Steel Authority of India Limited (SAIL), ArcelorMittal, Qatar Steel, Emirates Steel, Tata Steel, CELSA 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)	361	337	93%	24	7%
2.	Other than Permanent (E)	52	51	98%	1	2%
3.	**Total employees (D + E)**	**413**	**388**	**94%**	**25**	**6%**
WORKERS						
4.	Permanent (F)	814	814	100%	-	0%
5.	Other than Permanent (G)*	35	34	97%	1	3%
6.	**Total workers (F + G)**	**849**	**848**	**100%**	**1**	**0%**

**Excludes job-based workers engaged through contractors for completion of specific assignments/tasks and not employed for a fixed number of working days.*

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%
2.	Other than Permanent (E)	-	-	0%	-	0%
3.	**Total differently abled employees (D + E)**	**-**	**-**	**0%**	**-**	**0%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	0%	-	0%
5.	Other than permanent (G)	-	-	0%	-	0%
6.	**Total differently abled workers (F + G)**	**-**	**-**	**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*	5	-	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 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14%	13%	14%	8%	15%	8%	13%	12%	13%
Permanent Workers	5%	0%	5%	7%	0%	7%	3%	0%	3%

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 ventures	% 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 Infotechnology Limited	Wholly Owned Subsidiary	100%	No
3.	HEG Graphite Limited	Wholly Owned Subsidiary	100%	No
4.	Bhilwara Energy Limited	Associate	45.62%	No

VI. CSR Details

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

(ii) Turnover (in ₹): 2,568.50 Crores

(iii) Net worth (in ₹): 4,303.17 Crores

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)*	FY 2025-26 Current Financial Year			FY 2024-25 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	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	54	-	-	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 11/04/2025.
Employees and Workers	Yes	-	-	-	-	-	-

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 2025-26 Current Financial Year			FY 2024-25 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
Customers	Yes	30	18	- Actions for resolution for all complaints have been initiatied in accordance with the Standard Operation Procedure (SOP). - Closure process has been initiated for 4 complaints, as these have been resolved at the customer's end. - The remaining pending complaints are under active resolution and will be closed in due course as per the SOP.	50	45	- Closure is in progress for 11 cases. - Improved material has been supplied and is currently under evaluation at the customer's end; feedback is awaited. - Further dispatches are planned in certain cases based on ongoing assessments and customer coordination. - In a few cases, there has been limited or no response from the customer despite follow-up efforts.
Value chain partners	Yes	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-

**The Company has a well-defined Business Ethics Policy, Anti-Bribery and Anti-Corruption Policy, and a formal Grievance Redressal Policy (https://hegltd.com/wp-content/uploads/2026/05/Grievieance-redressal-policy09_04_2026.pdf) for all of its employees and stakeholders to report concerns, complaints, or suspected violations of the Company's Code of Conduct, Supplier's Code of Conduct, or any other applicable Laws. These policies provide structured mechanisms to ensure timely, fair, and transparent resolution of grievances.*

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 a 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 Human Resources (HR) Policies, covering different aspects related to grievance redressal including, but not limited to, Policy on Prevention of Sexual Harassment (POSH) and Whistle Blower Policy, to safeguard the interest of the employees and workers (including females), in alignment with the overarching Grievance Redressal framework.

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 and Opportunity	Climate change poses significant physical and transition risks, including extreme weather events, regulatory changes, and rising carbon costs, which may impact operations and increase compliance costs. At the same time, the transition towards a low-carbon economy presents opportunities for the Company through adoption of renewable energy, cleaner fuels, energy-efficient technologies, and sustainable operations, which can enhance operational efficiency, reduce long-term energy costs, strengthen regulatory preparedness, improve stakeholder confidence, and support sustainable business growth.	The Company is advancing its decarbonization strategy through multiple initiatives, including: - Evaluation of hydrogen blending with natural gas to reduce carbon intensity. - Commissioning of a 2.4 MW solar power plant, in addition to an existing 3 MW Solar Plant. - Adoption of electric vehicles (EVs) for internal and intercity mobility (three EVs deployed). - Deployment of in-plant trucks and battery-operated forklifts, with the objective of reducing diesel consumption. - Planned conversion of furnaces and kilns from furnace oil to natural gas. - Expansion of 15,000 MT capacity powered by natural gas.	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)
2.	Waste Management	Risk and Opportunity	The generation of industrial waste is inherent to manufacturing operations. Inefficient waste handling can result in regulatory non-compliance, environmental liabilities, and reputational damage. Conversely, adopting circular economy practices such as recycling and resource recovery can improve cost efficiency, reduce environmental footprint, and enhance stakeholder confidence.	The Company ensures responsible waste disposal through authorized recyclers and is working towards achieving zero waste to landfill by FY 2030.	Negative and Positive
3.	Air Emissions	Risk	Uncontrolled air emissions can result in environmental degradation, health risks, regulatory non-compliance, and reputational damage.	The Company has implemented a robust monitoring system to ensure the compliance with applicable regulatory standards. Additionally, as part of the 15,000 MT capacity expansion project, advanced air pollution control systems including electrostatic precipitators, scrubbers, and baghouse filters have been installed to effectively control particulate matter and gaseous emissions. These measures are complemented by ongoing maintenance, periodic performance assessments of pollution control equipment, and adherence to prescribed emission norms to ensure sustained environmental compliance and operational efficiency.	Negative

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)
4.	Water Management	Risk and Opportunity	Water is a critical resource for industrial operations. Unsustainable withdrawal and inadequate wastewater treatment can lead to regulatory challenges, operational disruptions, and adverse environmental impacts. At the same time, efficient water management practices present opportunities for cost savings, improved resource security, and enhanced sustainability performance.	The Company follows a structured water management approach guided by its Water Resource Management and Wastewater Management policies. Key initiatives include: - Operation of fully functional Effluent Treatment Plants (ETPs). - Upgradation of Sewage Treatment Plants (STPs). - Recycling and reuse of treated wastewater for non-potable purposes. These measures enable the Company to achieve Zero Liquid Discharge (ZLD) as certified by Madhya Pradesh Pollution Control Board (MPPCB) vide letter reference 1102/ क्षेका / प्रनिबो / 2026,' and reduce freshwater dependency.	Negative and Positive
5.	Biodiversity	Opportunity	Biodiversity conservation initiatives strengthen environmental stewardship, regulatory compliance, and stakeholder relationships. The Company supports biodiversity protection initiatives to enhance its social license to operate and align with global sustainability goals.	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)
6.	Energy Management	Risk and Opportunity	Energy consumption constitutes a significant portion of operational costs in graphite manufacturing. Inefficient energy use can increase cost pressures and emissions, posing financial and regulatory risks. Conversely, energy optimization and adoption of cleaner energy sources can enhance cost competitiveness, reduce carbon footprint, and improve resilience to energy price volatility.	The Company has established a comprehensive energy management framework that includes: - Continuous monitoring and optimization of energy consumption. - Adoption of energy-efficient technologies. - Development of a long-term renewable energy roadmap. - Promotion of energy conservation practices.	Negative and Positive
7.	Human Capital Development	Opportunity	The Company's growth and operational efficiency depend on a skilled and adaptable workforce. Investing in employee development, training, and capability building enables innovation, enhances productivity, and supports long-term competitiveness in a technically specialized industry.	NA	Positive
8.	Employee/ Worker Health & Safety	Risk	Manufacturing operations involve inherent occupational hazards that may lead to accidents, injuries, or health impacts if not effectively managed. Failure to maintain robust safety standards can result in legal liabilities, operational disruptions, and reputational damage.	The Company prioritizes employee well-being through: - Compliance with the Factories Act, 1948. - Implementation of ISO 45001:2018 Occupational Health and Safety Management System. - Robust risk identification, mitigation, and safety monitoring processes.	Negative
9.	Corporate Social Responsibility (CSR)	Opportunity	As a responsible corporate entity, the Company recognizes its role in contributing to community development. Effective CSR initiatives foster trust, strengthen community relations, and enhance brand reputation, thereby supporting long-term business sustainability.	NA	Positive
10.	Human Rights	Risk	The Company's operations and value chain may expose it to potential human rights risks, including labor practices and working conditions. Failure to identify and address such risks can lead to regulatory scrutiny, reputational damage, and stakeholder concerns.	The Company has implemented a Human Rights Policy supported by due diligence processes to identify, assess, and mitigate risks across operations.	Negative
11.	Product Stewardship	Risk	The Company's products must meet evolving regulatory, environmental, and customer expectations across their lifecycle. Inadequate product stewardship may lead to non-compliance, customer dissatisfaction, and reputational risks, particularly as sustainability considerations gain prominence in procurement decisions.	The Company integrates sustainability into product design and lifecycle management, supported by: - Compliance with environmental standards. - Responsible sourcing practices. - Customer feedback mechanisms through annual satisfaction surveys. - Continuous improvement and training programs.	Negative
12.	Innovation	Opportunity	In a competitive and evolving industry, innovation is critical to improving product quality, optimizing processes, and addressing sustainability challenges. Continuous innovation enables the Company to remain competitive, meet customer expectations, and capitalize on emerging market opportunities.	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)
13.	Economic Performance	Risk and Opportunity	Sustained financial performance is essential for business continuity and growth. Strong performance enables investment in strategic initiatives, while adverse economic conditions or market volatility can impact profitability, liquidity, and investor confidence, thereby posing both risks and opportunities.	The Company maintains robust financial discipline through prudent cost management, risk frameworks, and transparent reporting practices.	Negative and Positive
14.	Data Privacy and Cyber Security	Risk	Increasing reliance on digital systems exposes the Company to cybersecurity threats and data breaches. Failure to safeguard sensitive information can lead to operational disruptions, financial losses, regulatory penalties, and reputational damage.	The Company has implemented robust data protection frameworks aligned with global standards to safeguard sensitive information and ensure compliance.	Negative
15.	Supply Chain Sustainability	Opportunity	The Company's supply chain plays a critical role in ensuring business continuity and Environmental, Social and Governance (ESG) performance. Integrating sustainability considerations into supplier selection and management enhances resilience, reduces risks, and aligns with stakeholder expectations for responsible sourcing.	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	✔								
Air Emission Management Policy https://hegltd.com/wp-content/uploads/2024/08/AIR-EMISSION-MANAGEMENT-POLICY.pdf						✔			

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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	✔								
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	✔							✔	
Grievance Redressal Policy https://hegltd.com/wp-content/uploads/2026/05/Grievieance-redressal-policy09_04_2026.pdf	✔		✔	✔	✔			✔	✔
CSR Policy https://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf	✔			✔		✔		✔	
Code of Conduct for Directors and Senior Management https://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf	✔								
Information Security Policy https://hegltd.com/Policies/Group_IT_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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 9001: 2015 - NEMA Standards are followed	- ISO 45001:2018	-	- ISO 45001:2018	- ISO 14001: 2015 - NEMA Standards are followed	-	-	- ISO 9001: 2015

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has identified material ESG topics established measurable commitments, goals, and targets with defined timelines to drive sustainable value creation: **1. Climate Change & Emission Management** - Reduce Scope 1 & 2 greenhouse gas emissions intensity (measured per unit of physical output) by 25% by FY 2030, using FY 2023-24 as the baseline. - Obtaining validation from the Science-Based Target initiative (SBTi). **2. Waste Management** - Achieve Zero Waste to Landfill across all manufacturing locations by 2030, with FY 2023-24 as the baseline. **3. Water Management** - Maintaining 100% ZLD status across operational sites. **4. Air Emission** - Ensure 100% compliance with regulatory air emissions norms annually. **5. Biodiversity** - Undertaking annual tree plantation initiatives to enhance biodiversity in and around operational areas. **6. Energy Management** - Increase renewable energy share to 25% of total energy consumption by 2030, using FY 2023-24 as the baseline. **7. Health & Safety** - Achieving a Zero Harm workplace. - Ensuring 100% coverage of plant personnel under Environment, Health, and Safety (EHS) training programs annually. **8. Human Capital Development** - Increase in training hours per employee by 10% year-on-year. - Increase the women representation to 10% in non-shop floor/non-production roles by FY 2027-28, using FY 2023-24 as the baseline. - Conduct annual employee satisfaction surveys to improve workplace engagement.

9. CSR

- Ensuring 100% compliance with statutory CSR obligations annually under the Companies Act, 2013, with a focus on impactful and inclusive development initiatives.

10. Human Rights

- Ensure 100% of employees and workers receive training on human rights.

11. Corporate Governance

- Maintain Board composition in compliance with Securities and Exchange Board of India (SEBI)'s Listing Obligations and Disclosure Requirements (LODR) Regulations.

12. Product Stewardship

- Conducting annual customer satisfaction surveys/ other mechanisms and integrating feedback into product innovation and service enhancement.

13. Supply Chain Sustainability

- Assess 100% of key suppliers on ESG parameters, fostering a responsible and sustainable supply chain.

14. Risk Management

- Integrate ESG risks into the Enterprise Risk Management (ERM) framework for proactive risk identification and mitigation.

15. Economic Performance

- Achieving financial growth and profitability in a responsible and sustainable manner.

16. Privacy & Data Security

- Maintain zero instances of information security breaches.

6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.

S. No.	Specific Commitment / Goal / Target	Performance in FY 2025-26
1.	**Climate Change & Emission Management**	
1(i)	Reduce Scope 1 & 2 GHG emissions intensity (per unit of physical output) by 25% by 2030, using FY 2023-24 as the baseline	GHG emissions intensity reduced by 12% in FY 2025-26 as compared to the FY 2023-24 baseline.
1(ii)	Obtain validation from the Science-Based Target initiative (SBTi)	The Company is in the process of getting its emission reduction targets validated by the SBTi.
2.	**Waste Management**	
2	Achieve Zero Waste to Landfill across all manufacturing locations by 2030, using FY 2023-24 as the baseline	Waste directed to landfill reduced by 58% in FY 2025-26 as compared to the FY 2023-24 baseline.
3.	**Water Management**	
3	Maintain 100% Zero Liquid Discharge (ZLD) status across all operational sites	100% ZLD status maintained across all operational sites during FY 2025-26.
4.	**Air Emissions**	
4	Ensure 100% compliance with regulatory air emissions norms annually	100% compliance with applicable regulatory air emission norms achieved across all operational sites during FY 2025-26.
5.	**Biodiversity**	
5	Undertake annual tree plantation initiatives to enhance biodiversity in and around operational areas	1,339 plants planted within plant premises during FY 2025-26 as part of the annual biodiversity enhancement initiative.
6.	**Energy Management**	
6	Increase renewable energy share to 25% of total energy consumption by 2030, using FY 2023-24 as the baseline	The Company has initiated and is actively implementing measures to increase its renewable energy share. It is confident of achieving its 25% renewable energy target by FY 2030.
7.	**Health & Safety**	
7(i)	Achieve a Zero Harm workplace	Zero workplace harm incidents recorded during FY 2025-26.
7(ii)	Ensure 100% coverage of plant personnel under EHS training programs annually	65% of employees and 88% of workers covered under Health & Safety training programmes during FY 2025-26.
8.	**Human Capital Development**	
8(i)	Increase training hours per employee by 10% year-on-year	Training hours per employee increased by 8% in FY 2025-26 over the previous year.
8(ii)	Increase women's representation to 10% in non-shop floor / non-production roles by FY 2027-28, using FY 2023-24 as the baseline	Women constitute 22% of the workforce in non-shop floor / non-production roles as of FY 2025-26, significantly exceeding the 10% target.
8(iii)	Conduct annual employee satisfaction surveys to improve workplace engagement	Annual employee satisfaction survey was conducted during FY 2025-26; findings have been analysed and are being incorporated into employee engagement and workplace improvement initiatives.
9.	**Corporate Social Responsibility**	
9	Ensure 100% compliance with statutory CSR obligations under the Companies Act, 2013, with focus on impactful and inclusive development initiatives	100% compliance with statutory CSR obligations achieved during FY 2025-26; CSR spend directed towards impactful and inclusive development programmes.
10.	**Human Rights**	
10	Ensure 100% of employees and workers receive training on human rights	100% of new employees and workers received human rights training at the time of onboarding; regular refresher training on human rights also provided to existing employees and workers at frequent intervals.

S. No.	Specific Commitment / Goal / Target	Performance in FY 2025-26
11.	**Corporate Governance**	
11	Maintain Board composition in compliance with SEBI's LODR Regulations	Board composition maintained in full compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during FY 2025-26.
12.	**Product Stewardship**	
12	Conduct annual customer satisfaction surveys / other feedback mechanisms and integrate findings into product innovation and service enhancement	Customer satisfaction surveys and other feedback mechanisms were conducted during FY 2025-26; results have been analysed and incorporated into product and service enhancement initiatives.
13.	**Supply Chain Sustainability**	
13	Assess 100% of key suppliers on ESG parameters, fostering a responsible and sustainable supply chain	82.2% of upstream value chain partners assessed on ESG parameters during FY 2025-26.
14.	**Risk Management**	
14	Integrate ESG risks into the Enterprise Risk Management (ERM) framework for proactive risk identification and mitigation	The Company is in the process of formally integrating ESG risks into its Enterprise Risk Management framework and is actively strengthening its ERM to capture, assess, and mitigate ESG-related risks.
15.	**Economic Performance**	
15	Achieve financial growth and profitability in a responsible and sustainable manner	The Company continued to pursue responsible financial growth during FY 2025-26, maintaining a focus on sustainable business practices, operational efficiency, and long-term value creation for all stakeholders.
16.	**Privacy & Data Security**	
16	Maintain zero instances of information security breaches	Zero instances of reportable information security breaches recorded during FY 2025-26.

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).

During FY 2025-26, HEG continued to strengthen its commitment to responsible business conduct and sustainability. The Company faced challenges related to climate change, resource efficiency, governance, and stakeholder expectations, while also making steady progress on its ESG agenda.

On the environmental front, we advanced our renewable energy portfolio by operating a 3 MW solar power plant that generated 24,98,570 kWh of electricity during the year, while also progressing towards commissioning an additional 2.4 MW solar capacity by June 2026. We are evaluating hydrogen blending with natural gas as part of our decarbonization strategy, alongside initiatives such as deploying EVs for internal mobility and expanding natural gas-powered capacity. Our waste management practices were strengthened with the longterm target of achieving zero waste to landfill by FY 2030, and our water management framework sustained ZLD compliance through recycling and reuse of treated wastewater. Advanced air pollution control systems were also installed as part of our expansion project to ensure adherence to prescribed emission norms.

On the social front, we reinforced employee health and safety through compliance with ISO 45001:2018 and robust risk mitigation processes. Workforce development and inclusion initiatives remained integral to building technical capabilities and resilience, while our CSR programs continued to support community development and stakeholder trust.

On the governance front, we maintained strong oversight through Boardapproved policies, transparent disclosures, and adherence to national guidelines on responsible business conduct. Our governance framework emphasizes ethical practices, anti-corruption measures, stakeholder grievance redressal, and compliance with evolving regulatory requirements.

With the current assessment, the Company is in line with the committed targets that need to be achieved.

Looking ahead, our ESG priorities include expanding renewable energy adoption, strengthening biodiversity conservation, enhancing supply chain sustainability, and deepening stakeholder engagement. These efforts are designed to mitigate risks, capture opportunities, and support the Company's long-term growth in alignment with national guidelines and global sustainability standards.

HEG remains committed to transparent governance, ethical conduct, and continuous improvement in ESG performance, thereby reinforcing stakeholder confidence and contributing to sustainable value creation

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 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								

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.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	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 forthe 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 Board of Directors oversees the Company's commitment to ethical conduct, transparency and accountability in line with the BRSR framework of the SEBI. The Board ensures that appropriate governance policies and oversight mechanisms are in place to promote responsible business practices and protect stakeholder interests.	100%
Key Managerial Personnel	4	**Topics:** Ethics, Transparency, Accountability, Environment Protection, Governance, Social Responsibility. **Impact:** The Key Managerial Personnel are responsible for implementing the Company's policies and practices relating to ethical conduct, transparency and accountability in line with the BRSR framework . They ensure effective execution of governance processes and responsible business practices across the organisation.	100%
Employees other than BoD and KMPs	1042	- 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	82%
Workers	1045	- 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	96%

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 INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	BSE and National Stock Exchange of India Limited	₹1,01,480 (inclusive of GST)	During the reporting period, BSE Limited and National Stock Exchange of India Limited levied a penalty on the Company for alleged non-compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. The Company had submitted a waiver application; however, the same was not acceded to and the Company has paid the fine of ₹1,01,480 (inclusive of GST).	No
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

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

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

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

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

Yes, HEG 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 , 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	86	66

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.0437%	0.0493%
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	99.41%	-
	d. Investments (Investments in related parties / Total Investments made)	55.51%	38.06%

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
The Company remains committed to promoting responsible business practices across its value chain. During the year, the focus was on strengthening ongoing engagement mechanisms with value chain partners, and accordingly no separate structured awareness programmes were undertaken.		

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 members of the Board. HEG maintains a comprehensive 'Code of Conduct for Directors and Senior Management', which provides guidelines and mechanisms for identifying, avoiding and addressing potential conflicts of interest, along with a protocol for reporting such situations.

   The Company also obtains annual declarations from Directors and Key Managerial Personnel regarding their interests in other entities. Any related transactions are undertaken only after obtaining the necessary approvals in accordance with applicable legal requirements and internal policies. The Code of Conduct is available on the Company's website, which can be assessed 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.

	2025-26 Current Financial Year	2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	Not Applicable
Capex	58.8%	58%	A significant portion of capital expenditure is directed towards enhancing operational efficiency, energy performance, and environmental compliance. Key investments include transition to cleaner fuels, renewable energy integration, upgradation of electrical systems for improved energy efficiency, and modernization of infrastructure to reduce emissions and resource consumption. These initiatives contribute to reduced environmental impact, improved workplace conditions, and overall operational sustainability

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes, HEG 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?

   82.2% 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.

   HEG does not have a formal mechanism for reclaiming products at end-of-life, as its products are consumed during customer processes. However, the Company ensures responsible lifecycle management through robust systems for handling, reuse, recycling, and disposal of various waste streams in compliance with applicable environmental regulations.

   (a) Plastics (including packaging):

   Plastic usage is limited in operations. Plastic waste, such as sheets and straps is segregated at source and disposed of through authorized recyclers in accordance with environmental regulations. Customers and logistics partners are also encouraged to follow responsible disposal practices.

   (b) E-waste:

   While the Company's core products do not generate e-waste, any auxiliary electronic waste generated from operations (e.g., sensors, electronic components) is segregated, stored in designated areas, and handed over to authorized recyclers in compliance with applicable e-waste management rules.

   (c) Hazardous waste:

   The Company's products are non-hazardous in nature. However, hazardous waste generated from operations (such as used oil and contaminated materials) is identified, safely stored, and disposed of through vendors authorized by the State Pollution Control Board, in accordance with regulatory requirements.

   (d) Other waste:

   Non-hazardous waste, including graphite scrap and fines, is segregated and either reused internally (e.g., as recarburizers or fillers) or provided to authorized external processors for recycling. Packaging materials such as wood and metal are also segregated and recycled or disposed of through approved channels.

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 not conducted a formal Life Cycle Assessment (LCA) for its products during the reporting period.

   However, the Company has established processes for responsible lifecycle management of its products and associated materials, including reuse, recycling, and disposal practices for packaging and by-products. The Company is evaluating the feasibility of undertaking a comprehensive LCA for its products in line with evolving sustainability practices.

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 LCA 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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Green Scrap	6.0%	8.0%
Graphite Fines	1.31%	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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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	337	337	100%	337	100%	-	-	-	-	-	-
Female	24	24	100%	24	100%	24	100%	-	-	-	-
Total	**361**	**361**	**100%**	**361**	**100%**	**24**	**7%**	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	51	51	100%	51	100%	-	-	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
Total	**52**	**52**	**100%**	**52**	**100%**	**1**	**2%**	**-**	**-**	**-**	**-**

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	814	814	100%	814	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**814**	**814**	**100%**	**814**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	34	34	100%	34	100%	-	-	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
Total	**35**	**35**	**100%**	**35**	**100%**	**1**	**3%**	**-**	**-**	**-**	**-**

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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the Company*	0.04%	0.04%

Expenditure incurred on Health Insurance, Accident Insurance and maternity benefits have been considered for the purpose of the aforesaid disclosure.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 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**	10.53%	38.57%	Yes	51.29%	4.37%	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	100%	0%	0%	0%
Total	**100%**	**0%**	**0%**	**0%**

For males, return to work and retention rate is 0, because Company does not have the Policy of paternity leave.

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 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 2025-26 (Current Financial Year)			FY 2024-25 (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	**361**	**-**	**0%**	**348**	**-**	**0%**
Male	337	-	0%	327	-	0%
Female	24	-	0%	21	-	0%
Total Permanent Workers	**814**	**814**	**100%**	**766**	**766**	**100%**
Male	814	814	100%	766	766	100%
Female	-	-	0%	-	-	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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 / D)	Number (F)	% (F / D)
Employees										
Male	337	224	66%	221	66%	327	190	58%	229	70%
Female	24	10	42%	13	54%	21	6	29%	13	62%
Total	**361**	**234**	**65%**	**234**	**65%**	**348**	**196**	**56%**	**242**	**70%**

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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 / D)	Number (F)	% (F / D)
Workers										
Male	814	716	88%	415	51%	766	615	80%	425	55%
Female	-	-	0%	-	0%	-	-	0%	-	0%
Total	**814**	**716**	**88%**	**415**	**51%**	**766**	**615**	**80%**	**425**	**55%**

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	337	306	91%	327	318	97%
Female	24	24	100%	21	19	90%
Total	**361**	**330**	**91%**	**348**	**337**	**97%**
Workers						
Male	814	756	93%	766	758	99%
Female	-	-	0%	-	-	0%
Total	**814**	**756**	**93%**	**766**	**758**	**99%**

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?

Yes. The Company has implemented an Occupational Health and Safety Management System in line with ISO 45001:2018 standards. The system covers all operations, facilities, employees, and workers across the organization. This certification reflects the Company's commitment to maintaining a safe and healthy workplace through continuous monitoring, risk management, and improvement of occupational health and safety practices.

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

The Company follows a structured Hazard Identification and Risk Assessment (HIRA) process in line with ISO 45001:2018 standards. This includes identification of hazards across operations, maintenance, utilities, and associated activities, covering physical, chemical, biological, mechanical, electrical, fire, and ergonomic risks.

Risks are evaluated based on severity, likelihood, regulatory requirements, and potential emergency scenarios. Control measures are implemented in accordance with the hierarchy of controls, including elimination, substitution, engineering controls, administrative measures, and use of personal protective equipment (PPE). The HIRA process is reviewed periodically and updated in case of any operational or process changes.

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

Yes. The Company has established mechanisms for reporting and addressing work-related hazards through a structured safety management framework. Shop-level and plant-level safety committees regularly identify and address safety concerns.

In addition, formal systems such as the Incident Reporting and Investigation System (IRIS) and Accident Reporting and Investigation System (ARIS) are in place to ensure timely reporting, investigation, root cause analysis, and closure of incidents. These systems enable employees and workers to report unsafe conditions and support corrective and preventive actions.

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

Yes. The Company provides employees and workers access to non-occupational medical and healthcare services to support overall well-being. This includes general medical care, preventive health check-ups, and wellness programs. Employees are also covered under medical insurance or reimbursement schemes, as per Company Policy, along with periodic health awareness initiatives.

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

Safety Incident/Number	Category*	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	0.584
	Workers	-	0.246
Total recordable work-related injuries	Employees	-	1
	Workers	-	1
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

** Including the contract workforce*

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

HEG ensures a safe and healthy workplace through a comprehensive Occupational Health and Safety Management System. Key measures include:

- **Regulatory Compliance and Certification:** Compliance with applicable statutory requirements, including the Factories Act, 1948, and certification under ISO 45001:2018.
- **Safety Governance Framework:** Implementation of a well-defined Safety Policy supported by safety committees at multiple levels to oversee safety performance and resource adequacy.
- **HIRA:** Regular identification and evaluation of workplace hazards, with risk mitigation measures implemented in line with the hierarchy of controls.
- **Engineering Controls & Infrastructure Improvements:** Continuous investments in workplace infrastructure, including modernization of welfare facilities and installation of ventilation systems to improve air quality and mitigate heat stress.
- **Audits & Inspections:** Periodic safety audits and workplace inspections to monitor compliance and drive continuous improvement.
- **Emergency Preparedness:** Regular mock drills, including fire and other emergency scenarios, to strengthen response capabilities.
- **Training and Awareness:** Ongoing safety training and awareness programs to build a strong safety culture among employees and workers.

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during theyear	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

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.

The Company 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 its commitment to continuous improvement, the Company proactively undertakes measures to maintain and enhance workplace safety and health standards.

Key measures include:

- **Incident Investigation and Corrective Actions:** All incidents, including near misses, are systematically reported and investigated. Root causes are identified, and corrective and preventive actions are implemented and tracked to closure.
- **Third-Party Assessments:** Occupational health and safety systems are periodically evaluated by accredited external agencies to ensure compliance with regulatory requirements and industry best practices.
- **Proactive Risk Mitigation:** Preventive measures such as automation of manual processes, enhanced supervision, and targeted safety training are implemented to reduce potential risks.
- **Preventive Maintenance:** Regular inspection and maintenance of critical equipment and safety systems are carried out to minimize operational hazards.
- **Emergency Preparedness:** Fire detection and alarm systems are installed, and emergency preparedness is strengthened through regular drills and response planning.
- **Safety Reporting Culture:** A structured reporting framework encourages employees and workers, including contractual personnel, to report hazards and unsafe conditions, enabling timely corrective action.

These measures ensure continuous strengthening of occupational health and safety practices 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, a provision for a Death Relief Fund (DRF) exists under which the Company provides financial assistance of ₹7 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 PF and 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

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 donewith such partners) that were assessed
Health and safety practices	82.2% of upstream value chain partners
Working Conditions	82.2% 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.

No significant risks/ concerns were identified from assessments of the value chain partners at Question 5 above

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 recognised organisation that engages with a diverse range of stakeholders, each having distinct priorities and expectations. The Company has established a structured mechanism to identify key stakeholder groups, understand their concerns and incorporate their perspectives into its sustainability strategy. Senior and middle management teams regularly engage with stakeholders throughout the year, and the key issues emerging from such interactions are duly considered and integrated into the Company's risk management framework.

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 - Illustrate 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	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 undertaken by relevant business heads, group leaders and Company officials. Feedback and issues of corporate significance are escalated to the Board, either directly or through the appropriate Board Committees, including the Audit Committee, CSR & ESG Committee, Risk Management Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, as required.

   The Company believes that consistent and proactive engagement with stakeholders, including regular interactions and conference calls, strengthens communication on its strategy and performance. Such ongoing engagement supports the principle of shared growth and contributes to sustainable value creation 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 consultation plays an important role in identifying and managing ESG related topics. The Company engages with stakeholders through various channels such as focused group meetings and feedback mechanisms, and incorporates their inputs into its sustainability strategies based on the triple bottom line approach (ESG).

   These engagements support initiatives relating to climate change mitigation, reduction of carbon footprint, energy efficiency, water conservation, waste management and development of a sustainable supply chain through responsible sourcing. The Company also focuses on strengthening its human capital through skill development initiatives while promoting diversity and inclusion, occupational health and safety, human rights and supplier diversity.

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. Through its CSR initiatives, the Company undertakes various programmes to support marginalised and vulnerable communities in these areas. For further details on such engagements, please refer to Annexure VI of the Annual Report 2025–26.

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 2025-26 Current Financial Year			FY 2024-25 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	361	184	51%	348	327	94%
Other than permanent	52	13	25%	50	3	6%
Total Employees	**413**	**197**	**48%**	**398**	**330**	**83%**
Workers						
Permanent	814	448	55%	766	271	35%
Other than permanent	35	3	9%	28	-	0%
Total Workers	**849**	**451**	**53%**	**794**	**271**	**34%**

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

Category	FY 2025-26 Current Financial Year					FY 2024-25 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	361	-	-	361	100%	348	-	-	348	100%
Male	337	-	-	337	100%	327	-	-	327	100%
Female	24	-	-	24	100%	21	-	-	21	100%
Other than Permanent	52	-	-	52	100%	50	-	-	50	100%
Male	51	-	-	51	100%	49	-	-	49	100%
Female	1	-	-	1	100%	1	-	-	1	100%
Workers										
Permanent	814	-	-	814	100%	766	-	-	766	100%
Male	814	-	-	814	100%	766	-	-	766	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	35	-	-	35	100%	28	-	-	28	100%
Male	34	-	-	34	100%	28	-	-	28	100%
Female	1	-	-	1	100%	-	-	-	-	-

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	12	2	6.38
Key Managerial Personnel#	3	59.03	-	-
Employees other than BoD and KMP	334	6.01	24	4.94
Workers	814	4.61	-	-

**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 & Group Chief Strategy Officer 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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages*	2%	2.24%

**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 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.

HEG is committed to providing a safe, inclusive, and supportive workplace environment for all employees and workers. The Company has established multiple internal mechanisms to redress grievances related to human rights issues in a timely and effective manner.

Employees and workers can raise concerns through several formal and informal channels, including the Code of Conduct, POSH Policy, a dedicated grievance register, and grievance boxes placed in accessible locations. In addition, workers may raise concerns through union representation and during regular shop floor meetings.

All grievances are reviewed by the appropriate department (such as HR or designated committees), with an emphasis on confidentiality, fair investigation, and timely resolution. The Company also ensures that there is no retaliation against individuals raising concerns in good faith and provides escalation mechanisms where required.

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

	FY 2025-26 Current Financial Year			FY 2024-25 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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/ workers	0%	0%
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

At HEG , 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 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?

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.

During the reporting period, no human rights grievances or complaints were received. Accordingly, no modifications to business processes were required or undertaken.

2. Details of the scope and coverage of any Human rights due diligence conducted.

HEG conducts 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	82.2% of upstream value chain partners
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others- please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks/ concerns were identified from assessments of the value chain partners at Question 4 above

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From Renewable sources		
Total electricity consumption (A) (In Giga Joules)	10,659	14,920
Total fuel consumption (B) (In Giga Joules)	-	-
Energy consumption through other sources (C) (In Giga Joules)	-	-
Total energy consumption from renewable sources (A+B+C) (In Giga Joules)	**10,659**	**14,920**
From Non-Renewable sources		
Total electricity consumption (D) (In Giga Joules)	16,75,862	15,16,351
Total fuel consumption (E) (In Giga Joules)	7,26,899	9,12,574
Energy consumption through other sources (F) (In Giga Joules)	-	-
Total energy consumption from non- renewable sources (D+E+F) (In Giga Joules)	**24,02,761**	**24,28,925**
Total energy consumed (A+B+C+D+E+F) (In Giga Joules)	**24,13,420**	**24,43,845**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Energy intensity per rupee of turnover *(Total energy consumed (Giga Joules)/ Revenue from operations)*	0.00009	0.00011
Energy intensity per rupee of turnover adjusted for Purchasing power Parity (PPP) (Total energy consumed *(Giga Joules)* / Revenue from operations adjusted for PPP)*	0.0019	0.0022
Energy intensity in terms of physical output (Giga Joules/ Metric Tonnes)	21.83	24.5
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 20.34 as per the 2026 update.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Not applicable, 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	59,440	73,440
(iii) Third party water	3,89,021	3,20,988
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**4,48,461**	**3,94,428**
Total volume of water consumption (in kilolitres)	**4,48,461**	**3,94,428**
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)	0.00036	0.00037
Water intensity in terms of physical output (Kilolitres/Metric Tonnes)	4.0	4.0
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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	-	-
- With treatment -please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment -please specify level of treatment	-	-
(iii) To 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 discharge (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. No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   The Company has established an integrated water management system supported by its Water Resources Management Policy and Wastewater Management Policy. An ETP is fully operational and ensures 100% treatment of industrial wastewater generated from operations. In addition, a STP is in place to treat domestic wastewater.

   The treated water from both ETP and STP is reused within the plant premises for non-potable applications such as cooling towers and gardening. This closed-loop system minimizes dependence on freshwater resources and significantly reduces overall water consumption.

   As a result, no wastewater is discharged beyond the plant boundary, and the facility effectively operates under a ZLD framework, covering all industrial and domestic wastewater streams. In recognition of this achievement, the Company has received a formal certification from the MPPCB vide letter no. 1102/क्षेका/प्रनिबो/2026, certifying the ZLD status of its operations.

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

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	MT	59.65	51.39
Sox	MT	149.75	149.15
Particulate matter (PM)	MT	135.80	145.47
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 2025-26 (Current Financial Year)	FY 2024-25 (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	1,28,853	1,78,393
Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3,30,372	3,06,219
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	0.00036	0.00046
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO2e/Metric Tonnes	4.15	4.87
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. 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 and initiatives to reduce Greenhouse Gas (GHG) emissions as part of its decarbonization strategy across operations, energy use, and logistics.

1. Renewable Energy Adoption

The Company operates a 3 MW solar power plant and is in the process of commissioning an additional 2.4 MW capacity. This will increase the share of renewable energy in the overall energy mix and contribute to reduction in Scope 2 emissions.

2. Cleaner Fuel Transition

- The Company has approved a CAPEX of ₹5 Crore to convert select furnace oil-based systems to natural gas, with implementation planned in FY 2026-27. Upon implementation, this transition is expected to replace approximately 3,000 MT of furnace oil annually, resulting in an estimated reduction of ~2,500 MT of CO2e emissions per year, along with combustion efficiency and lower air pollutant emissions.
- Additionally, a capacity expansion project (₹650 Crore) has been approved, wherein new units will operate entirely on cleaner fuel (natural gas), supporting low-carbon growth.
- The Company is also evaluating hydrogen blending with natural gas to further reduce dependence on fossil fuels, subject to technical feasibility and safety assessments.

3. Sustainable Mobility and Logistics Optimization

- The Company has replaced three diesel-powered vehicles with EVs and has committed to transitioning all future additions or replacements in the staff and executive transport fleet exclusively to EVs. The EV fleet covered 170,422 km during the year, displacing approximately 10,000 litres of diesel and avoiding 27 MT of CO2e Scope 1 emissions, while improving fleet efficiency and reducing fuel cost.
- Internal logistics efficiency has been enhanced through the deployment of 12 MT-capacity trucks, with one truck introduced last year and an additional truck added during the current year. This has improved in-plant material movement, reduced fuel consumption per unit of material handled, and enhanced overall operational productivity.
- Two battery-operated forklifts have been commissioned, resulting in reduced diesel usage and corresponding GHG emissions within plant operations. These initiatives resulted in a reduction of approximately 13,900 litres of diesel consumption during the year, despite increased production levels, demonstrating improved logistic efficiency and reduced fuel intensity.

4. Carbon Sequestration and Green Cover Enhancement

As part of its environmental stewardship initiatives, the Company planted 1,339 trees within the plant premises during the year, contributing to carbon sequestration and biodiversity enhancement.

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	192.4	249.9
E-waste **(B)**	8.0	8.9
Bio-medical waste **(C)**	0.0007	0.0027
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	4.6	4.0
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)** (Oil waste, oil drums waste, cotton waste & Chemical waste)	78.3	65.1
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.)*	3,484.7	4,423.4
Total (A+B + C + D + E + F + G + H)	**3,768.1**	**4,751.2**
Waste intensity per rupee of turnover (Total waste generated (Metric Tonnes) / Revenue from operations)	0.0000001	0.0000002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total waste generated (Metric Tonnes) / Revenue from operations adjusted for PPP)*	0.000003	0.000004
Waste intensity in terms of physical output *(Metric Tonnes/Metric Tonnes)*	0.03	0.05
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		

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(i) Recycled	1,626.7	2,227.5*
(ii) Re-used	1,993.2	2,199.2
(iii) Other recovery operations	-	-
Total	**3,619.90**	**4,426.7***
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.1	0.4
(ii) Landfilling	148.1	324*
(iii) Other disposal operations	-	-
Total	**148.2**	**324.4***

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

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, 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 systematic collection, segregation, storage, transportation and disposal of various waste streams, ensuring strict compliance with applicable environmental laws and regulations. Waste is segregated at source into hazardous and non-hazardous categories to enable effective handling and maximize resource recovery.

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. The Company undertakes periodic monitoring, record-keeping and analysis of hazardous waste streams are conducted to ensure regulatory compliance and identify opportunities for waste minimization.

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.
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 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
Since there is no non-compliance with the applicable environmental laws/ regulations/ guidelines in India during the reporting period, the detailed disclosure format is not applicable.				

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:** Not Applicable

(ii) **Nature of operations:** Not Applicable

(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 2025-26 (Current Financial Year)	FY 2024-25 (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. No

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	3,23,439	3,60,639
Total Scope 3 emissions per rupee of turnover		0.00001	0.00002
Total Scope 3 emission intensity in terms of physical output (Metric Tonnes/Metric Tonnes)		2.93	3.62

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

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.

   The Company does not have any operations or offices located in or around ecologically sensitive areas. Accordingly, no significant direct or indirect impact on biodiversity in such areas has been identified during the reporting period, and the disclosure is presently not applicable.

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 operates a 3 MW solar power plant, generating 24,98,570 kWh of electricity during the year. An additional 2.4 MW capacity is under commissioning and is expected to be operational by June 2026.	The existing solar plant contributed 2,498 MWh of clean energy, reducing reliance on grid power and avoiding approximately ~1,800 MT CO_2e emissions annually. The upcoming 2.4 MW installation is expected to generate 1,500 MWh annually, further increasing renewable energy share and supporting long-term decarbonization.
2.	Adoption of EVs	The Company has replaced three diesel vehicles with EVs to promote clean mobility. All future additions to the staff/executive fleet are planned to be EVs.	The EV fleet covered 1,70, 422 km during the year, displacing approximately 10,000 litres of diesel and avoiding 27 MT of CO2e Scope 1 emissions, while improving fleet efficiency, and reducing fuel cost.
3.	Transition from Furnace Oil to Natural Gas	A capital expenditure of ₹5 Crore has been approved during the year for conversion of selected furnace oil-based burners to natural gas, with implementation planned in FY 2026-27.	Upon implementation, this transition is expected to replace approximately 3,000 MT of furnace oil annually, resulting in an estimated reduction of ~ 2500 MT of CO2e emissions per year, along with improved combustion efficiency and lower air pollutant emissions.
4.	Introduction of High-Capacity Trucks	A 12 MT truck was introduced as a replacement for forklift to optimize internal material movement and fuel use. An additional truck has been deployed during the year.	These initiatives resulted in a reduction of approximately 13,900 litres of diesel consumption during the year, despite increased production levels, demonstrating improved logistic efficiency and reduced fuel intensity.
5	Introduction of Battery-Operated Forklifts	Two battery-operated forklifts have been commissioned to reduce reliance on diesel-based equipment in plant operations.	
6	Tree Plantation within Plant Premises	The Company has undertaken plantation of 1,339 trees within its premises as part of its environmental and biodiversity initiatives.	The increased green cover enhances on-site biodiversity and microclimate.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	Use of Clean Fuel for Capacity Expansion	The Company has undertaken a ₹650 Crore Board-approved capacity expansion project, with new units designed to operate exclusively on natural gas.	The use of cleaner fuel in new operations is expected to reduce emission intensity compared to conventional fuels, supporting low-carbon growth and contributing to reduced Scope 1 emissions in future operations.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

HEG has a Business Continuity Policy to ensure continuity of critical operations during disruptions. The Policy covers risks such as natural disasters, cybersecurity incidents, operational disruptions, and human-related events, and provides a framework for risk assessment, mitigation, and recovery. It defines roles and responsibilities, recovery objectives, and communication protocols to enable timely response. The Company also undertakes periodic testing, training, and annual review of the Policy to ensure its effectiveness and alignment with evolving risks and regulatory requirements.

Web link: https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-CONTINUITY-POLICY.pdf

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.

82.2% 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 not generated or procured green credits under the Green Credit Programme. However, as part of its renewable energy strategy, the Company has procured Renewable Energy Certificates (RECs), with 72,478 RECs credited during FY 2025-26.

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners:

The Company has not currently captured data on Green Credits generated or procured by its value chain partners. As this is a relatively new non-mandatory Leadership Indicator introduced by SEBI, the Company is in the process of strengthening its data collection and assessment mechanisms across the value chain.

The Company intends to incorporate Green Credit-related parameters as part of its supplier assessment framework from FY 2026 - 27 onwards, in line with evolving regulatory expectations.

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
The Company has not received any adverse orders from any regulatory authorities relating to anti-competitive conduct during the reporting period. Accordingly, no corrective actions were required or undertaken in this regard.		

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 is a member of various industry and trade associations and actively participates in task forces and forums within these bodies. Through such participation, the Company engages on matters of common interest and contributes to initiatives that support the interests of its stakeholders, the industry, the economy and society at large.					

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
The Company did not undertake any projects during the current financial year that required a Social Impact Assessment (SIA) under applicable laws. Accordingly, the disclosure is not applicable for the reporting period.					

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)
The Company did not undertake any projects during the reporting period that required Rehabilitation and Resettlement (R&R) under applicable laws or regulations. Accordingly, the disclosure is not applicable.						

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 HR 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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/ small producers	16.71%	9.85%
Directly from within India	53.25%	32.34%

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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	2%	2%
Semi-Urban	91%	90%
Urban	-	-
Metropolitan	7%	8%

(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
The Company did not undertake any projects during the current financial year that required a SIA under applicable laws. Accordingly, no negative social impacts were identified requiring mitigation actions during the reporting period.	

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 identified by the Government of India 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)

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	670	100%
2	Akshay Patra Foundation	44,910	100%
3	Global Vikas Trust	31,038	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 structured mechanisms to receive and respond to consumer complaints and feedback in a timely and effective manner. All consumer complaints are managed through a well-defined SOP, which ensures prompt acknowledgment and resolution within defined timelines, including initial responses within 48 hours.

   A formal Grievance Redressal Policy is in place, supported by a dedicated customer service team responsible for handling and resolving complaints. The team works in coordination with relevant functions and escalates critical issues to senior management, where required.

   The Company also periodically collects and reviews customer feedback, including through satisfaction assessments, to identify improvement areas. Insights from such feedback are used to strengthen processes, enhance service quality, and drive continuous improvement in customer engagement.

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 2025-26 Current Financial Year			FY 2024-25 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	30	18	- Actions for resolution for all complaints have been initiated in accordance with the SOP. - Closure process has been initiated for 4 complaints, as these have been resolved at the customer's end. - The remaining pending complaints are under active resolution and will be closed in due course as per the SOP.	50	45	- Closure is in progress for 11 cases. - Improved material has been supplied and is currently under evaluation at the customer's end; feedback is awaited. - Further dispatches are planned in certain cases based on ongoing assessments and customer coordination. - In a few cases, there has been limited or no response from the customer despite follow-up efforts.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	

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.

   During the reporting period, the Company did not receive any complaints relating to advertising, delivery of essential services, cybersecurity, or customer data privacy. Further, there were no instances of product recalls, nor were any penalties imposed or actions taken by regulatory authorities relating to the safety of products or services. Accordingly, no corrective actions were required or undertaken in this regard.

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	Since no instances of data breaches were identified during the reporting period, no breaches involving personally identifiable information of customers were reported.
	c. Impact, if any, of the data breaches	As no instances of data breaches were identified during the reporting period, there was no impact on customer or business data arising from such incidents.

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 undertakes multiple initiatives to promote the safe, efficient, and responsible use of its products by customers.

   These include structured customer training programs focused on effective product usage, process optimization, and energy efficiency. The Company also provides value-added technical support, including application-specific analyses, to help customers optimize performance and minimize resource consumption.

   To ensure safe handling and usage, relevant products are accompanied by Material Safety Data Sheets (MSDS), which provide detailed information on safe handling, storage, usage, and disposal in line with regulatory requirements. In addition, products are provided with clear and standardized markings to facilitate proper identification, installation, and use.

   Detailed instructions on handling, packing, and unpacking are also shared with customers to minimize risks related to damage or injury during transit and usage.

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

   The Company has established a Business Continuity Plan to proactively manage potential disruptions and ensure continuity of critical operations. As part of this framework, mechanisms are in place to assess risks and enable timely communication with customers in case of any anticipated or actual disruption of services.

   In such situations, the Company informs affected customers through appropriate communication channels, including direct emails, official communications, phone calls, and digital platforms, depending on the nature and urgency of the disruption. This ensures that customers are adequately informed and can take necessary measures to manage any impact.

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

STANDALONE FINANCIAL STATEMENTS

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, 2026, 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, 2026, 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, 2026. 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 skepticism throughout the audit. We also:

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. (A) As required by Section 143(3) of the Act, based on our audit, we report, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (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, 2026 taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2026 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts- Refer Note 45 to the Standalone Financial Statements.

      (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, other than as disclosed in the Note 44 to the Standalone Financial Statements, 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.

(f) 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.

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.

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: 26516834XFCJLL5848

Place : Noida
Date : April 29, 2026

" 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 except Property, Plant and Equipment of Graphite division were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification and have been properly dealt with in the books of accounts.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Standalone Financial Statements included under Property, Plant and Equipment, 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, 2026 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, 2026 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. (a) According to information and explanations given to us and on the basis of our audit procedures, during the year , the Company has provided loans and given guarantees to Companies, other parties as follows :

(Amount ₹ in Lakhs)

Description	Guarantees provided	Loans Granted*
Aggregate amount granted/ provided during the year:		
Subsidiaries	1,23,000.00	10,000.00
Associates	Nil	21,000.00
Others**	Nil	62.77
Balance outstanding at the balance sheet date in respect of above cases:		
Subsidiaries	1,23,000.00	Nil
Associates	Nil	21,000.00
Others**	Nil	124.73

* excluding interest accrued but not due

** to employees

(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 schedule of repayment of principal and payment of interest has been stipulated and the repayments / receipts are 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans given, investments made, guarantees and security provided by it, as applicable.

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 Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other applicable statutory dues as at March 31, 2026 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, 2026 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	ITAT, Indore
		Income Tax	516.00	2001-02	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	240.05	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, 2026.

(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, 2026.

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 fraud 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, 2013 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 bank 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: 26516834XFCJLL5848

Place : Noida
Date : April 29, 2026

"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, 2026 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 Standalone 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 Standalone 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 Standalone 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, 2026, 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: 26516834XFCJLL5848

Place : Noida
Date : April 29, 2026

Standalone Balance Sheet

as at March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars		Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS				
1.	**Non-current assets**			
(a)	Property, plant and equipment	4	1,73,525.60	1,88,698.32
(b)	Capital work-in-progress	5	4,333.96	2,087.19
(c)	Right-of-use-asset	6	606.74	624.64
(d)	Investment property	7	615.09	647.60
(e)	Intangible assets	8	82.64	110.86
(f)	Intangible assets under development	8a	66.12	49.21
(g)	Financial assets			
	(i) Investments	9	1,24,169.14	88,647.79
	(ii) Loans	11	59.20	97.13
	(iii) Other financial assets	12	4,265.45	5,219.22
(h)	Income tax assets (net)	25A	4,684.56	10,455.53
(i)	Other non-current assets	13	4,010.05	1,393.44
Total non-current assets			**3,16,418.55**	**2,98,030.93**
2.	**Current assets**			
(a)	Inventories	14	1,13,373.66	1,25,463.80
(b)	Financial assets			
	(i) Investments	9	39,495.46	34,481.02
	(ii) Trade receivables	10	49,945.81	43,994.29
	(iii) Cash and cash equivalents	15	2,201.96	2,365.25
	(iv) Bank balances other than (iii) above	16	4,554.03	9,478.07
	(v) Loans	11	20,915.53	83.09
	(vi) Other financial assets	12	8,279.91	6,825.44
(c)	Other current assets	13	14,168.66	13,859.72
Total current assets			**2,52,935.02**	**2,36,550.68**
Total assets			**5,69,353.57**	**5,34,581.61**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	17	3,859.59	3,859.59
(b)	Other equity	18	4,26,457.09	4,12,093.07
Total equity			**4,30,316.68**	**4,15,952.66**
Liabilities				
1.	**Non-current liabilities**			
(a)	Financial liabilities			
	(i) Lease liabilities	21A	117.41	80.26
(b)	Provisions	22	664.94	529.18
(c)	Deferred tax liabilities (net)	23	8,257.28	9,411.60
(d)	Other non-current liabilities	24	482.97	494.69
Total non-current liabilities			**9,522.60**	**10,515.73**
2.	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	19	**79,328.47**	**58,485.65**
	(ia) Lease liabilities	21A	2.08	47.07
	(ii) Trade payable			
	- Total outstanding dues of micro enterprises and small enterprises	20	2,557.73	1,079.19
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	20	36,244.96	38,760.94
	(iii) Other financial liabilities	21B	7,462.53	6,185.23
(b)	Other current liabilities	24	1,829.76	1,704.12
(c)	Provisions	22	831.39	430.11
(d)	Current tax liabilities (net)	25B	1,257.37	1,420.91
Total current liabilities			**1,29,514.29**	**1,08,113.22**
Total liabilities			**1,39,036.89**	**1,18,628.95**
Total equity and liabilities			**5,69,353.57**	**5,34,581.61**

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 : April 29, 2026

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 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Revenue from operations	26	2,56,850.47	2,15,270.91
II.	Other income	27	9,196.05	12,667.79
III.	**Total income (I + II)**		**2,66,046.52**	**2,27,938.70**
IV.	**Expenses:**			
	Cost of materials consumed	28	97,551.87	95,472.60
	Changes in inventories of finished goods and work-in-progress	29	8,791.18	(5,096.94)
	Employee benefit expenses	30	12,353.35	9,718.25
	Finance costs	31	3,720.77	3,919.64
	Depreciation and amortisation expense	32	21,320.46	20,054.43
	Other expenses	33	97,669.26	89,089.42
	Total expenses (IV)		**2,41,406.89**	**2,13,157.40**
V.	**Profit before tax (III - IV)**		**24,639.63**	**14,781.30**
VI.	**Tax expense:**			
	(1) Current tax	34	7,551.58	4,944.59
	(2) Earlier years tax adjustment	34	92.14	(103.36)
	(3) Deferred tax	34	(1,075.64)	(191.16)
	Total tax expense (VI)		**6,568.08**	**4,650.07**
VII.	**Profit for the year (V-VI)**		**18,071.55**	**10,131.23**
VIII.	**Other comprehensive income**			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of employee defined benefit plan	35	(312.61)	(3.84)
	(ii) Tax expense relating to items that will not be reclassified to profit or loss	34	78.68	0.97
	Total other comprehensive income for the year		**(233.93)**	**(2.87)**
IX.	**Total comprehensive income for the year (VII+VIII) (Comprising profit and other comprehensive income for the year)**		**17,837.62**	**10,128.36**
	Earnings per equity share: (of ₹ 2/- each)			
	(1) Basic (₹)	36	9.36	5.25
	(2) Diluted (₹)	36	9.36	5.25

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 : April 29, 2026

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 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	24,639.63	14,781.30
	Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	21,320.46	20,054.43
	Inventory Write-down (net)	1,099.41	512.49
	Interest and other financial charges	3,707.67	3,574.50
	Net (profit)/loss on property plant and equipment sold / discarded	74.48	13.52
	Allowance for expected credit losses	409.20	129.65
	Liabilities / provisions written back	(71.79)	(1,750.04)
	Unrealized (gain)/loss due to effect of exchange rate changes in assets and liabilities	3,388.24	296.33
	Net loss /(gain) on sale/fair valuation of investments measured at fair value through profit or loss	(544.32)	4,276.03
	Dividend income	(212.83)	(184.92)
	Rent income	(133.73)	(153.99)
	Interest income	(835.31)	(1,567.70)
	Operating profit/(loss) before changes in operating assets & liabilities	**52,841.11**	**39,981.60**
	(increase)/decrease in operating assets		
	(Increase)/decrease in inventories	10,990.73	(6,561.06)
	(Increase)/decrease in trade receivables	(5,397.07)	6,595.78
	(increase)/decrease in other non-current financial assets	991.70	(621.11)
	(increase)/decrease in other current financial assets	(22,439.48)	(3,216.63)
	(increase)/decrease in other non-current assets	50.77	(10.76)
	(increase)/decrease in other current assets	(621.53)	382.47
	(increase/(decrease) in operating liabilities		
	increase/(decrease) in trade payables	(1,771.32)	(814.29)
	increase/(decrease) in other current financial liabilities	2,155.42	226.62
	increase/(decrease) in non-current provisions	135.76	40.15
	increase/(decrease) in current provisions	401.28	8.86
	increase/(decrease) in other non-current liabilities	(11.72)	76.27
	increase/(decrease) in other current liabilities	197.43	352.84
	Cash flows from/(used in) operating activities	**37,523.08**	**36,440.74**
	Income tax paid (net of refund, if any)	(2,036.29)	(4,540.38)
	Net cash flows from/(used in) operating activities (A)	**35,486.79**	**31,900.36**

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
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)	(11,970.08)	(18,057.38)
	Proceeds from sale of property, plant and equipments	364.46	321.90
	Investment in fixed/term deposits not considered as cash and cash equivalents	(151.90)	(16,440.02)
	Redemption/maturity of fixed/term deposits not considered as cash and cash equivalents	4,895.53	34,234.14
	Decrease/(increase) in other bank balances not considered as cash and cash equivalents	180.41	66.18
	Payment for investments in Subsidiary	(4,000.00)	(7,727.90)
	Payment for Investment in Optionally Convertible Debentures in Subsidiary	(40,000.00)	
	Payment for purchase of investments (other than Subsidiary)	(91,687.73)	(76,949.19)
	Proceeds from sale of investments	95,641.64	56,738.70
	Return of capital from INVIT	54.62	143.83
	Rent received	133.73	153.99
	Dividend received	212.83	184.92
	Interest received	987.88	2,694.10
	Net cash flows from/(used in) investing activities (B)	**(45,338.61)**	**(24,636.73)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds/(repayment) of working capital borrowings (on net basis) (also refer note no. 49)	17,335.91	(3,763.16)
	Interest and other financial charges paid	(3,918.54)	(3,361.10)
	Interest paid on lease liabilities	(13.65)	(13.48)
	Principal payment of lease liabilities	(47.33)	(51.08)
	Dividend paid on equity shares	(3,667.86)	(8,724.99)
	Net cash flows from/(used in) financing activities (C)	**9,688.53**	**(15,913.80)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(163.29)**	**(8,650.17)**
	Cash and cash equivalents at the beginning of the year	2,365.25	11,015.43
	Cash and cash equivalents at the end of the year	2,201.96	2,365.25

(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 ₹ 1,002.03 Lakhs (previous year ₹ 859.23 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 : April 29, 2026

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 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

A) Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
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 the previous reporting year i.e. April 1, 2025	**3,138.24**	**2,029.93**	**4,06,924.90**	**4,12,093.07**
Profit for the year	-	-	18,071.55	18,071.55
Other comprehensive income for the year	-	-		
-Remeasurement of defined employee benefit plan (net of tax expense)	-	-	(233.93)	(233.93)
Dividend distributed during the year	-	-		
-Final dividend for the year ended March 31, 2025 @ ₹1.80/-per share	-	-	(3,473.60)	(3,473.60)
Balance at the end of current reporting year i.e. March 31, 2026	**3,138.24**	**2,029.93**	**4,21,288.92**	**4,26,457.09**

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, 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**

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 : April 29, 2026

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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, 2026 were approved for issue by the Company's Board of directors in their meeting held on April 29, 2026.

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.

1.2 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.

1.3 Material accounting policies

(i) Revenue Recognition

(a) Sale of products

The Company derives revenue primarily from sale of Graphite Electrodes.

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer which is usually on dispatch/ delivery and the amount of revenue can be measured reliably and recovery of consideration is probable.

Revenue is measured based on the transaction price (net of variable consideration) which is adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers, there is no financing component in the contract.

(b) Power

Revenue from power generation is recognized on transmission of electricity to State Electricity Board

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

or third parties at rate stipulated by SEB's and/or IEX at market rate equivalent.

(c) Other Operating Revenues

(i) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized at actual rate of realization.

(ii) Export entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(d) Interest Income

- Interest Income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

- Interest Income from financial asset is recognized when it is probable that economic benefits will flow to the company and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

(e) Other Income

(i) Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

(ii) Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(ii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The raw materials and other supplies held for use in the production are valued at net realisable value only if the finished products in which they are to be incorporated are expected to be sold below cost. The cost in respect of the various items of inventory is computed as under:

(i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

(ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

Net Realisable Value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

(iii) Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold Land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes its purchase price (net of taxes and duty recoverable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent cost relating to property, plant and equipment are included in the assets carrying value or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the costs of the item can be measured reliably. All other repairs and maintenance costs are charged to the standalone statement of profit and loss when incurred.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 and both are classified as investment property.

Investment properties are measured initially at cost, comprising the purchase price and directly attributable expenditure. Subsequently, investment property is carried at cost model, which is cost less accumulated depreciation and accumulated impairment losses, if any, in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on 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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

Sr. No.	Description of Asset	Useful Life (Approx)
	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.

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(ix) Foreign Currency Translations

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on re-translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in standalone statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

(x) Employee Benefits

(A) Post-Employment Benefits

(a) Defined contribution Plan

(i) Provident Fund

The Company makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Superannuation

The Company makes contribution in regard to superannuation to a separate trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee, based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability/asset is determined using projected unit credit method, through actuarial valuation carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and of low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a systematic basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet. The interest expense on the lease liability has been separately presented as a component of finance costs in the statement of profit and loss. The payments of principal portion and interest portion of lease liability have been classified under financing activities in the statement of cash flows.

The payments for short-term leases and leases of low-value assets have been recognized in the statement of profit and loss have been classified under operating activities in the statement of cash flows.

Company as a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, lease payments received are recognized on systematic basis over the term of the relevant lease as a part of other income.

(xii) Segment Reporting

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance.

(1) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter- segment revenue.

(2) Expenses and Incomes that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses and Income not allocable to segments are included under unallocable category.

(4) Segment results includes margin on inter segment sales.

(5) Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

(xiii) Tax Expense

Tax expense comprises of current and deferred tax. Tax expense is recognised in statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

(1) Current tax

Current tax is the tax payable/receivable on the taxable profit/loss for the year using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to taxes in respect of previous years. Interest expenses related to income tax are included in finance cost. Interest Income related to income tax is included in other income.

The current tax assets and current tax liabilities have been set off to the extent (a) there is a legally enforceable right to set off the recognised amounts; and (b) the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(2) Deferred Tax

Deferred Tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that are expected to apply to period in which the temporary differences are expected to be recovered or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period as and when there is change in tax rates.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

(xiv) Government grants

Government grants are not recognized until there is reasonable assurance that all attached conditions will be complied with and the grant will be received.

When the grants relates to an expense item, it is recognised in the Statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Company with no related costs is recognised in the Statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'Other income' based on the nature of grant.

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic basis over the expected useful lives of the related assets by way of reduced depreciation.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of items of qualifying assets, which are the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time as the assets are not ready for their intended use. All other borrowing costs are charged to the standalone statement of profit and loss in the period in which they are incurred.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the standalone financial statements since this may result in the recognition of income that may never be realised.

(xvii) Earnings Per Share

Basic earnings per equity share is computed by dividing the profit or loss for the period attributable to the

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, for the effects of all dilutive potential equity shares, if any.

(xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition

The company recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and or issue of financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

(ii) Subsequent measurement

For the purposes of subsequent measurement, financial instruments are classified as follows:

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

The carrying amounts of financial assets that are subsequently measured at amortised cost are determined based on the effective interest method less any impairment losses.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the profit or loss.

(c) Financial assets at fair value through profit or loss

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(d) Investment in Subsidiary and Associates

Investment in subsidiary and associates is carried at cost less provision for impairment, if any. Investment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investment exceeds its recoverable amount.

(e) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination or is held for trading or it is designated as at FVTPL which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

All changes in fair value in respect of liabilities measured at fair value through profit and loss are recognised in the statement of profit and loss.

B. Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are charged to Statement of Profit and Loss.

C. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received. Incremental costs directly attributable to the issuance of equity instruments and buy back of equity instruments are recognized as a deduction from equity, net of any tax effects.

(iii) Impairment of Financial Assets

Financial assets that are carried at 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(ii) The company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received/receivable is recognised in the profit or loss.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

On de-recognition of a financial liability, the difference between the carrying amount of the financial liability de-recognised and the consideration paid/payable is recognised in profit or loss.

(v) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(vi) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(xix) Statement of Cash flows

The statement of cash flows is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities whereby profit for the period is adjusted for the effects of transaction of a non-cash nature, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(xx) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise balance at banks and cash on hand and short-term deposits with original maturity period of three months or less from the acquisition date, which are subject to an insignificant risk of changes in value.

(xxi) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amount of income, expenses, assets and liabilities and disclosure of contingent liabilities.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and the effect of revision to accounting estimates is recognized prospectively from the period in which the estimate is revised.

The following are the areas of critical judgements, estimates and assumptions that the management has made in the process of preparation of standalone financial statements and that have the significant effect on the amounts recognised in the standalone financial statements:

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Defined benefit plans and other post-employment benefits

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provisions/Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

Fair Value measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, underlying asset model, comparable companies multiple method and comparable transaction method which involve various judgements and assumptions.

Current tax and Deferred tax

Significant judgement is required in determination of provision for current tax and deferred tax e.g. determination of taxability of certain incomes and deductibility of certain expenses etc. The carrying amount of income tax assets/ liabilities is reviewed at each reporting date. The factors used in estimates may differ from actual outcome which could lead to 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

3. Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its standalone financial statements.

In August 2025, MCA notified the following amendments to:

a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

b. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its standalone financial statements.

c. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 4: Property, plant and equipment

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of		
Freehold land	317.81	317.81
Buildings	37,756.28	39,818.07
Plant and equipment	1,16,345.86	1,26,156.53
Furniture and fixtures	132.74	163.83
Vehicles	1,006.28	1,029.84
Office equipment	264.59	368.81
Electrical installation	17,582.06	20,709.03
Railway sidings	119.98	134.40
Total Property, plant and equipment	**1,73,525.60**	**1,88,698.32**

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

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Railway sidings	Total
Gross carrying amount as at April 1, 2024	**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 (A)	**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**
Additions	-	1,881.87	3,564.09	11.73	321.61	59.65	626.27	-	6,465.22
Disposals/deletions	-	(335.26)	(1,829.93)	(52.06)	(181.67)	(63.20)	(53.41)	-	(2,515.53)
Gross carrying amount as at March 31, 2026 (B)	**317.81**	**65,316.89**	**2,43,622.00**	**654.12**	**1,996.49**	**1,252.07**	**28,751.24**	**647.42**	**3,42,558.04**
Accumulated depreciation as at April 1, 2024	**-**	**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 (C)	**-**	**23,952.21**	**1,15,731.31**	**530.62**	**826.71**	**886.81**	**7,469.35**	**513.02**	**1,49,910.03**
Depreciation for the year	-	3,821.14	13,123.94	37.69	296.53	159.02	3,746.26	14.42	21,199.00
Disposals/deletions	-	(212.74)	(1,579.11)	(46.93)	(133.03)	(58.35)	(46.43)	-	(2,076.59)
Accumulated depreciation as at March 31, 2026 (D)	**-**	**27,560.61**	**1,27,276.14**	**521.38**	**990.21**	**987.48**	**11,169.18**	**527.44**	**1,69,032.44**
Net carrying amount as at March 31, 2025 (A)-(C)	**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**
Net carrying amount as at March 31, 2026 (B)-(D)	**317.81**	**37,756.28**	**1,16,345.86**	**132.74**	**1,006.28**	**264.59**	**17,582.06**	**119.98**	**1,73,525.60**

(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, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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

Particulars	As at March 31, 2026	As at March 31, 2025
Building, plant and equipment under erection/installation	4,333.96	2,087.19

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, 2026					
Projects in progress	3,900.19	128.59	75.95	229.23	4,333.96
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**3,900.19**	**128.59**	**75.95**	**229.23**	**4,333.96**
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**

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, 2026					
Projects in progress	-	-	-	-	-
Capital work in progress as at March 31, 2025					
Projects in progress	434.91	-	-	-	434.91

Note:

(a) There is ₹ Nil capital-work-in progress whose completion is overdue compared to its original plan as on March 31, 2026, previous year ₹ 434.91 Lakhs

(b) There is no such project in capital-work-in progress whose cost has exceeded compared to its original plan as on March 31, 2026 and March 31, 2025.

Note 6: Right-of-use-asset

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of		
Land	606.74	585.26
Building	-	39.38
Total	**606.74**	**624.64**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Land	Building	Total
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 (A)	**889.90**	**299.63**	**1,189.53**
Gross carrying amount as at April 1, 2025	889.90	299.63	1,189.53
Additions	39.49	-	39.49
Adjustments/Deletion	(20.98)	-	(20.98)
Gross carrying amount as at March 31, 2026 (B)	**908.41**	**299.63**	**1,208.04**
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 (C)	**304.64**	**260.25**	**564.89**
Accumulated depreciation as at April 1, 2025	**304.64**	**260.25**	**564.89**
Depreciation for the year	18.01	39.38	57.39
Adjustments/Deletion	(20.98)	-	(20.98)
Accumulated depreciation as at March 31, 2026 (D)	**301.67**	**299.63**	**601.30**
Net carrying amount as at March 31, 2025 (A)-(C)	**585.26**	**39.38**	**624.64**
Net carrying amount as at March 31, 2026 (B)-(D)	**606.74**	**-**	**606.74**

(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, 2026	As at March 31, 2025
Building	615.09	647.60

Particulars	Amount
Gross carrying amount	
As at April 1, 2024	**1,001.31**
Additions	-
Disposals	(38.22)
As at March 31, 2025 (a)	**963.09**
Additions	-
Disposals	-
As at March 31, 2026 (b)	**963.09**
Accumulated depreciation	
At April 1, 2024	**310.62**
Charge for the year	32.86
Disposals	(27.99)
As at March 31, 2025 (c)	**315.49**
Charge for the year	32.51
Disposals	-
As at March 31, 2026 (d)	**348.00**
Net carrying amount	
As at March 31, 2025 (a-c)	**647.60**
As at March 31, 2026 (b-d)	**615.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2026	For the year ended March 31, 2025
Rental income	130.89	149.30
Direct operating expenses from property that generated rental income	7.69	7.66
Total income from investment properties before depreciation	**123.20**	**141.64**
Depreciation	32.51	32.86
Net income from investment properties	**90.69**	**108.78**

(iii) Fair value of investment properties

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of investment properties	5,341.50	5,319.39

(iv) Fair value technique used and its hierarchy

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.

Note 8: Intangible assets

Carrying amount of intangible assets

Particulars	As at March 31, 2026	As at March 31, 2025
Software	82.64	110.86

Particulars	Amount
Computer software	
Gross carrying amount	
As at April 1, 2024	**588.55**
Additions	28.37
Disposals/Adjustments	(25.99)
As at March 31, 2025 (a)	**590.93**
Additions	3.34
Disposals/Adjustments	-
As at March 31, 2026 (b)	**594.27**
Amortisation	
As at April 1, 2024	**473.69**
Charge for the year	32.37
Disposals/Adjustments	(25.99)
As at March 31, 2025 (c)	**480.07**
Charge for the year	31.56
Disposals/Adjustments	-
As at March 31, 2026 (d)	**511.63**
Net carrying amount	
As at March 31, 2025 (a-c)	**110.86**
As at March 31, 2026 (b-d)	**82.64**

(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, 2026	As at March 31, 2025
Intangible assets under development	66.12	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, 2026					
Projects in progress	16.91	22.32	26.89	-	66.12
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**16.91**	**22.32**	**26.89**	**-**	**66.12**
Intangible assets under development as at March 31, 2025					
Projects in progress	22.32	26.89	-	-	49.21
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**22.32**	**26.89**	**-**	**-**	**49.21**

b) Completion schedule for Projects under intangible assets under development 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, 2026					
Projects in progress	-	-	-	-	-
Intangible assets under development as at March 31, 2025					
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, 2026 and March 31, 2025.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(b) There is no such project in Intangible assets under development whose cost has exceeded compared to its original plan as on March 31, 2026 and March 31, 2025.

Note 9: Investments

No. of units	Particulars	Face value	Non-current As at March 31, 2026	Non-current As at March 31, 2025	Current As at March 31, 2026	Current As at March 31, 2025
A.	**Investments carried at cost**					
	Investments in equity instruments					
(a)	**Equity instruments in Subsidiary (unquoted)**					
160000000	(Previous year 120000000) fully paid up equity shares of TACC Ltd. (refer note (i))	10	18,056.00	12,000.00	-	-
3270618	(Previous year 3270618) fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) (refer note (v)	10	4,145.90	4,145.90	-	-
50000	(Previous year 50000) fully paid up equity shares of HEG Graphite Ltd	2	1.00	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	-	-
B.	**Investments carried at fair value through profit or loss**					
(a)	**Investments in equity instruments (quoted)**					
2577106	(Previous year 24310015) fully paid up equity shares of Graftech International Ltd., USA	$ 0.01	16,538.74	18,183.44	-	-
(b)	**Investments in Optionally Convertible Debenture**					
40000000	(Previous year Nil) Optionally Convertible Debentures (TACC LTD) @ 0.01% Coupon Rate		37,944.00	-	-	-
(c)	**Investments in mutual funds (unquoted)**					
NIL	(Previous year 42796.061) units of Invesco India Liquid Fund Direct Growth	1000	-	-	-	1,523.49
NIL	(Previous year 32142.507) units of Nippon India Liquid Fund Direct Growth	1000	-	-	-	2,040.05
66833.112	(Previous year NIL) units of Axis Money Market Fund Direct Growth	1000	-	-	1,010.65	-
NIL	(Previous year 24022.909) units of UTI Liquid Fund Direct Growth	1000	-	-	-	1,021.26
NIL	(Previous year 27118.786) units of DSP Liquidity Fund Direct Growth	1000	-	-	-	1,005.64
NIL	(Previous year 74790.457) units of SBI Liquid Fund Direct Growth	1000	-	-	-	3,033.46
NIL	(Previous year 50438.993) units of Baroda BNP Paribas Liquid Fund Direct Growth	1000	-	-	-	1,508.47

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2026	Non-current As at March 31, 2025	Current As at March 31, 2026	Current As at March 31, 2025
NIL	(Previous year 58508.925) units of HSBC Liquid Fund Direct Growth	1000	-	-	-	1,512.06
NIL	(Previous year 21381.563) units of LIC MF Liquid Fund Direct Growth	1000	-	-	-	1,006.90
NIL	(Previous year 44104.954) units of Sundaram Liquid Fund Direct Growth	1000	-	-	-	1,010.77
22964.793	(Previous year NIL) units of Nippon India Money Market Fund - Direct Growth	1000	-	-	1,010.46	-
3491823.495	(Previous year NIL) units of HSBC Money Market Fund - Direct Growth	10	-	-	1,011.00	-
5404004.208	(Previous year NIL) units of SBI Saving Fund - Direct Growth	10	-	-	2,513.22	-
30381.940	(Previous year NIL) units of Invesco Money Market Fund - Direct Growth	1000	-	-	1,001.19	-
61632.416	(Previous year NIL) units of UTI Money Market Fund - Direct Growth	1000	-	-	2,013.15	-
82746.822	(Previous year NIL) units of Bajaj Finserv Money Market Fund - Direct Growth	1000	-	-	1,005.21	-
255324.550	(Previous year NIL) units of ABSL Money Market Fund - Direct Growth	10	-	-	1,001.12	-
19883.398	(Previous year NIL) units of TATA Money Market Fund - Direct Growth	1000	-	-	1,001.95	-
2191176.573	(Previous year NIL) units of Bandhan Money Market Fund - Direct Growth	10	-	-	1,001.87	-
9999500.025	(Previous year NIL) units of HDFC CRISIL-IBX Financial Services	10	-	-	1,002.55	-
2879517.837	(Previous year 2879517.837) units of Kotak Equity Arbitrage Fund Direct Growth	10	-	-	1,210.24	1,133.17
8318740.603	(Previous year 16599077.153) units of AXIS Bank Arbitrage Fund Direct Growth EADG	10	-	-	1,772.47	3,310.98
3425532.881	(Previous year 13490452.151) units of Invesco India Arbitrage Fund Direct Growth	10	-	-	1,241.09	4,574.86
3013912.925	(Previous year 3013912.925) units of UTI Arbitrage Fund Direct Growth Canserve	10	-	-	1,178.75	1,104.36
NIL	(Previous year 3929369.982) units of ABSL Arbitrage Fund Direct Growth	10	-	-	-	1,104.81
5869399.349	(Previous year 5869399.349) units of Nippon India Arbitrage Fund Direct Growth	10	-	-	1,765.72	1,654.97
8305370.542	(Previous year 8305370.542) units of Edelweiss Arbitrage Fund Direct Growth	10	-	-	1,812.16	1,697.91
4414218.622	(Previous year 8828437.252) units of SBI Arbitrage Opportunities Fund Direct Growth	10	-	-	1,664.61	3,117.59
10515900.863	(Previous Year 10515900.863) units of TATA Arbitrage Fund Direct Growth	10	-	-	1,669.23	1,560.62
11733747.975	(Previous Year 11733747.975) units of MIRAE Asset Arbitrage Fund Direct Growth	10	-	-	1,664.43	1,559.65

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2026	Non-current As at March 31, 2025	Current As at March 31, 2026	Current As at March 31, 2025
4939122.286	(Previous Year NIL) units of HSBC Arbitrage Fund Direct Growth	10	-	-	1,052.51	-
6945110.068	(Previous Year NIL) units of LIC MF Arbitrage Fund Direct Growth	10	-	-	1,051.39	-
9999500	(Previous year NIL) units of AXIS Fixed Maturity Plan Series 129 - Q4	10			1,006.17	
4895236.709	(Previous Year NIL) units of HDFC Arbitrage Fund Direct Growth	10	-	-	1,035.24	
(d)	**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	5,925.58	-
13724503.583	(Previous year 13724503.583) units of Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund	10	-	1,756.16	1,873.50	-
9835831.784	(Previous year 9835831.784) units of Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Direct Growth Plan	10	1,270.47	1,184.35	-	-
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	1,269.20	1,186.75	-	-
(e)	**Investments in Bond Funds (unquoted)**					
108109.497	(Previous year 108109.497) units of Kotak Corp Bond Direct Growth	1000	4,411.91	4,160.00	-	-
2618367.638	(Previous year 2618367.638) units of ABSL Corporate Bond Fund Direct Growth	10	3,087.12	2,944.41	-	-
5430713.319	(Previous year 5430713.319) units of HDFC Corporate Bond Fund Direct Growth	10	1,853.70	1,767.24	-	-
(f)	**Investments in Infrastructure Trust (unquoted)**					
4400000	(Previous year 4400000) units of Oriental Infratrust	100	4,879.60	5,060.00	-	-
	Total		**1,24,169.14**	**88,647.79**	**39,495.46**	**34,481.02**
	Aggregate carrying value of quoted investments		16,538.74	18,183.44	-	-
	Market value of quoted investments		16,538.74	18,183.44	-	-
	Aggregate carrying value of unquoted investments		1,07,630.40	70,464.34	39,495.46	34,481.02
	Aggregate amount for impairment in value of investments		-	-	-	-

Note (i): Includes value of deemed investment of ₹ 2,056.00 Lakhs (Previous Year Nil) in subsidiary in terms of fair valuation under Ind AS 109

Note (ii): Investments having maturity period of less than 12 months from balance sheet date have been reclassified as current investments, if any.

Note (iii): Refer note 45B for classification of financial assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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

Note (v): During the previous 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, 2026	Current As at March 31, 2025
a) Trade receivables considered good-secured	-	-
Less: allowance for expected credit loss		
b) Trade receivables considered good-unsecured	49,809.43	43,763.21
Less: allowance for expected credit loss	(97.54)	(83.20)
c) Trade receivables which have significant increase in credit risk	467.86	628.56
Less: allowance for expected credit loss	(233.94)	(314.28)
d) Trade receivables credit impaired	416.82	91.62
Less: allowance for credit impairment	(416.82)	(91.62)
	-	-
Total	**49,945.81**	**43,994.29**

There is no amount due from Directors or other Officers of the Company or any of them either severally or jointly with any other persons or firms or private company respectively in which any Director is a partner or a Director or a member.

Trade receivables ageing schedule

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
As at March 31, 2026							
(i) Undisputed trade receivables – considered good	31,425.38	18,384.05	-	-	-	-	49,809.43
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	368.18	99.68	-	-	467.86
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	332.77	84.05	416.82
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total							50,694.11
Less: allowance for expected credit loss							(748.30)
Total							**49,945.81**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

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.

Note 11: Loans

Particulars	Non-current: As at March 31, 2026	Non-current: As at March 31, 2025	Current: As at March 31, 2026	Current: As at March 31, 2025
Financial asset at amortised cost				
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	59.20	97.13	65.53	83.09
c) Loans which have significant increase in credit risk	-	-	-	-
d) Loans credit impaired	-	-	-	-
Loans to Related parties				
Loans considered good-unsecured	-	-	21,000.00	-
Less: Allowance for expected credit losses			150.00	
Total	**59.20**	**97.13**	**20,915.53**	**83.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Movement of Allowance for expected credit losses on loans :	As at March 31, 2026	As at March 31, 2025
Opening Balance	-	-
Allowance for expected credit losses created / (reversed)	150.00	-
Closing Balance	**150.00**	**-**

Refer note 45B for classification of financial assets

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

Refer note 44 for disclosure under section 186 of the Companies Act, 2013

Refer note 39 for name of related parties

Note (i) : The above figures includes loan to Key Managerial Persons amounting to ₹ 8.17 Lakhs (previous year ₹ 11.97 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 0.04% (previous year 6.64%) of total loans outstanding as on that date. Such loans are neither repayable on demand nor without specifying any terms or period of repayment.

Note 12: Other financial assets

Particulars	Non-current: As at March 31, 2026	Non-current: As at March 31, 2025	Current: As at March 31, 2026	Current: As at March 31, 2025
Financial assets at amortised cost				
Security deposits	4,257.69	4,472.34	7.52	124.35
Interest accrued but not due on fixed deposits	-	-	35.39	187.96
Interest subvention recoverable (on working capital loans)	-	-	286.95	286.95
Advance for Equity Investment#	7.76	746.88	-	-
Government grant receivable (refer note 51)*	-	-	7,167.16	6,224.97
Other recoverables including accrued interest				
-Related parties	-	-	782.89	1.21
Total	**4,265.45**	**5,219.22**	**8,279.91**	**6,825.44**

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

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

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, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 13: Other assets

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless stated otherwise				
Capital advances	3,449.82	781.60	-	-
Other advances (other than advances to related parties)	-	-	518.75	617.25
Prepaid expenses	73.75	125.36	887.67	1,023.29
Balances with Government authorities	-	-	1,575.10	3,108.62
GST refund receivable	-	-	4,274.04	1,753.12
Payments under protest (excluding direct taxes other than Tax Deducted at Source(TDS)) #	486.48	486.48	-	-
Export benefits receivable	-	-	288.11	625.74
Other employee advances			53.30	53.31
Gratuity fund receivable (refer note 40)	-	-	-	803.73
Others	-	-	6,571.69	5,874.66
Total	**4,010.05**	**1,393.44**	**14,168.66**	**13,859.72**

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, 2026	As at March 31, 2025
Entry tax	114.29	114.29
Central sales tax	229.83	229.83
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**	**486.48**

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.

Note 14: Inventories (Valued at lower of cost or net realizable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	25,842.96	28,953.71
[Includes material in transit ₹ 9706.33 Lakhs ; previous year:₹ 14354.34 Lakhs]		
Work-in-progress	43,610.27	45,087.85
Finished goods	38,436.62	45,750.23
Stores and spares	5,483.81	5,672.01
[Includes stores in transit ₹ 570.42 Lakhs ; previous year: ₹ 655.17 Lakhs]		
Total	**1,13,373.66**	**1,25,463.80**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(a) The cost of inventories includes ₹ 1,099.41 Lakhs (March 31, 2025 ₹ 512.49 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, 2026	As at March 31, 2025
Financial assets at amortised cost		
Balances with banks		
In current accounts	1,040.15	549.68
In cash credit accounts	1,156.68	1,107.07
Cheques, drafts in hand	-	3.31
Cash on hand	5.13	5.19
Term/fixed deposits with banks/financial institutions having original maturity period of less than three months	-	700.00
Total cash and cash equivalents	**2,201.96**	**2,365.25**

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, 2026	As at March 31, 2025
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	1,444.24	1,332.31
b) Held for unpaid/unclaimed dividend	372.90	567.16
c) Held for unspent Corporate Social Responsibility expenditure on account of ongoing projects	13.85	-
II. Term/fixed deposits with banks/financial institutions having original maturity period of more than three months	2,571.14	7,578.60
III. Term/fixed deposits with banks/financial institutions for unspent Corporate Social Responsibility	151.90	-
Total	**4,554.03**	**9,478.07**

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 17: Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
27,50,00,000 (previous year 27,50,00,000) equity shares of ₹ 2 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 (previous year 19,29,77,530) equity shares of ₹ 2 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	2025-26		2024-25	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	19,29,77,530	3,859.55	3,85,95,506	3,859.55
Add: 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) (refer note i)	-	-	15,43,82,024	-
Change during the year	-	-	-	-
Outstanding at the end of the year	**19,29,77,530**	**3,859.55**	**19,29,77,530**	**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.

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

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Redrose Vanijya LLP (refer note ii)	5,68,42,775	29.46	5,58,73,775	28.95
Norbury Investments Limited	2,68,14,955	13.90	2,68,14,955	13.90
Microlight Investments Ltd.	2,33,27,895	12.09	2,33,27,895	12.09
SBI Energy Opportunities Fund	67,99,089	3.52	1,37,27,188	7.11

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

d) Aggregate number of equity shares issued for consideration other than cash, allotted by way of bonus shares and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	Aggregate no. of shares				
	2025-26	2024-25	2023-24	2022-23	2021-22
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, 2026		As at March 31, 2025		% change in the year
		No of shares	% of Total shares	No. of shares	% of Total shares	
1	Ravi Jhunjhunwala	3,595	0.00%	3,595	0.00%	0.00%
2	Riju Jhunjhunwala	6,780	0.00%	6,780	0.00%	0.00%
3	Rita Jhunjhunwala	9,380	0.00%	9,380	0.00%	0.00%
4	Rishabh Jhunjhunwala	9,035	0.00%	9,035	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	2,500	0.00%	2,500	0.00%	0.00%
6	RSWM Ltd	15,91,955	0.82%	15,91,955	0.82%	0.00%
7	Redrose Vanijya LLP (refer note ii)	5,68,42,775	29.46%	5,58,73,775	28.95%	0.51%
8	Norbury Investments Ltd	2,68,14,955	13.90%	2,68,14,955	13.90%	0.00%
9	Microlight Investments Ltd	2,33,27,895	12.09%	2,33,27,895	12.09%	0.00%
	Total	**10,86,08,870**	**56.29%**	**10,76,39,870**	**55.78%**	**0.51%**

Note (i): Update regarding sub-division of equity Shares (New Face Value ₹ 2 per equity share) undertaken in previous year 2024-25:

(a) Pursuant to approval granted by the Shareholders of HEG Limited through Postal Ballot on September 20, 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 October 18, 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 was appearing same i.e. 55.78%. There was no change in percentage holding of Promoter/Promoter Group.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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 equity shares) in Rupees i.e. ₹ 38,59,55,060.

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

During the financial year ended 31st March, 2026, Redrose Vanijya LLP has increased its shareholding from 28.95% to 29.46% by way of acquisition of 9,69,000 equity shares (0.51%) from secondary market and in this regard necessary disclosures have been made to BSE Limited and National Stock Exchange of India Limited.

Note 18: Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
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**
C. Retained earnings		
Balance as at the beginning of the year	4,06,924.90	4,05,480.53
Amount transferred from statement of profit and loss		
- Profit for the year	18,071.55	10,131.23
- Other comprehensive income for the year (remeasurement of defined employee benefit plan) (net of tax expense)	(233.93)	(2.87)
Dividend distributed on equity shares during the year	(3,473.60)	(8,683.99)
Balance as at the end of the year	**4,21,288.92**	**4,06,924.90**
Total	**4,26,457.09**	**4,12,093.07**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 19: Borrowings

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand from banks				
Working capital loans from banks				
-Secured	-	-	55,955.56	58,014.43
-Unsecured	-	-	23,372.91	471.22
Total	**-**	**-**	**79,328.47**	**58,485.65**

(i) Terms of repayment of loans

Particulars	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand		
Secured		
Working capital loans from banks	55,955.56	58,014.43
Unsecured		
Working capital loans from banks	23,372.91	471.22
Total	**79,328.47**	**58,485.65**

(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, 2026	As at March 31, 2025
Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	2,557.73	1,079.19
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	36,244.96	38,760.94
Total	**38,802.69**	**39,840.13**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2026						
(i) MSME	2,557.73	-	-	-	-	2,557.73
(ii) Others	35,537.76	561.26	4.53	-	141.41	36,244.96
(iii) Disputed - MSME	-	-	-	-	-	-
(iv) Disputed - others	-	-	-	-	-	-
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	-	-	-	-	-	-

(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, 2026	As at March 31, 2025
a) The amount remaining unpaid to micro and small enterprises at the end of each accounting year.		
a) Principal		
-Related to trade payables	2,557.73	1,079.19
-Related to creditors for capital purchases (refer note 21 B)	388.36	263.50
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.	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 21A: Lease liabilities

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease liabilities - land (refer note - 41)	117.41	80.26	2.08	1.62
Lease liabilities - building (refer note - 41)	-	-	-	45.45
Total	**117.41**	**80.26**	**2.08**	**47.07**

Refer note 45B for classification of financial liabilities

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

Note 21B: Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	-	-	3.11	227.63
Security deposits	-	-	203.23	155.60
Unpaid/unclaimed dividend #	-	-	372.90	567.16
Creditors for capital purchases	-	-	-	-
Payable to micro enterprises and small enterprises	-	-	388.36	263.50
Payable to other than micro enterprises and small enterprises	-	-	186.88	881.36
Other payables	-	-		
Employees related	-	-	2,455.62	2,099.48
Others	-	-	2,189.10	1,990.50
Financial liabilities at fair value through profit or loss				
Derivative financial instruments**	-	-	1,663.33	-
Total	**-**	**-**	**7,462.53**	**6,185.23**

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.

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

Note 22: Provisions

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits				
Gratuity (refer note 40)	-	-	371.83	-
Compensated absences (refer note 40)	664.94	529.18	133.73	104.28
Other provisions				
Provision against pending litigations	-	-	325.83	325.83
Total	**664.94**	**529.18**	**831.39**	**430.11**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Movement of provision against pending litigations

Nature of provisions	Non-current		Current	
	2025-26	2024-25	2025-26	2024-25
Carrying amount at the beginning of the year	-	-	325.83	325.83
Amount provided made during the year	-	-	-	-
Amount reversed during the year	-	-	-	-
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

Note 23: Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	10,061.62	10,078.74
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax/ provision for employee benefits	432.24	39.15
Allowance for expected credit loss	226.08	123.10
Fair valuation of investments	613.22	438.88
Demerger & Amalgamation (refer note 54)	114.17	66.01
MTM Loss	418.63	-
Net deferred tax liability (A)-(B)	**8,257.28**	**9,411.60**

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, 2026

Particulars	As at 1st April, 2025	Recognized in the profit or loss	Recognized in other comprehensive income	As at March 31, 2026
Deferred tax liabilities (A)				
Difference between carrying value of property plant and equipment as per books of account and tax base	10,078.74	(17.12)	-	10,061.62
Deferred tax assets (B)				
Expenses deductible on payment basis under income tax/ provision for employee benefits	39.15	314.41	78.68	432.24
Allowance for expected credit loss	123.10	102.98	-	226.08
Fair valuation of investments	438.88	174.34	-	613.22
Demerger & Amalgamation (refer note 54)	66.01	48.16	-	114.17
MTM Loss	-	418.63	-	418.63
Net deferred tax liabilities/(assets) (A)-(B)	**9,411.60**	**(1,075.64)**	**(78.68)**	**8,257.28**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

There are no unrecognised deferred tax liabilities/assets as at March 31, 2026 and March 31, 2025 . 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Deposits from employees against various schemes	482.97	494.69	125.84	72.01
Advance from customers	-	-	528.32	814.54
Statutory dues payable	-	-	349.83	215.50
Payable against unspent Corporate Social Responsibility expenditure (refer note 43)	-	-	163.72	206.07
Others payables	-	-	662.05	396.00
Total	**482.97**	**494.69**	**1,829.76**	**1,704.12**

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, 2026	As at March 31, 2025
Income tax assets (net of provision for taxation)	4,684.56	10,455.53
Total	**4,684.56**	**10,455.53**

Note 25B: Current tax liabilities / (assets)

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax liabilities (net of advance tax)	1,257.37	1,420.91
Total	**1,257.37**	**1,420.91**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

The current tax assets and current tax liabilities have been set off, to the extent, the Company :

(a) has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Note 26: Revenue from operations

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Sale of products				
Graphite electrodes (including by-products)	2,52,531.71		2,10,798.39	
Power	2,645.72	2,55,177.43	2,935.48	2,13,733.87
Other operating income				
REC sales	249.04		330.52	
Fly Ash Income	-		11.66	
Export incentives	1,424.00		1,194.86	
		1,673.04		1,537.04
Total		2,56,850.47		2,15,270.91

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, 2026	For the year ended March 31, 2025
Interest income from financial assets measured at amortized cost		
- from fixed deposits	848.56	1,622.09
- from unsecured loans	1,099.16	-
Interest income from financial assets measured at fair value through profit or loss	260.62	300.11
Rental Income	133.73	153.99
Net gain on sale of investments measured at fair value through profit or loss	1,846.89	1,689.75
Dividend income from investments measured at fair value through profit or loss	212.83	184.92
Liabilities / provisions written back (including allowances for expected credit losses, if any) #	71.79	1,750.04
Government Grant* (refer note 51)	3,391.00	5,714.00
Miscellaneous	1,331.47	1,252.89
Total	**9,196.05**	**12,667.79**

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

Note 28: Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials consumed		
Opening stock	28,953.71	16,341.60
Add : Purchases	94,441.12	1,08,084.71
	1,23,394.83	1,24,426.31
Less: Closing stock	25,842.96	28,953.71
Cost of raw materials consumed	97,551.87	95,472.60

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(1) Inventories at the beginning of the year		
Finished goods	45,750.22	50,558.61
Work-in-progress	45,087.85	35,182.52
Total	**90,838.07**	**85,741.13**
(2) Inventories at the end of the year		
Finished goods	38,436.62	45,750.22
Work-in-progress	43,610.27	45,087.85
Total	**82,046.89**	**90,838.07**
Net (increase)/decrease [(1) - (2)]	**8,791.18**	**(5,096.94)**

Note 30: Employee benefit expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	10,173.80	8,703.56
Contribution to provident and other funds (refer note 40)	1,782.00	615.47
Staff welfare expenses	397.55	399.22
Total	**12,353.35**	**9,718.25**

Note 31: Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Interest on borrowings	2,419.97	3,116.32
(ii) Foreign Exchange Fluctuation on Foreign Currency Loans to the extent regarded as an adjustment to borrowing cost	1,274.05	444.70
(iii) Others		
-Interest on lease liabilities	13.65	13.48
-Interest on direct taxes i.e. income tax/TDS	12.07	31.79
-Others	1.03	313.35
Total	**3,720.77**	**3,919.64**

Note 32: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(1) Depreciation of property, plant and equipment (refer note 4)	21,199.00	19,924.54
(2) Depreciation of right of use assets (refer note 6)	57.39	64.66
(3) Depreciation on investment property (refer note 7)	32.51	32.86
(4) Amortisation of intangible assets (refer note 8)	31.56	32.37
Total	**21,320.46**	**20,054.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 33: Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts (including refractory blocks)	16,701.71	15,880.47
Job/process charges	1,370.97	830.45
Power and fuel	36,948.80	33,165.35
Repairs and maintenance		
Plant and machinery	2,937.13	3,774.01
Building	344.62	337.88
Others	1,697.94	1,230.23
Insurance	1,627.39	1,332.73
Rent (refer note 41)	47.58	36.87
Rates and taxes	207.32	228.31
Directors' sitting fees and incidental expenses	93.90	111.78
Freight & forwarding	18,114.38	17,372.51
Packing expenses (including packing material consumption)	2,517.63	2,145.84
Commission on sales	1,979.38	1,478.22
Claims and rebates	23.28	218.87
Power generation charges	511.99	487.50
Travelling expenses	483.22	437.38
Postage and communication	69.76	72.71
Payment to auditors (Refer details below ##)	58.46	41.96
Contribution towards Corporate Social Responsibility (refer note 43)	746.61	929.80
Legal and professional expenses	1,114.39	1,242.36
Vehicle running and maintenance	63.40	68.23
Allowances for expected credit losses/ credit impairment	409.20	129.65
Net loss on sale/discard of property, plant and equipments	74.48	13.52
Loss on Foreign Currency Fluctuation (Net)	7,232.60	160.59
Net loss on fair valuation of investments measured at fair value through profit or loss	1,302.57	5,965.78
Miscellaneous expenses*	990.55	1,396.42
Total	**97,669.26**	**89,089.42**

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

Payments to auditors (excluding GST)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor		
Statutory audit	35.00	30.00
Other services		
Tax audit	5.00	2.00
Certification fees	11.55	3.64
Reimbursement of out of pocket expenses	6.91	6.32
Total	**58.46**	**41.96**

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 34: Tax expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	7,551.58	4,944.59
2) Current tax adjustment related to earlier years	92.14	(103.36)
3) Deferred tax	(1,075.64)	(191.16)
	6,568.08	**4,650.07**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	(78.68)	(0.97)
	(78.68)	**(0.97)**
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, 2026	For the year ended March 31, 2025
Accounting profit before tax	24,639.63	14,781.30
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**6,201.30**	**3,720.16**
Add/(less) :		
Effect of expenses that are not deductible in determining taxable profits	194.38	245.41
Effect of expenses that are deductible in determining taxable profits	(24.80)	(27.23)
Tax rate differential and other adjustments on gain on sale /fair valuation of investments	126.36	859.86
Others	(21.30)	(44.77)
Current tax adjustment related to earlier years	92.14	(103.36)
Total (B)	**366.78**	**929.91**
Income tax expense recognized for the year (A+B)	**6,568.08**	**4,650.07**

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, 2026	For the year ended March 31, 2025
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined employee benefit plans	(312.61)	(3.84)
Total	**(312.61)**	**(3.84)**
(ii) Tax expense relating to items that will not be reclassified to profit or loss		
-Remeasurement of defined employee benefit plans	(78.68)	(0.97)
Total	**(78.68)**	**(0.97)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 36: Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit attributable to equity shareholders of the Company	18,071.55	10,131.23
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(₹)	9.36	5.25

* There are no potential equity shares

Note 37: Segment information

The Company's Chief Operational Decision Makers consisting of Chairman, Managing 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, 2026

(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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment revenue								
Turnover	2,53,955.71	2,12,004.91	2,894.76	3,266.00	-	-	2,56,850.47	2,15,270.91
Less: Inter Segment turnover	-	-	-	-	-	-	-	-
External turnover	**2,53,955.71**	**2,12,004.91**	**2,894.76**	**3,266.00**	-	-	**2,56,850.47**	**2,15,270.91**
Segment result before interest & taxes	**27,034.27**	**21,661.06**	**1,472.25**	**1,576.77**	**(2,898.79)**	**(2,183.06)**	**25,607.73**	**21,054.77**
Add: Interest income							2,208.34	1,922.20
Add / (Less): Net loss on sale/fair valuation of investments measured at fair value through profit or loss							544.33	(4,276.03)
Less: Finance cost							3,720.77	3,919.64
Profit before tax							24,639.63	14,781.30
Less: Income tax (including deferred tax)							6,568.08	4,650.07
Net profit for the year							18,071.55	10,131.23
Depreciation and amortisation expense	21,079.82	19,754.39	137.36	206.84	103.28	93.20	21,320.46	20,054.43
Non cash expenses other than depreciation and amortization	728.85	178.21	-	-	-	-	728.85	178.21

2) Segment assets, liabilities and other details

Particulars	Graphite (including other carbon products)		Power		Unallocable items/others		Total	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment assets	3,71,886.83	3,86,113.63	1,748.03	2,104.54	1,95,718.71	1,46,363.44	5,69,353.57	5,34,581.61
Segment liabilities	1,27,881.29	1,06,526.12	296.87	249.61	10,858.73	11,853.22	1,39,036.89	1,18,628.95
Capital expenditure incurred during the year	10,066.86	14,778.63	82.31	43.94	116.82	96.18	10,265.99	14,918.75

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

3) Details of unallocated items/ others

I. Unallocated assets

Assets	As at March 31, 2026	As at March 31, 2025
Property, plant & equipments and investment property	903.27	926.75
Investments	1,63,663.60	1,23,127.78
Inventories	14.68	14.68
Cash and cash equivalents	259.82	326.75
Bank balances other than cash & cash equivalents	4,540.17	10,181.38
Financial assets-loans	30.65	43.44
Other financial assets	813.57	187.87
Other assets	20,808.39	1,099.26
Income tax asset	4,684.56	10,455.53
Total	**1,95,718.71**	**1,46,363.44**

II. Unallocated liabilities

Liabilities	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities	8,257.28	9,411.60
Current tax liabilities	1,257.37	1,420.91
Other financial liabilities	660.47	696.21
Other liabilities	467.77	154.55
Provisions	215.84	169.95
Total	**10,858.73**	**11,853.22**

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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Segment revenue	84,683.54	72,040.61	1,72,166.93	1,43,230.30	2,56,850.47	2,15,270.91
b) Segment non-current assets*	1,87,924.76	2,04,066.79	-	-	1,87,924.76	2,04,066.79

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, 2026

(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, 2026	For the year ended March 31, 2025
India (including sale to SEZ units) #	84,683.54	72,040.61
United Arab Emirates	3,026.98	1,802.24
Japan	6,694.25	2,950.56
Egypt	9,531.52	9,461.62
Korea (South)	8,873.58	10,944.49
South Africa	3,866.16	4,081.60
Spain	8,058.85	7,495.44
Turkey	18,288.04	11,058.46
USA	44,018.45	36,696.48
Mexico	8,182.41	6,860.64
Others*	61,626.69	51,878.77
Total	**2,56,850.47**	**2,15,270.91**

*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 2025-26 and 2024-25

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

Note 38: Contingencies and commitments

1) Contingent liabilities

Particulars	As at March 31, 2026 "	As at March 31, 2025 "
For taxation matters		
a) Excise duty	220.04	220.04
b) Goods & services tax	36.71	36.70
c) Income tax	8,064.18	7,227.04
d) Sales tax	420.69	450.70
Other than taxation matters		
a) Power related matters	955.00	847.00
b) Labour related matters	50.20	29.20
c) Other matters	1,210.78	1,101.53

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

2) Commitments outstanding

Particulars	As at March 31, 2026	As at March 31, 2025
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 3449.82 Lakhs, (previous year ₹ 781.60 Lakhs.)]	16,283.52	3,165.70
b) Outstanding commitments under letter of credits established by the Company	6,214.71	1,101.33
c) Pending export obligation against EPCG/Advance license	25,265.21	26,244.23

Note 39: Related party disclosure

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

Relationship		Related parties	
		Year ended March 31, 2026	Year ended March 31, 2025
I)	Subsidiary	(i) TACC Limited	(i) TACC Limited
		(ii) Bhilwara Infotechnology Ltd (BIL)~	(ii) Bhilwara Infotechnology Ltd (BIL)~
		(iii) HEG Graphite Ltd	(iii) HEG Graphite Ltd
II)	Associates	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
III)(a)	Subsidiaries of Associates	(i) Balephi Jalvidhyut Company Limited, Nepal	(i) Balephi Jalvidhyut Company Limited, Nepal
		(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	(vii) Replus Engitech Private Limited
		(viii) LNJ Greenpet Private Limited (Till January 21, 2026)	(viii) LNJ Greenpet Private Limited
		(ix) Bhilwara Energy Storage Solutions Private Limited (with effect from June 28, 2025))	
		(x) LNJ Suntech Private Limited (with effect from February 25, 2026)	
		(xi) LNJ5 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
		(xii) LNJ1 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
		(xiii) LNJ3 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
		(xiv) LNJ4 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Related parties	
		Year ended March 31, 2026	Year ended March 31, 2025
III)(b)	Step-down Subsidiary	(i) TEXNERE INDIA PRIVATE LIMITED (Subsidiary of Bhilwara Infotechnology Ltd) (Till May 31, 2025)	(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 Davar	Sh. Jayant Davar
			Sh. Davinder Kumar Chugh^
		Sh. Sandip Somany	Sh. Sandip Somany
		Dr. Nand Gopal Khaitan	Dr. Nand Gopal Khaitan
		Sh. P S Dasgupta	Sh. P S Dasgupta
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Executive Director
		Sh. Ravi Kant Tripathi -Chief Financial Officer	Sh. Ravi Kant Tripathi -Chief Financial Officer*
			Sh. Gulshan Kumar Sakhuja - Chief Financial Officer**
		Sh. Vivek Chaudhary-Company Secretary	Sh. Vivek Chaudhary-Company Secretary
		Sh. Puneet Anand ##	
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	Smt. Mansi Jhunjhunwala
VI)	Post employment benefit plan trust		(a) Hindustan Electro Graphites Staff Gratuity Fund Trust
		(a) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust
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#
			Purvi Vanijya Niyojan Ltd#

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Related parties	
	Year ended March 31, 2026	**Year ended March 31, 2025**
		Shashi Commercial Co Ltd#
	BSL Ltd	BSL Ltd
	Maral Overseas Ltd	Maral Overseas Ltd
	BMD Pvt Ltd	BMD Pvt Ltd
		Bharat Investments Growth Limited#
		Jet (India) Pvt. Ltd.#
		India Texfab Marketing Limited#
		Investors India Limited#
		LNJ Financial Services Limited#
		M.L. Finlease Pvt Limited#
		Raghav Commercial Limited#
	Bhilwara Technical Textiles Ltd.	Bhilwara Technical Textiles Ltd.
		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.
	LNJ Reality Pvt. Ltd	LNJ Reality Pvt. Ltd
		Kalati Holdings (P) Ltd.
	RLJ Family Trusteeship Pvt. Ltd.	RLJ Family Trusteeship Pvt. Ltd.
	Redrose Vanijya LLP	Redrose Vanijya LLP
	Norbury Investments Limited	
	Microlight Investments Ltd.	
	LNJ Leasing & Finance Pvt. Ltd.	
	Bhilwara Services Pvt. Ltd.	
	Abhav Realtors Pvt. Ltd.	
	Mandapam Vikas Private Limited	

Mr. Puneet Anand has been appointed as the President, Group CSO & KMP of HEG Limited with effect from December 01, 2025.

~ Associate upto December 08, 2024

^ Resigned with effect from May 22, 2024.

* Appointed with effect from November 13, 2024.

** Resigned with effect from September 18, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

B) Transaction during the year with related parties

Relationship		Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
I)	**Subsidiary**	TACC Limited	Reimbursement received	-	4.03
			Investment in Equity Shares	4,000.00	4,000.00
			Unsecured loan given to the wholly Owned Subsidiary	10,000.00	-
			Repayment of Unsecured loan given to the wholly Owned Subsidiary	10,000.00	-
			Interest Received on the Unsecured loan given to the wholly Owned Subsidiary	234.42	-
			Investment in Optionally Convertible Debentures issued by Wholly owned subsidiary	40,000.00	-
			Interest income accrued on the Optionally Convertible Debentures issued by wholly owned subsidiary	0.91	-
		HEG Graphite Ltd	Investment in equity shares	-	1.00
			Reimbursement received	3.41	1.21
		BHILWARA INFOTECHNOLOGY LIMITED	Reimbursement received	0.45	-
II)	**Associates**	Bhilwara Energy Ltd.	Reimbursement received	8.45	1.47
			Allowances for expected credit losses	150.00	-
			Unsecured loan given to the Associate	21,000.00	-
			Interest accrued on the Unsecured loan given to the Associate	864.74	-
III)	**Subsidiaries of Associates**	Malana Power Co.Ltd.	Reimbursement received	14.84	14.61
		AD Hydro Power Ltd	Reimbursement received	13.67	1.18
		Indo Canadian Consultancy Services Ltd.	Reimbursement received	8.14	7.93
		Chango Yangthang Hydro Power Ltd.	Reimbursement received	0.33	-
IV)	**Key Management Personnel**	Sh. Ravi Jhunjhunwala- CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	497.89	432.56
			Commission	829.00	662.88

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
		Purchase of equity share of BIL	-	583.27
		Dividend Paid	0.06	0.16
	Sh Riju Jhunjhunwala-Vice Chairman	Director sitting fee	6.00	8.25
		Dividend Paid	0.12	0.31
		Reimbursement of expenses	0.24	0.33
		Purchase of equity share of BIL	-	168.30
	Sh. Shekhar Agarwal	Director sitting fee	7.50	10.50
		Reimbursement of expenses	0.30	0.42
	Sh. Satish Chand Mehta	Director sitting fee	11.25	17.25
		Reimbursement of expenses	0.71	0.93
	Dr. Kamal Gupta	Director sitting fee	15.00	15.75
		Reimbursement of expenses	0.72	0.63
		Dividend Paid	0.04	0.11
	Smt. Vinita Singhania	Director sitting fee	2.25	5.25
		Reimbursement of expenses	0.15	0.33
	Smt. Ramni Nirula	Director sitting fee	10.50	18.75
		Reimbursement of expenses	0.42	0.75
	Sh Jayant Davar	Director sitting fee	16.50	17.25
		Reimbursement of expenses	0.66	0.69
		Dividend Paid	0.00	0.00
	Sh. Sandip Somany	Director sitting fee	3.75	4.50
		Reimbursement of expenses	0.15	0.18
		Dividend Paid	1.37	-
	Dr. Nand Gopal Khaitan	Director sitting fee	12.75	8.25
		Reimbursement of expenses	2.23	2.19
	Sh. P S Dasgupta	Director sitting fee	4.50	1.50
		Reimbursement of expenses	0.18	0.06
	Sh. Manish Gulati - Executive Director	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	221.86	187.80
		Commission	200.00	108.33
	Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	82.09	68.92

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
		Dividend Paid	0.00	0.00
	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	-	71.98
		Housing Loan Repayment -Principal	-	8.75
		Special loan Repayment-Principal	-	1.98
		Housing Loan & Special Loan - Interest Repayment	-	0.19
	Sh. Vivek Chaudhary- Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	59.03	54.54
		Housing Loan Repayment -Principal	1.40	1.40
		Special loan Repayment-Principal	2.40	2.40
		Housing Loan & Special Loan - Interest Repayment	0.82	1.12
	Sh. Puneet Anand	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	50.30	-
V) Close family members of Key Management Personnel	Sh. Rishabh Jhunjhunwala	Dividend Paid	0.16	0.41
		Purchase of equity share of BIL	-	88.42
	Smt. Rita Jhunjhunwala	Dividend Paid	0.17	0.42
		Purchase of equity share of BIL	-	114.57
VI) Post employment benefit Plan Trust	Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Contribution in Employee Benefit Scheme	226.28	156.77
VII) Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd	Rent Paid	43.52	43.52
		Reimbursement received	54.86	65.69
		Reimbursement made	203.88	199.56

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
		Dividend Paid	28.66	71.64
	Shashi Commercial Co. Ltd.	Dividend Paid	-	152.00
		Rent Paid	-	20.22
		Purchase of equity share of BIL	-	110.66
	Purvi Vanijaya Niyojan Ltd.	Reimbursement received	-	0.21
		Dividend Paid	-	420.43
		Purchase of equity share of BIL	-	232.27
	Giltedged Industrial Securities Ltd.	Rent Paid	-	4.08
		Dividend Paid	-	199.73
		Purchase of equity share of BIL	-	18.56
	BSL Ltd	Rent Received	12.19	12.19
		Purchase of Fabrics	1.86	2.23
		Reimbursement received	1.67	1.52
	Maral Overseas Ltd	Reimbursement received	27.17	24.01
	BMD Pvt Ltd	Reimbursement received	16.34	17.06
	Bhilwara Technical Textiles Ltd.	Reimbursement received	0.33	-
	Bharat Investments Growth Ltd.	Dividend Paid	-	615.36
		Purchase of equity share of BIL	-	241.33
	Jet(India) Pvt. Ltd.	Dividend Paid	-	226.26
	India Texfab Marketing Limited	Dividend Paid	-	46.51
		Purchase of equity share of BIL	-	130.33
	Investors India Limited	Dividend Paid	-	8.16
	LNJ Financial Service Ltd.	Divident Paid	-	370.87
		Purchase of equity share of BIL	-	884.96
	M.L. Finlease Pvt Limited	Dividend Paid	-	77.95
	Raghav Commercial Limited	Dividend Paid	-	325.84
		Purchase of equity share of BIL	-	182.20
	RLJ Family Trusteeship Pvt. Ltd.	Dividend Paid	0.05	0.11

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
	Dreamon Commercial Pvt Ltd.	Reimbursement received	-	0.08
		Dividend Paid	-	71.22
		Purchase of equity share of BIL	-	363.72
	LNJ Reality Pvt. Ltd	Rent Paid	68.04	39.25
		Reimbursement received	0.60	0.45
		Reimbursement made	-	0.08
	Kalati Holdings (P) Ltd.	Purchase of equity share of BIL	-	185.83
	Redrose Vanijya LLP	Reimbursement received	1.32	0.64
		Rent Paid	0.71	-
		Dividend Paid	1,005.73	-
	LNJ Leasing & Finance Pvt. Ltd.	Reimbursement received	2.05	-
	Bhilwara Services Pvt. Ltd.	Reimbursement received	0.33	-
	Abhav Realtors Pvt. Ltd.	Reimbursement received	0.22	-
	Mandapam Vikas Private Limited	Sale of Property	238.80	-
	Norbury Investments Limited	Dividend Paid	482.67	1,206.67
	Microlight Investments Ltd.	Dividend Paid	419.90	1,049.76
	LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	22.00	35.38
	Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	21.70	12.60
		Reimbursement Received	0.98	-

Note: Corporate Guarantee given by the company to State Bank of India for securing credit facilities by the wholly owned subsidiary - TACC Limited amounting to ₹ 1,23,000 Lakhs as on March 31, 2026. (March 31, 2025 - NIL)

Note: Remuneration amount of key Managerial Personnel represents remuneration paid for the whole year irrespective of the period for which the person is key Managerial Personnel.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

C) Details of outstanding balances as at the end of year

Sl. No.	Related party	Name of the related party	Particulars	As at March 31, 2026	As at March 31, 2025
1	**Subsidiary**	TACC Limited	Investments in equity shares	16,000.00	12,000.00
			Investment in OCD	40,000.00	-
			Interest income receivable on OCD investment	0.91	-
		Bhilwara Infotechnology Ltd	Investments in equity shares	4,145.90	4,145.90
		HEG Graphite Ltd	Investments in equity shares	1.00	1.00
		HEG Graphite Ltd	Reimbursement receivable	4.62	0.52
2	**Associates**	Bhilwara Energy Ltd.	Investments in equity shares	30,711.50	30,711.50
			Unsecured Loan given	21,000.00	-
			Interest Receivable on unsecured loan	864.74	-
			Allowances for expected credit losses	150.00	-
3	**Key Management Personnel**	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary payable (including commission)	58.67	407.20
		Sh Manish Gulati - Executive Director	Salary payable (including commission)	65.58	76.00
		Sh. Vivek Chaudhary-Company Secretary	Loan Outstanding at the end of the year	8.17	11.97
			Salary payable	4.04	1.69
		Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary payable	5.57	1.74
		Sh. Puneet Anand	Salary payable	12.57	-
4	**Post employment benefit Plan Trust**	Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Payable	193.11	157.88

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, 2026	Year ended March 31, 2025
Short term benefits	1,856.42	1,513.81
Post employment benefits#	83.75	73.20
Director's Sitting Fee	90.00	107.25
Reimbursement of expenses and Incidental expenses	5.76	6.51

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Dividend paid by the company	1.60	0.58
Housing loan repayment -principal	(1.40)	(10.15)
Purchase of equity share of BIL	-	751.57
Special loan repayment-principal	(2.40)	(4.38)
Housing loan and Special loan repayment -interest	(0.82)	(1.31)

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, 2026 and March 31, 2025.

For the year ended March 31, 2026, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2025: 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 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, 2026	For the year ended March 31, 2025
Employer's contribution to Provident Fund (including administrative and other expenses)	478.15	435.14
Employer's contribution to Superannuation Fund	197.26	156.77
Employer's contribution to Employees State Insurance Corporation	29.35	23.56
Total	**704.76**	**615.47**

(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 fund managed by Insurer as permitted by Law. The management of fund is entrusted with the Insurer. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2026	For the year ended March 31, 2025
I. Movement in the present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	1,413.93	1,384.48
Current service cost	142.91	86.94
Interest cost	100.25	98.99
Past service cost including curtailment (gains)/losses	991.29	-
Benefits paid	(214.27)	(176.90)
Actuarial changes (gain)/loss	186.31	20.42
Present value of defined benefit obligation at the end of the year	2,620.42	1,413.93
II. Movement in fair value of plan assets:		
Fair value of plan assets at the beginning of the year:	2,217.66	2,054.20
Interest income	157.23	146.88
Contribution	-	-
Benefits paid	-	-
Remeasurement- return on plan assets excluding amount included in net interest	(126.30)	16.58
Fair value of plan assets at the end of the year	2,248.59	2,217.66
III. Net assets/(liability) recognized in balance sheet:		
Present value of defined benefit obligation	2,620.42	1,413.93
Fair value on plan assets	2,248.59	2,217.66
Surplus/(deficit)	(371.83)	803.73
Effect of asset ceiling if any	-	-
Net assets/(liability) recognized in balance sheet	(371.83)	803.73
The above amount has been shown in Note-22 "Provisions" as on 31st March, 2026 and in Note -13 "Other assets" under the head "Gratuity fund receivable" as on 31st March, 2025		
IV (a) Amount recognized in statement of profit and loss		
Current service cost	142.91	86.94
Past service cost including curtailment (gains)/losses	991.29	-
Net interest expense on net defined benefits liability / (asset)	(56.98)	(47.89)
Net cost	1,077.22	39.05
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		

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
IV (b) Amount recognized in other comprehensive income		
Actuarial gain/ (loss) on obligation	(186.31)	(20.42)
Remeasurement- Return on plan assets (excluding amount included in net Interest)-gain/ (loss)	(126.30)	16.58
Net income/(expense) for the year recognised in other comprehensive income	**(312.61)**	**(3.84)**
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
3. Actuarial changes arising from changes in experience adjustments (gain/ (loss))	297.51	13.52
4. Actuarial gain/(loss) arising on plan assets	(126.28)	(16.58)
VI. The major categories of plan assets as a percentage of the fair value of total plan assets :		
Insurer management fund	100%	100%
VII. The Principal assumptions used for the purpose of actuarial valuation are as follows:		
Discount rate (per annum)	7.90%	7.09%
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, 2026	For the year ended March 31, 2025
a) Impact of the change in discount rate		
Impact due to increase of 0.50%-increase(decrease) in obligation	(78.82)	(55.90)
Impact due to decrease of 0.50 %-increase(decrease) in obligation	84.46	60.12
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-increase(decrease) in obligation	86.46	51.85
Impact due to decrease of 0.50 %-increase(decrease) in obligation	(81.29)	(49.48)

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) 0-1 year	662.22	95.02
b) 1-2 year	106.68	104.59
c) 2-3 year	105.39	142.54
d) 3-4 years	315.11	66.32
e) 4-5 years	209.81	121.11
f) More than 5 years	1,221.21	884.35

X. The Company expects to make a contribution of ₹ 175.29 Lakhs to defined benefit plans during the next financial year (March 31, 2025 ₹ 44.43 Lakhs).

(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 head "salaries and wages" is ₹ 213.07 lakhs (previous year ₹ 98.95 lakhs)."

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

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	133.73	104.28
Non-current liability	664.94	529.18

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 ₹ 57.39 Lakhs (previous year ₹ 64.66 Lakhs) is included under depreciation and amortization expense in the statement of profit and loss.

(b) Interest expense on the lease liability amounting to ₹ 13.65 Lakhs (previous year ₹ 13.48 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, 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**
As at April 1, 2025	**889.90**	**304.64**	**585.26**
Addition during the year	39.49	-	
Deletion during the year	(20.98)	(20.98)	
Depreciation during the year	-	18.01	
As at March 31, 2026	**908.41**	**301.67**	**606.74**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Gross carrying value	Depreciation	Net carrying value
(ii) Buildings			
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**
As at April 1, 2025	**299.63**	**260.25**	**39.38**
Addition during the year	-	-	
Adjustments during the year	-	-	
Depreciation during the year	-	39.38	
As at March 31, 2026	**299.63**	**299.63**	**(0.00)**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current lease liabilities	2.08	47.07
Non current lease liabilities	117.41	80.26
Total	**119.49**	**127.33**

(e) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	**127.33**	**178.41**
Additions during the year	39.49	-
Adjustments during the year	(20.98)	-
Finance cost accrued during the year	13.65	13.48
Payment of lease liabilities	(40.00)	(64.56)
Balance at the end of the year	**119.49**	**127.33**

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

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	14.03	12.75	56.77	47.07
After one year but not more than 5 years	56.10	40.42	39.24	8.28
More than 5 years	392.01	66.32	304.88	71.98
Total minimum lease payments	**462.14**	**119.49**	**400.90**	**127.33**
Less: amount representing finance charges	342.65		273.57	
Present value of minimum lease payments	**119.49**	**119.49**	**127.33**	**127.33**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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 ₹ 47.58 Lakhs during the year ended March 31, 2026 towards expense relating to short-term leases having tenure of less than 12 months (previous year ₹ 36.87 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, 2026 is ₹ 133.73 Lakhs (previous year ₹ 153.99 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, 2026	As at March 31, 2025
(i) Not later than one year	133.08	150.44
(ii) Later than one year and not later than five years	158.10	139.13
(iii) Later than five years	-	-
Total	**291.18**	**289.57**

Note 42: Events after the reporting period

The Board of Directors of the company has recommended a final dividend of ₹ 3.40/- per equity share of the face value of ₹ 2 each (previous year ₹ 1.80/- per equity share of face value of ₹ 2 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, 2026	For the year ended March 31, 2025
(i) Amount required to be spent for the year	739.61	929.80
(ii) Interest earned on deposits under on-going projects-Included in CSR Expense in the statement of profit and loss"	7.00	-
(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	739.61	723.73
(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	49.35	80.34
(iv) Shortfall of current year	Nil	206.07
(v) Total of previous years shortfall (including interest earned on deposits under on-going projects)	163.72	-
(vi) Reason for shortfall (of current and previous years)	Pertains to ongoing projects	Pertains to ongoing projects

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(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

Note 44: Particulars of Loans, Guarantees and Investment under Section 186 of the Companies Act, 2013

Sr. No.	Nature of the transaction (Loans given/ Guarantee given/Security Provided/ Investment made	Purpose for which the loan/guarantee/ security is utilized by the recipient	As at March 31, 2026	As at March 31, 2025
1	Guarantee given to Banks for Subsidiary			
	TACC Ltd*	Business Purpose	1,23,000.00	-
		Total		

* Corporate Guarantee given by the company to State Bank of India for securing credit facilities by the wholly owned subsidiary - TACC Limited amounting to ₹ 1,23,000.00 Lakhs as on 31[st] March, 2026. (31[st] March 2025 - NIL) (refer note 45C)

2 a) Equity Shares of Associates (At cost):

No. of units	Particulars	Face Value	As at March 31, 2026	As at March 31, 2025
160000000	(Previous year 120000000) fully paid up equity shares of TACC Ltd. (Subsidiary)*	10	18,056.00	12,000.00
3270618	(Previous year 3270618) fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) (Subsidiary)	10	4,145.90	4,145.90
50000	(Previous year 50000) fully paid up equity shares of HEG Graphite Ltd (Subsidiary)	2	1.00	1.00
81232560	(Previous year 81232560) fully paid up equity shares of Bhilwara Energy Ltd. (Associate)	10	30,711.50	30,711.50
Total			**52,914.40**	**46,858.40**
* Includes value of deemed investment of ₹ 2,056.00 Lakhs (Previous Year Nil) in subsidiary in terms of fair valuation under Ind AS 109				
b) Investment in equity instruments- quoted (at fair value through profit or loss)				
2577106	(Previous year 24310015) fully paid up equity shares of Graftech International Ltd., USA	$ 0.01	16,538.74	18,183.44
Total			**16,538.74**	**18,183.44**
c) Investment in Optionally Convertible Debentures of Subsidiary (at fair value through profit or loss)				
40000000	(Previous year Nil) Optionally Convertible Debentures (TACC LTD) @ 0.01% Coupon Rate	0	37,944.00	-
Total			**37,944.00**	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

3. Detail of the Loans given by the Company to Subsidiaries and Associates

Name of the Company / Entity	Amount outstanding		Maximum amount outstanding during		Purpose for which the loan utilised / to be utilised	Rate of Interest Per Annum
	As at March 31, 2026	As at March 31, 2025	2025-26	2024-25		
TACC Ltd (Subsidiary)	-	-	10,000.00	-	Business Purpose	9%
Bhilwara Energy Ltd (Associate)*	21,000.00	-	21,000.00	-	Business Purpose #	9%

* Loan to Associate is before expected credit loss of ₹ 150 Lakhs (in previous year Nil)

4. Disclosure of Ultimate Beneficiaries

For the year ended March 31, 2026

Name of the Associate	Date of loan to Associate	Nature of transaction	Amount of Loan (₹ Lakhs)	Name of the beneficiary	Date of further loan by subsidiary to beneficiary	Nature of transaction	Amount of Loan (₹ Lakhs)
Bhilwara Energy Ltd #	16.10.2025	Unsecured Loan given	21,000.00	Chango Yangthang Hydro Power Ltd. (Wholly owned Subsidiary of Associate)	16.10.2025	Loan Given	21,000.00

For the year ended March 31, 2025

Name of the Associate	Date of loan to Associate	Nature of transaction	Amount of Loan (₹ Lakhs)	Name of the beneficiary	Date of further loan by subsidiary to beneficiary	Nature of transaction	Amount of Loan (₹ Lakhs)
-	-	-	-	-	-	-	-

\# Loan for its growth trajectory (for further purchase of shares by BEL which would make Malana Power Company Ltd, 100% owned directly/indirectly by BEL

5 Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulation, 2015:

Name of the Company / Entity	As at March 31, 2026	As at March 31, 2025
Name of the Company : TACC Ltd (Subsidiary)		
Balance as at year end	-	-
Maximum amount outstanding at any time during the year	10,000.00	-
Name of the Company : Bhilwara Energy Ltd (Associate)		
Balance as at year end	21,000.00	-
Maximum amount outstanding at any time during the year	21,000.00	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2026	As at March 31, 2025
(a) Debt*	79,328.47	58,485.65
(b) Cash & cash equivalents	(2,201.96)	(2,365.25)
(c) Net debt (a)+(b)	77,126.51	56,120.40
Total equity (Including other equity)	4,30,316.68	4,15,952.66
Net debt to equity ratio	**0.18**	**0.13**

* 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, 2026 and March 31, 2025.

Note 45B: Financial instruments- accounting classification and fair value measurement

(a) Classification of financial instruments

As at March 31, 2026

Particulars	Carrying Amount						Total fair value
	At amortised cost	At fair value through OCI		At fair value through profit or loss		Total carrying amount	
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (refer note 9) #							
-Equity instruments	-				16,538.74	16,538.74	16,538.74
-Fixed maturity plans	-				10,338.75	10,338.75	10,338.75
-Mutual funds	-				31,696.38	31,696.38	31,696.38
-Bond funds	-				9,352.73	9,352.73	9,352.73

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Carrying Amount						
	At amortised cost	At fair value through OCI		At fair value through profit or loss		Total carrying amount	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
-Optionally Convertible Debentures	-				37,944.00	37,944.00	37,944.00
-Infra trust	-				4,879.60	4,879.60	4,879.60
Trade receivables	49,945.81			-	-	49,945.81	49,945.81
(refer note 10)							
Cash and cash equivalents	2,201.96			-	-	2,201.96	2,201.96
(refer note 15)							
Other bank balances	4,554.03					4,554.03	4,554.03
(refer note 16)							
Loans (refer note 11)	20,974.73			-	-	20,974.73	20,974.73
Other financial assets	12,545.36					12,545.36	12,545.36
(refer note 12)							
Total financial assets	**90,221.89**	**-**	**-**	**-**	**1,10,750.20**	**2,00,972.09**	**2,00,972.09**
Financial liabilities							
Borrowings (refer note 19)	79,328.47				-	79,328.47	79,328.47
Trade payables (refer note 20)	38,802.69				-	38,802.69	38,802.69
Lease liabilities	119.49				-	119.49	119.49
(refer note 21A)							
Other financial liabilities	5,799.20				-	5,799.20	5,799.20
(Refer note 21B)							
Derivative financial	-				1,663.33	1,663.33	1,663.33
instruments (refer note 21B)							
Total financial liabilities	**1,24,049.85**	**-**	**-**	**-**	**1,663.33**	**1,25,713.18**	**1,25,713.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

As at March 31, 2025

Particulars	Carrying Amount						
	At amortised cost	At fair value through OCI		At fair value through profit or loss		Total carrying amount	Total fair value
		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
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**

Investment value excludes investment in Associates/Subsidiaries of ₹ 52,914.40 Lakhs (March 31, 2025: ₹ 46,858.40 Lakhs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2026

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)	16,538.74	16,538.74		
-Fixed maturity plans	10,338.75	-	10,338.75	-
-Mutual funds	31,696.38	-	31,696.38	-
-Bond funds	9,352.73	-	9,352.73	
-Optionally Convertible Debentures	37,944.00	-	-	37,944.00
-Infra trust	4,879.60	-	-	4,879.60
Total	**1,10,750.20**	**16,538.74**	**51,387.86**	**42,823.60**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	1,663.33	-	1,663.33	-
Total	**1,663.33**	**-**	**1,663.33**	**-**

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	34,481.02	-	34,481.02	-
-Bond funds	8,871.65	-	8,871.65	-
-Infra trust	5,060.00	-	-	5,060.00
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	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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 Infra trust	Amount Optionally Convertible Debentures
As at April 1, 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**	**-**
Additions during the year	-	37,944.00
Sales during the year	-	-
Gain/(loss) recognised in profit or loss on fair value changes	(180.40)	-
As at March 31, 2026	**4,879.60**	**37,944.00**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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, 2026			As at March 31, 2025		
			No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)
Against receivables	USD/ INR	Sold	45	600.00	56,792.58	-	-	-
Against receivables	EUR/ INR	Sold	12	120.00	13,080.77	-	-	-

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:

Category	Currency	As at March 31, 2026		As at March 31, 2025	
		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	210.17	19,893.53	162.84	13,935.97
	Euro	0.91	99.01	0.14	13.26
Other payables (B)	USD	12.01	1,136.65	12.03	1,029.50
	Euro	5.16	562.56	5.52	509.35
Borrowings (C)	USD	645.87	61,134.69	562.00	48,096.63
	Euro	101.98	11,116.80	58.36	5,387.80
Total exposure to foreign currency risk (liabilities) (D=A+B+C)	USD	868.05	82,164.87	736.87	63,062.10
	Euro	108.05	11,778.37	64.02	5,910.41
II. Financial assets					
Trade receivables (E)	USD	201.87	19,108.28	243.57	20,844.92
	Euro	91.67	9,992.31	97.93	9,041.28
Bank balances (F)	USD	6.69	633.17	0.02	1.74
	Euro	0.87	94.66	0.00	0.00
Total exposure to foreign currency risk (assets) (G=E+F)	USD	208.56	19,741.45	243.59	20,846.66
	Euro	92.54	10,086.97	97.93	9,041.28
Net exposure to foreign currency risk after considering natural hedge receivable/(payable) (H=G-D)	USD	(659.49)	(62,423.41)	(493.28)	(42,215.45)
	Euro	(15.52)	(1,691.40)	33.91	3,130.87
Foreign currency forward contracts outstanding in respect of receivables/export orders (I)	USD	600.00	56,792.58	-	-
	Euro	120.00	13,080.77	-	-
Foreign currency forward contracts outstanding in respect of payables (J)	USD	-	-	-	-
	Euro	-	-	-	-
Net exposure to foreign currency risk in respect of receivables after considering natural hedge and forward contracts # (H-I)	USD	(59.49)	(5,630.83)	(493.28)	(42,215.45)
	Euro	104.48	11,389.36	33.91	3,130.87

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, 2026	For the year ended March 31, 2025
USD Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	(281.54)	(2,110.77)
Decrease in exchange rate by 5% (previous year 5%)	281.54	2,110.77
EURO sensitivity		
Increase in exchange rate by 5% (previous year 5%)	569.47	156.54
Decrease in exchange rate by 5% (previous year 5%)	(569.47)	(156.54)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. In order to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2026			As at March 31, 2025		
	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	6.82%	79,328.47	100	6.03%	58,485.65	100
Fixed rate borrowings	-	-		-	-	
Total borrowings	**6.82%**	**79,328.47**	**100**	**6.03%**	**58,485.65**	**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, 2026	For the year ended March 31, 2025
Interest rate - increase by 50 basis points	(396.64)	(292.43)
Interest rate - decrease by 50 basis points	396.64	292.43

(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, infrastructure trust and Optionally Convertible Debenture (OCD). 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 valuation of OCD is taken based upon valuation report by independent registered valuer. The Company is exposed to price risk on such Investments.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Investments in debt based fixed maturity plans, mutual fund schemes, equity instruments, infrastructure trust and OCD carried at fair value through profit and loss	1,10,750.20	76,270.41

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case fair value/NAV has been 1% higher / lower.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Impact on Profit- Increase/(decrease)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Fair value/NAV increase by 1%	1,107.50	762.70
Fair value/NAV decrease by 1%	(1,107.50)	(762.70)

(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 2025-26 and 2024-25

(i) Allowances for expected credit losses on financial assets

As at March 31, 2026

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	124.73	-	124.73
Security deposits	4,265.21	-	4,265.21
Loans to Related parties	21,000.00	150.00	20,850.00

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	50,694.11	748.30	49,945.81

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
Loans to related parties	-	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Financial assets to which loss allowance is measured using lifetime expected credit loss(ECL)	Gross carrying amount	Expected credit loss	Carrying amount (net of ECL)
Trade receivables	44,483.39	489.10	43,994.29

(ii) Reconciliation of allowances for expected credit loss and 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, 2026	For the year ended March 31, 2025
As at the beginning of year	489.10	359.45
Provided during the year	259.20	129.65
Reversal during the year	-	-
As at the end of the year	748.30	489.10

* The Company is exposed to credit risk in relation to financial guarantee given by the Company on behalf of its wholly owned subsidiary. During the year the Company has given corporate guarantee to Bank on behalf of its wholly owned subsidiary of ₹ 1,23,000.00 Lakhs. The Company's maximum exposure in this regard is the maximum amount the Company could have to pay if the guarantee is called on March 31, 2026 which is ₹ Nil as wholly owned subsidiary has not drawn any fund out of the limit from the bank as on March 31, 2026. Company has provided impairment loss allowance of ₹ Nil as on March 31, 2026, based on fair value of the Corporate guarantee given by the independent registered valuer.

(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, 2026	For the year ended March 31, 2025
Floating rate		
– Expiring within one year – Working Capital Loans	85,100.00	78,121.00

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, 2026

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	79,328.47				79,328.47
Trade payables	38,802.69	-	-	-	38,802.69
Lease liabilities	14.03	19.62	19.62	295.07	348.34
Other financial liabilities	7,462.53	-	-	-	7,462.53
Total	**1,25,607.72**	**19.62**	**19.62**	**295.07**	**1,25,942.03**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

Note 46: Carrying amount of pledged assets

Particulars	As at March 31, 2026	As at March 31, 2025
First charge		
Current assets		
(a) Trade receivables	49,945.81	43,994.29
(b) Inventories	1,13,373.66	1,25,463.80
Total (A)	**1,63,319.47**	**1,69,458.09**
Secondary charge		
Property, plant and equipment (including capital work-in-progress and leasehold land)	1,78,595.06	1,91,549.29
Total (B)	**1,78,595.06**	**1,91,549.29**
Total (A+B)	**3,41,914.53**	**3,61,007.38**

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, 2026	For the year ended March 31, 2025
- Graphite electrode	2,36,907.77	1,97,636.80
- Graphite by-products	15,623.94	13,161.59
- Power	2,645.72	2,935.48
Total	**2,55,177.43**	**2,13,733.87**

(b) Geographical

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from customers within India (including sale to SEZ units)	83,010.50	70,503.59
Revenue from customers based outside India	1,72,166.93	1,43,230.28
Total	**2,55,177.43**	**2,13,733.87**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(c) Timing of revenue recognition

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from goods transferred to customers at a point in time	2,55,177.43	2,13,733.87
Revenue from goods transferred to customers over time	-	-
Total	**2,55,177.43**	**2,13,733.87**

(ii) Reconciliation of revenue from contract with customer

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contract with customer as per the contract price	2,55,651.94	2,15,505.65
Adjustments made to contract price on account of :-		
a) Discounts / rebates / incentives	-	-
b) Sales returns / credits / reversals	474.51	1,771.78
Revenue from contract with customer	**2,55,177.43**	**2,13,733.87**
Other operating revenue	1,673.04	1,537.04
Revenue from operations	**2,56,850.47**	**2,15,270.91**

(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, 2026 includes revenue against advances from customers amounting to ₹ 781.18 Lakhs (previous Year- ₹ 657.12 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, 2026	As at March 31, 2025
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 48: Key financial ratios

Particulars	Numerator	Denominator	For the year ended March 31, 2026	For the year ended March 31, 2025	Variance	Reasons for variance (in case the variance is more than 25%)
Current ratio (in times)	Current assets	Current liabilities	1.95	2.19	-10.74%	NA
Debt – Equity ratio (in times)	Total debt	Shareholder's equity	0.18	0.14	31.11%	The increase is due to higher utilisation of short term loans during the year.
Debt service coverage ratio (in times)	Earnings available for debt service(1)	Debt service(2)	0.53	0.55	-3.85%	NA
Return on equity (ROE) (in %)	Profit after Tax	Average shareholder's equity	4.27%	2.44%	75.04%	The increase is due to higher profit after tax during the period due to lower input costs.
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	0.89	0.74	20.64%	NA
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivable	5.43	4.51	20.51%	NA
Trade payables turnover ratio (in times)	Purchases of goods and services	Average trade payables	4.45	4.44	0.30%	NA
Net capital turnover ratio (in times)	Revenue from sale of goods	Working capital	2.07	1.66	24.24%	NA
Net profit ratio (in %)	Profit after Tax	Revenue from sale of goods	7.08%	4.74%	49.40%	The increase is due to higher profit after tax during the period due to lower input costs.
Return on capital employed (ROCE) (in %)	Earning before interest and taxes	Capital employed(3)	5.66%	3.86%	46.83%	The increase is due to higher earning before interest and taxes during the period due to lower input costs.
Return on investment (ROI) (in %)	Income generated from investments	Average investments (other than investment in Associates)	0.71%	-3.47%	-120.45%	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, 2026

(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, 2026		For the year ended March 31, 2025	
	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	58,485.65	-	61,937.81	-
Changes during the year				
a) Changes from cash flows	17,335.91	-	(3,763.16)	-
b) The effect of changes in foreign exchanges rates- (gain)/loss	3,506.91		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	**79,328.47**	**-**	**58,485.65**	**-**

Note 50: Details of research and development expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Capital	-	-
b) Revenue	665.35	319.79

Note 51: Government grants

Particulars	Grants recognised during the year		Grants recoverable	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Government grant shown as other operating revenue				
Export incentives	1,424.00	1,194.86	288.11	625.74
B. Government grant deducted from expenses				
Interest subvention on export packing credit loans reduced from finance cost	-	-	286.95	286.95
Subsidy in electricity tariff reduced from power and fuel expenses	942.19	510.97	1,453.16	510.97
C. Government grant shown as other income				
State Government investment promotion assistance as per MP industrial promotion policy 2018	3,391.00	5,714.00	5,714.00	5,714.00
Total of government grants recognised & grants recoverable	**5,757.19**	**7,419.83**	**7,742.22**	**7,137.66**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 willful 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, except as mentioned in note 44 (4)

(v) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) During the financial year, the Company has not traded or invested in Crypto currency or virtual currency.

(vii) The Company does not have any charge or satisfaction thereof which is pending for registration with ROC beyond the statutory period.

(viii) The Company has 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 except as mentioned in note 45 (C)

(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 May 22, 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 April 1, 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 March 10, 2025 has approved the execution of definitive agreements in connection with the issue of further shares to investors.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(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 modified scheme was approved by the board of directors of respective companies on March 10, 2025. 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 (NCLT) and the shareholders and creditors (as applicable) of the Companies involved in the Scheme. Approval/observation letters from BSE and NSE were received on January 8, 2026 and January 9, 2026 respectively. Thereafter, the Scheme was filed with the Hon'ble National Company Law Tribunal, Indore Bench on January 24, 2026.

Pursuant to order dated March 26, 2026, the Hon'ble NCLT has directed convening of meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of HEG Limited and Equity Shareholders of Bhilwara Energy Limited through Video Conferencing / Other Audio Visual Means for approval of the Scheme. Accordingly, notices have been issued to the respective stakeholders and the meetings are scheduled to be held on Tuesday, May 5, 2026.

Pending receipt of final approvals from NCLT, no adjustments have been made in the standalone financial statements for the financial year ended March 31, 2026.

Note 55:

The Government of India, vide notification dated November 21, 2025, has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"), which consolidate and replace existing multiple labour legislations. In accordance with Ind AS 19 – Employee Benefits, changes to employee benefit plans resulting from the new labour codes are treated as plan amendments, requiring immediate recognition of past service cost as expense in the statement of profit and loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. The implementation of the Labour Codes has resulted in an increase of ₹ 1,066.68 Lakhs in the provision for gratuity and long-term compensated absences, which has been recognized as an employee benefit expense in the standalone financial statements for the year ended March 31, 2026. The Company continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/additional guidance from authorities and will continue to assess the accounting implications basis such developments/guidance.

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 : April 29, 2026

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 FINANCIAL STATEMENTS

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, 2026, 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, 2026, and the consolidated profit, consolidated total comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit 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, 2026. 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 judgement required in estimating the level of provisioning. Accordingly, unexpected adverse outcomes may significantly impact the Group's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.	Our audit procedures involved the following:: ➢ Obtaining an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and internal control relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. ➢ Obtained the list of litigations including for direct and indirect taxes and other claims against the Holding Company and discussed and analysed material legal cases with the Holding 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

Emphasis of Matter

We draw attention to the Emphasis of matters reported in the Auditor's Report on Consolidated Financial Statements in respect of Subsidiaries of Associate, 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(vi)(a) (Note 57a of the Consolidated Financial Statements), 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 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 Lakhs from GoAP invoking the clauses of MoA and presently the matter is under Arbitration with GoAP.

(ii) In Chango Yangthang Hydro Power Limited (NHPL), a subsidiary of the associate

We draw attention to Note-43(vii-b) (Note 57b of the Consolidated Financial Statements) , due to various socio-legal issues and non-availability of the clearances from the appropriate authorities, the company vide its letter dated July 11, 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.

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 premium and security deposit as mentioned above have been grouped under Other Non-Current Financial Assets.

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) Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 ₹65,083.49 Lakhs as at March 31, 2026, total revenue of ₹2,247.69 Lakhs, Profit/(loss) after tax of ₹1,044.45 Lakhs, Total other comprehensive income/(loss) of ₹1,044.45 Lakhs and net cash inflow/(outflow) of ₹15,568.57 Lakhs for the year ended March 31, 2026, 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 ₹11,550.66 Lakhs and Group's share of Total comprehensive income/(loss) of ₹11,536.35 Lakhs for the year ended March 31, 2026 in respect of two associates(including one associate for the period from June 1, 2025 to November 13, 2025), 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) & 3(xx)(b)

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 aforesaid Consolidated Financial Statements have been kept by the Group, including relevant records so far as it appears from our examination of those books.

(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, 2026 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, 2026 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 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 have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts. Refer Note 45 to the Consolidated Financial Statements.

(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, other than as disclosed in the Note 44 to the Consolidated Financial Statements. 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 subsidiaries 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, the Holding Company, its subsidiaries 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.

(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, subsidiaries 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: 26516834LWJSSX7891

Place : Noida
Date : April 29, 2026

“ANNEXURE A” to The Independent Auditors 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 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, 2026, 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 over Financial Reporting 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the 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, 2026, 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 one associate company, 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: 26516834LWJSSX7891

Place : Noida
Date : April 29, 2026

Consolidated Balance Sheet

as at March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS				
1.	**Non-current assets**			
(a)	Property, plant and equipment	4	1,74,343.53	1,89,220.09
(b)	Capital work-in-progress	5	22,363.49	7,088.82
(c)	Right-of-use-asset	6	3,688.86	3,748.81
(d)	Investment property	7	615.09	647.60
(e)	Goodwill on consolidation		92.97	92.97
(f)	Intangible assets	8	96.41	119.48
(g)	Intangible assets under development	8A	66.12	49.21
(h)	Financial assets			
	(i) Investments in Associates accounted for using the Equity method	9A	74,171.00	58,927.05
	(ii) Other investments	9B	33,310.74	41,789.39
	(iii) Loans	11	5,059.20	97.13
	(iv) Other financial assets	**12**	**4,617.56**	**5,329.00**
(i)	Income tax assets (net)	25A	4,686.36	10,539.34
(j)	Other non-current assets	13	4,129.09	1,511.99
Total non-current assets			**3,27,240.42**	**3,19,160.88**
2.	**Current assets**			
(a)	Inventories	14	1,13,373.66	1,25,463.80
(b)	Financial assets			
	(i) Investments	9B	40,273.17	39,307.04
	(ii) Trade receivables	10	49,951.06	44,469.66
	(iii) Cash and cash equivalents	15	4,058.84	5,076.34
	(iv) Bank balances other than (iii) above	16	20,954.03	9,627.62
	(v) Loans	11	20,915.53	83.09
	(vi) Other financial assets	12	8,773.39	6,885.44
(c)	Other current assets	13	31,035.41	14,742.33
Total current assets			**2,89,335.09**	**2,45,655.32**
Total assets			**6,16,575.51**	**5,64,816.20**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	17	3,859.59	3,859.59
(b)	Other equity	18	4,71,932.21	4,41,517.24
Total equity			**4,75,791.80**	**4,45,376.83**
Liabilities				
1.	**Non-current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	**19**	**-**	**-**
	(1a) Lease liabilities	21A	259.94	222.77
(b)	Provisions	22	745.10	679.81
(c)	Deferred tax liabilities (net)	23	8,293.40	9,493.47
(d)	Other non-current liabilities	24	482.97	494.69
Total non-current liabilities			**9,781.41**	**10,890.74**
2.	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings	19	79,328.47	58,485.65
	(ia) Lease liabilities	21A	13.68	58.70
	(ii) Trade payable			
	- Total outstanding dues of micro enterprises and small enterprises	20	2,623.35	1,108.82
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	20	37,454.29	38,820.35
	(iii) Other financial liabilities	21B	7,604.66	6,394.96
(b)	Other current liabilities	24	1,887.73	1,800.49
(c)	Provisions	22	832.75	458.75
(d)	Current tax liabilities (net)	25B	1,257.37	1,420.91
Total current liabilities			**1,31,002.30**	**1,08,548.63**
Total liabilities			**1,40,783.71**	**1,19,439.37**
Total equity and liabilities			**6,16,575.51**	**5,64,816.20**

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 : April 29, 2026

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 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	Revenue from operations	26	2,56,850.47	2,15,270.91
II.	Other income	27	14,098.14	12,756.60
III.	**Total income (I + II)**		**2,70,948.61**	**2,28,027.51**
IV.	**Expenses:**			
	Cost of materials consumed	28	97,551.87	95,472.60
	Changes in inventories of finished goods and work-in-progress	29	8,791.18	(5,096.94)
	Employee benefit expenses	30	12,367.51	9,654.70
	Finance costs	31	3,720.77	3,919.64
	Depreciation and amortization expense	32	21,321.20	20,054.67
	Other expenses	33	98,308.70	89,260.32
	Total expenses (IV)		**2,42,061.23**	**2,13,264.99**
V.	**Profit before tax & share of profit of Associates (III - IV)**		**28,887.38**	**14,762.52**
VI.	**Share of profit of Associates**		**11,550.70**	**1,747.96**
VII.	**Profit before tax from Continuing Operations (V+VI)**		**40,438.08**	**16,510.48**
VIII.	**Tax expense:**			
	(1) Current tax	34	7,725.43	4,944.59
	(2) Earlier years tax adjustment	34	92.14	(103.36)
	(3) Deferred tax	34	(1,177.03)	(191.22)
	Total tax expense (VIII)		**6,640.54**	**4,650.01**
IX.	**Profit/(loss) for the year from Continuing Operations (VII-VIII)**		**33,797.54**	**11,860.47**
X.	**Discontinued Operations**			
	Profit/(Loss) from discontinued operations before tax (i)		489.02	(473.66)
	Tax expenses from discontinued operations (ii)		149.74	(118.73)
	Profit/(Loss) from discontinued operations {(i) - (ii)}		339.28	(354.93)
XI.	**Profit/(loss) for the year (IX+X)**		**34,136.82**	**11,505.54**
XII.	**Other comprehensive income**			
	Continuing Operations (A)			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of defined employee benefit plan	35	(312.61)	(4.99)
	(ii) Tax expense relating to items that will not be reclassified to profit or loss	34	78.68	1.26
	Total		**(233.93)**	**(3.73)**
	Discontinued Operations (B)			
	Items that will not be classified to profit or loss			
	(i) Remeasurement of defined employee benefit plan		-	-
	(ii) Tax expense relating to items that will not be reclassified to profit or loss		-	-
	Total		**-**	**-**
	Total other comprehensive income for the year [A+B]		**(233.93)**	**(3.73)**
XIII.	**Share of other comprehensive income of Associates**		**(14.32)**	**(35.13)**
XIV.	**Total comprehensive income for the year (comprising profit and other comprehensive income for the year)**			
	Continuing Operations (C= IX+XII(A)+XIII)		**33,549.29**	**11,821.61**
	Discontinued Operations (D=X+XII(B))		**339.28**	**(354.93)**
	Total comprehensive income for the year (C+D) (comprising profit and other comprehensive income for continuing and discontinued operations for the year)		**33,888.57**	**11,466.68**
	Earnings per equity share from continuing operations: (of ₹2/- each)			
	(1) Basic (₹)	36	17.51	6.15
	(2) Diluted (₹)	36	17.51	6.15
	Earnings per equity share from discontinued operations: (of ₹2/- each)			
	(1) Basic (₹)	36	0.18	(0.19)
	(2) Diluted (₹)	36	0.18	(0.19)
	Earnings per share from continuing and discontinued operations (of ₹2/- each)			
	(1) Basic (₹)	36	17.69	5.96
	(2) Diluted (₹)	36	17.69	5.96

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 : April 29, 2026

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 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax		
	From Continuing Operations	40,438.08	**16,510.48**
	From Discontinued Operations	489.02	(473.66)
	a) Share of profit of Associates	11,550.70	1,747.96
	Profit before Tax & Share of Profit of Associates	29,376.40	14,288.86
	b) Adjustment for non operating and non cash transactions		
	Depreciation and amortisation expense	21,331.59	20,059.48
	Inventory Write-down (net)	1,099.41	512.49
	Interest and other financial charges	3,700.88	3,574.50
	Net (profit)/loss on property plant and equipment sold / discarded	75.35	7.24
	Gain on reduction of Interest in Associates	(3,702.33)	
	Gain (Net) on Business Transfer	(632.97)	
	Allowance for expected credit losses	409.20	129.65
	Expenses on Sale/Purchases of Investments	29.95	10.26
	Liabilities / provisions written back	(71.79)	(1,750.04)
	Unrealized (gain)/loss due to effect of exchange rate changes in assets and liabilities	3,388.24	296.33
	Net gain on sale/fair valuation of investments measured at fair value through profit or loss	31.77	4,653.25
	Provision for Employee Benefits	(97.74)	
	Interest on Inter Corporate Loan	(203.54)	
	Dividend income	(250.15)	(190.03)
	Rent income	(133.73)	(153.99)
	Interest income	(670.69)	(1,622.57)
	Operating profit/(loss) before changes in operating assets & liabilities	**53,679.85**	**39,815.44**
	(Increase)/decrease in operating assets		
	(Increase)/decrease in inventories	10,990.73	(6,561.06)
	(Increase)/decrease in trade receivables	(4,926.96)	6,658.21
	(Increase)/decrease in other non-current financial assets	1,019.13	(618.52)
	(Increase)/decrease in other current financial assets	(22,933.52)	(3,099.94)
	(Increase)/decrease in other non-current assets	62.20	(3,344.22)
	(Increase)/decrease in other current assets	(16,587.01)	(151.92)
	Increase/(decrease) in operating liabilities		
	Increase/(decrease) in trade payables	(685.34)	(921.81)
	Increase/(Decrease) in other non-current financial liabilities	0.02	(7.52)
	Increase/(decrease) in other current financial liabilities	2,171.60	176.37
	Increase/(decrease) in non-current provisions	135.76	65.11
	Increase/(Decrease) in current provisions	401.28	9.17
	Increase / (Decrease) in Assets / Liabilities (Due to Transfer of Business)	73.47	
	Increase/(decrease) in other non-current liabilities	(11.72)	76.27
	Increase/(decrease) in other current liabilities	158.97	347.00
	Cash flows from/(used in) operating activities	**23,548.46**	**32,442.57**
	Income tax paid (net of refund, if any)	(2,228.77)	(4,472.00)
	Net cash flows from/(used in) operating activities (A)	**21,319.69**	**27,970.57**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
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)	(25,267.54)	(18,223.03)
	Proceeds from sale of property plant and equipments/business transfer	367.37	331.79
	Receipt on Transfer of Business Operations	559.50	
	Investment in fixed/term deposits not considered as cash and cash equivalents	(16,645.88)	(16,440.02)
	Redemption/maturity of fixed/term deposits not considered as cash and cash equivalents	4,895.53	34,963.25
	Decrease/(increase) in other bank balances not considered as cash and cash equivalents	180.40	66.18
	Payment for investments in Subsidiary	-	(3,727.90)
	Payment for Purchase of Investments (other than subsidiary)	(91,717.68)	(77,862.72)
	Proceeds from sale of investments	99,094.06	56,742.62
	Return of capital from INVIT	54.62	143.83
	Rent received	133.73	153.99
	Dividend received	249.14	193.50
	Inter Corporate Loan given	(5,000.00)	
	Interest received	1,071.03	2,813.66
	Net cash flows from/(used in) investing activities (B)	**(32,025.72)**	**(20,844.85)**
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceed/(repayment) of working capital borrowings (on net basis) (also refer note 49)	17,335.91	(3,763.16)
	Interest and other financial charges paid	(3,918.54)	(3,361.10)
	Interest paid on lease liabilities	(13.65)	(13.48)
	Inter Corporate Loan (given) / Received	-	
	Principal payment of lease liabilities	(47.33)	(51.81)
	Dividend paid on equity shares	(3,667.86)	(8,724.99)
	Net Cash flows from/(used in) financing activities (C)	**9,688.53**	**(15,914.54)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1,017.50)**	**(8,788.82)**
	Cash and cash equivalents at the beginning of the year	5,076.34	13,705.17
	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	4,058.84	5,076.34
	(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 ₹ 1,002.03 Lakhs (previous year ₹ 859.23 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 : April 29, 2026

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 Changes in Equity

for the year ended March 31,2026

(All amounts are in ₹ Lakhs unless otherwise stated)

A) Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
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 the current reporting year i.e. April 1, 2025	**10,437.85**	**2,029.93**	**4,29,049.46**	**4,41,517.24**
Profit for the year	-	-	34,136.82	34,136.82
Other comprehensive income for the year				
-Remeasurement of defined employee benefit plan (net of tax expense)	-	-	(233.93)	(233.93)
-Share of other comprehensive income of Associates	-	-	(14.32)	(14.32)
Share of direct adjustment in other equity of Associates	-	-	-	-
Dividend distributed during the year				
-Final dividend for the year ended March 31, 2025 @ ₹1.80/-per share	**-**	**-**	**(3,473.60)**	**(3,473.60)**
Balance at the end of current reporting year i.e. March 31, 2026	**10,437.85**	**2,029.93**	**4,59,464.43**	**4,71,932.21**

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, 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 previous reporting year i.e. March 31, 2025	**10,437.85**	**2,029.93**	**4,29,049.46**	**4,41,517.24**

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 : April 29, 2026

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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, 2026 were approved for issue by the Holding Company's Board of directors in their meeting held on April 29, 2026.

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, 2026	As at March 31, 2025
TACC Limited	India	Anode manufacturing for Lithium ion batteries	100%	100%
Bhilwara Infotechnology Limited**	India	IT enabled services	100%	100%
HEG Graphite Limited	India	Manufacturing of Graphite Electrodes	100%	100%
Texnere India Private Limited*	India	IT enabled services	-	100%

The Holding Company and the subsidiary jointly referred to as "the Group" hereinafter.

b. Associates

Name of Company	Country of Incorporation	Principal activities	Proportion (%) of equity interest	
			As at March 31, 2026	As at March 31, 2025
Bhilwara Energy Limited**	India	Power Generation and Power Consultancy	45.62%	49.01%
Texnere India Private Limited*	India	IT enabled services	-	-

*Associate Company of Bhilwara Infotechnology Limited w.e.f. June 01, 2025 to November 13, 2025, prior to this date it was a wholly owned subsidiary of Bhilwara Infotechnology Limited.

**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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) The functional and presentation currency of the group is Indian rupees (INR) and all amounts are rounded to the nearest ₹Lakhs and two decimals thereof, except otherwise stated.

2.3 Principles of consolidation

(i) Subsidiaries

Subsidiaries are entities where the group exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The financial statements of the Holding Company and its subsidiary have been combined on a line by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Interest in associates is consolidated using equity method as per IND AS 28 – 'Investment in Associates and Joint Ventures'. Under the equity method, an investment in an associate is initially recognized in the consolidated financial statements at cost and adjusted thereafter to recognize Group's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment

When there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of interest in the associate.

(iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.4 Material accounting policies

(i) Revenue Recognition

(a) Sale of products

The Group derives revenue primarily from sale of Graphite Electrodes.

Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on dispatch/ delivery and the amount of revenue can be measured reliably and recovery of consideration is probable.

Revenue is measured based on the transaction price (net of variable consideration) which is adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to short nature of credit period given to customers, there is no financing component in the contract.

(b) Power

Revenue from power generation is recognized on transmission of electricity to State Electricity Board or third parties at rate stipulated by SEB's and/or IEX at market rate equivalent.

(c) Other Operating Revenues

(i) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized at actual rate of realization.

(ii) Export entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(d) Interest Income

- Interest Income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Interest Income from financial asset is recognized when it is probable that economic benefits will flow to the group and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

(e) Other Income

(i) Dividend income is recognized when the right to receive payment is established and the amount of dividend can be measured reliably.

(ii) Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(ii) Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The raw materials and other supplies held for use in the production are valued at net realisable

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

value only if the finished products in which they are to be incorporated are expected to be sold below cost. The cost in respect of the various items of inventory is computed as under:

(i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

(ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

Net Realisable Value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

(iii) Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold Land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes its purchase price (net of taxes and duty recoverable), after deducting trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Subsequent cost relating to property, plant and equipment are included in the assets carrying value or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the costs of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of profit and loss when incurred.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognized. Fully depreciated assets still in use are retained in financial statements.

Property, plant and equipment which are not ready for intended use at each balance sheet date are disclosed as "Capital work-in-progress" and advances paid towards the acquisition of Property, plant and equipment outstanding at each balance sheet date are classified as Capital advances under "Other non-current assets". Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as pre-operative expenses and are included in Capital work-in-progress.

(iv) Investment property

Investment Properties comprises freehold land and building that are held for long-term rental yields or for capital appreciation and both are classified as investment property.

Investment properties are measured initially at cost, comprising the purchase price and directly attributable expenditure. Subsequently, investment property is carried at cost model, which is cost less accumulated depreciation and accumulated impairment losses, if any, in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in consolidated statement of profit and loss in the period of the retirement or disposal.

(v) Other Intangible Assets

An Intangible asset is recognized when it is probable that the expected future economic benefits that are

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

life of 58 years which has been determined based on internal assessment and independent technical evaluation carried out by external valuer.

The depreciation charge for each period is recognised in the Statement of Profit and Loss. The useful lives and method of depreciation are reviewed at the end of each financial year and the effect of any changes in estimate accounted for on a prospective basis.

(vii) Amortization

Other Intangible Assets

Other Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolescence and other economic factors and is as under:

Description of Asset	Useful Life
Computer Software	05 Years

Amortisation method and useful lives are reviewed at the end of each financial year and the effect of any changes in estimate accounted for on a prospective basis.

(viii) Impairment of Non-Financial Assets

Property, Plant and Equipment and Investment property are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation), had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

(ix) Foreign Currency Translations

Transactions in currencies other than the Group's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on re-translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in consolidated statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, Non-monetary items that are measured in term of historical cost in foreign currency are not reinstated.

(x) Employee Benefits

(A) Post Employment Benefits

(a) Defined contribution Plan

(i) Provident Fund

The Group makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Superannuation

The Group makes contribution in regard to superannuation to a separate trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Defined Benefit Plan

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee, based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability/asset is determined using projected unit credit method, through actuarial valuation carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such net interest cost along with the current service cost and, if applicable, the past service cost and settlement gain/loss, is included in employee benefit 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.

(xi) Leases

Group as a lessee

The Group's lease assets primarily consist of leases for land and Building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and of low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a systematic basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the lessee's incremental borrowing rate.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet. The interest expense on the lease liability has been separately presented as a component of finance costs in the statement of profit and loss. The payments of principal portion and interest portion of lease liability have been classified under financing activities in the statement of cash flows

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

When the grants relates to an expense item, it is recognised in the Statement of profit and loss by way of reduction from the related cost, which the grants are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the Group with no related costs is recognised in the Statement of profit or loss of the period in which it becomes receivable under 'Other operating income'/'Other income' based on the nature of grant.

Government grants relating to the purchase of property, plant and equipment are deducted from its gross value and are recognised in profit or loss on a systematic over the expected useful lives of the related assets by way of reduced depreciation.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of items of qualifying assets, which are the assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time as the assets are not ready for their intended use. All other borrowing costs are charged to the consolidated statement of profit and loss in the period in which they are incurred.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements since this may result in the recognition of income that may never be realised.

(xvii) Earnings Per Share

Basic earnings per equity share is computed by dividing the profit or loss for the period attributable to the equity holders of the Holding Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, for the effects of all dilutive potential equity shares, if any.

(xviii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition

The group recognises the financial assets and financial liabilities when it becomes party to the contractual provision of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets and or issue of financial liabilities that are not recognized at fair value through profit or loss, are added to or reduced from the fair value of the financial assets or financial liabilities, as appropriate. Transaction cost directly attributable to the acquisition of financial assets and financial liabilities recognized at fair value through Profit or Loss are recognised immediately in the Statement of Profit and Loss.

(ii) Subsequent measurement

For the purposes of subsequent measurement, financial instruments are classified as follows:

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

The carrying amounts of financial assets that are subsequently measured at amortised cost are determined based on the effective interest method less any impairment losses.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income for such instruments is recognised in profit or loss using the effective interest rate (EIR) method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount.

Fair value movements are recognised in the other comprehensive income (OCI) until the financial asset is derecognised. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the profit or loss.

(c) Financial assets at fair value through profit or loss (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 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 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 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

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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its consolidated financial statements.

In August 2025, MCA notified the following amendments to:

a. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

b. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its consolidated financial statements.

c. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its consolidated financial statements

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 4: Property, plant and equipment

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of		
Freehold land	317.81	317.81
Buildings	37,912.08	39,972.45
Plant and equipment	1,16,756.87	1,26,369.42
Furniture and fixtures	167.78	184.20
Vehicles	1,092.60	1,125.23
Office equipment	364.35	407.55
Electrical installation	17,612.06	20,709.03
Railway sidings	119.98	134.40
Total Property, plant and equipment	**1,74,343.53**	**1,89,220.09**

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

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installa-tion	Railway sidings	Total
Gross carrying amount as at April 1, 2024	**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)
Disposals/deletions		-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2025(A)	**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**
Additions	**-**	**1,890.80**	**3,805.45**	**35.15**	**339.44**	**125.14**	**659.52**	**-**	**6,855.50**
Acquired through Business Combination		**-**		**-**	**-**	**-**			**-**
Disposals/deletions	**-**	**(335.26)**	**(1,851.92)**	**(79.61)**	**(182.36)**	**(99.79)**	**(53.41)**	**-**	**(2,602.35)**
Gross carrying amount as at March 31, 2026 (B)	**317.81**	**65,498.12**	**2,44,060.29**	**709.76**	**2,158.27**	**1,418.87**	**28,784.49**	**647.42**	**3,43,595.03**
Accumulated depreciation as at April 1, 2024	**-**	**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)
Amount reclassified to Investment Property (refer note vi below)	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2025 (C)	**-**	**23,970.13**	**1,15,737.34**	**570.02**	**875.96**	**985.97**	**7,469.35**	**513.02**	**1,50,121.79**
Depreciation for the year	**-**	**3,828.65**	**13,145.19**	**45.50**	**323.37**	**183.40**	**3,749.51**	**14.42**	**21,290.04**
Acquired through business combination		**-**		**-**	**-**	**-**			**-**
Disposals/deletions	-	(212.74)	(1,579.11)	(73.54)	(133.66)	(114.85)	(46.43)	-	(2,160.33)
Accumulated depreciation as at March 31, 2026 (D)	**-**	**27,586.04**	**1,27,303.42**	**541.98**	**1,065.67**	**1,054.52**	**11,172.43**	**527.44**	**1,69,251.50**
Net carrying amount as at March 31, 2025 (A)-(C)	**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**
Net carrying amount as at March 31, 2026 (B)-(D)	**317.81**	**37,912.08**	**1,16,756.87**	**167.78**	**1,092.60**	**364.35**	**17,612.06**	**119.98**	**1,74,343.53**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(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 ₹79.69 Lakhs (previous year ₹58.00 Lakhs) transferred to capital work in progress in subsidiary company TACC Ltd.

(viii) Depreciation for the year of ₹10.61 Lakhs (previous year Nil) transferred to discontinued operations.

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

Particulars	As at March 31, 2026	As at March 31, 2025
Building, plant and equipment under erection/installation (including project and pre-operative expense) (refer note 58)	22,363.49	7,088.82

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, 2026					
Projects in progress	16,941.28	3,449.03	1,743.95	229.23	22,363.49
Project temporarily suspended	-	-	-	-	-
Total Capital work in progress	**16,941.28**	**3,449.03**	**1,743.95**	**229.23**	**22,363.49**
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

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, 2026					
Projects in progress	-	-	-	-	-
Capital work in progress as at March 31, 2025					
Projects in progress	434.91	-	-	-	434.91

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note:

(a) There is ₹Nil Lakhs capital-work-in progress whose completion is overdue compared to its original plan as on March 31, 2026, previous year ₹434.91 Lakhs

(b) There is no such project in capital-work-in progress whose cost has exceeded compared to its original plan as on March 31, 2026 and March 31, 2025.

Note 6: Right-of-use-asset

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of		
Land	3,688.86	3,709.43
Building	-	39.38
Total	**3,688.86**	**3,748.81**

Particulars	Land	Building	Total
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 (A)	**4,078.71**	**299.63**	**4,378.34**
Gross carrying amount as at April 1, 2025	4,078.71	299.63	4,378.34
Additions	39.49	-	39.49
Adjustments/Deletion	(20.98)	-	(20.98)
Gross carrying amount as at March 31, 2026(B)	**4,097.22**	**299.63**	**4,396.85**
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 (C)	**369.28**	**260.25**	**629.53**
Accumulated depreciation as at April 1, 2025	**369.28**	**260.25**	**629.53**
Depreciation for the year	60.06	39.38	99.44
Adjustments/Deletion	(20.98)	-	(20.98)
Accumulated depreciation as at March 31, 2026 (D)	**408.36**	**299.63**	**707.99**
Net carrying amount as at March 31, 2025 (A)-(C)	**3,709.43**	**39.38**	**3,748.81**
Net carrying amount as at March 31, 2026 (B)-(D)	**3,688.86**	**-**	**3,688.86**

(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 ₹42.05 Lakhs (previous year ₹41.85 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, 2026	As at March 31, 2025
Building	615.09	647.60

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Amount
Building	
Gross carrying amount	
As at April 1, 2024	1,001.31
Additions	-
Disposals	(38.22)
As at March 31, 2025 (a)	**963.09**
Additions	-
Disposals	-
As at March 31, 2026 (b)	**963.09**
Accumulated depreciation	
At April 1, 2024	**310.62**
Charge for the year	32.86
Disposals	(27.99)
As at March 31, 2025 (c)	**315.49**
Charge for the year	32.51
Disposals	-
As at March 31, 2026 (d)	**348.00**
Net carrying amount	
As at March 31, 2025 (a-c)	**647.60**
As at March 31, 2026 (b-d)	**615.09**

(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, 2026	For the year ended March 31, 2025
Rental income	130.89	149.30
Direct operating expenses from property that generated rental income	7.69	7.66
Total income from investment properties before depreciation	**123.20**	**141.64**
Depreciation	32.51	32.86
Net income from investment properties	**90.69**	**108.78**

(iii) Fair value of investment properties

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of investment properties	5,341.50	5,319.39

(iv) Fair value technique used and its hierarchy

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, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 8: Intangible assets

Carrying amount of intangible assets

Particulars	As at March 31, 2026	As at March 31, 2025
Software	96.41	119.48
	96.41	**119.48**

Particulars	Amount
Computer software	
Gross carrying amount	
As at April 1, 2024	**597.58**
Additions	32.28
Acquired through business combination	38.73
Disposals/Adjustments	(26.25)
As at March 31, 2025 (a)	**642.34**
Additions	12.18
Acquired through business combination	-
Disposals/Adjustments	(12.02)
As at March 31, 2026 (b)	642.50
Amortisation	
As at April 1, 2024	**474.13**
Charge for the year	37.22
Acquired through business combination	37.76
Disposals/Adjustments	(26.25)
As at March 31, 2025 (c)	**522.86**
Charge for the year	34.53
Acquired through business combination	-
Disposals/Adjustments	(11.30)
As at March 31, 2026 (d)	**546.09**
Net carrying amount	
As at March 31, 2025 (a-c)	119.48
As at March 31, 2026 (b-d)	96.41

(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 ₹2.97 Lakhs (previous year ₹32.50 Lakhs) transferred to capital work in progress in subsidiary company TACC Ltd.

8(A) Intangible Assets under Development

Particulars	As at March 31, 2026	As at March 31, 2025
Intangible assets under development	66.12	49.21

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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, 2026					
Projects in progress	16.91	22.32	26.89	-	66.12
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**16.91**	**22.32**	**26.89**	**-**	**66.12**
Intangible assets under development as at March 31, 2025					
Projects in progress	22.32	26.89	-	-	49.21
Project temporarily suspended	-	-	-	-	-
Total capital work in progress	**22.32**	**26.89**	**-**	**-**	**49.21**

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, 2026					
Projects in progress	-	-	-	-	-
Intangible assets under development as at March 31, 2025					
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, 2026 and March 31, 2025.

(b) There is no such project in Intangible assets under development whose cost has exceeded compared to its original plan as on March 31, 2026 and March 31, 2025.

Note 9: Investments

No. of units	Particulars	Face value	Non-current		Current	
			As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
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	-	-
Nil	(Previous year 3270618) Fully paid up equity shares of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) (refer note iv)	10	-	419.00	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2026	Non-current As at March 31, 2025	Current As at March 31, 2026	Current As at March 31, 2025
	Add/(less): Share of profit/(loss) in Associates up to reporting date		43,459.50	31,368.33	-	-
	Add/(less): impact of direct adjustment in other equity of Associates up to reporting date		-	(1,285.79)	-	-
Less:	On account of acquisition of control transferred to Subsidiary		-	(2,285.99)	-	-
			74,171.00	**58,927.05**	**-**	**-**
	Aggregate amount of quoted investments		-	-	-	-
	Market value of quoted investments		-	-	-	-
	Aggregate carrying value of unquoted investments		**74,171.00**	**58,927.05**	**-**	**-**
B.	**Other investments**					
I.	**Investments carried at fair value through profit or loss**					
(a)	**Investments in equity instruments (quoted)**					
2577106	(Previous year 24310015) fully paid up equity shares of Graftech International Ltd., USA	$ 0.01	16,538.74	18,183.44	-	-
(b)	**Investments in mutual funds (unquoted)**					
NIL	(Previous year 42796.061) units of Invesco India Liquid Fund Direct Growth	1000	-	-	-	1,523.49
NIL	(Previous year 32142.507) units of Nippon India Liquid Fund Direct Growth	1000	-	-	-	2,040.05
66833.112	(Previous year NIL) units of Axis Money Market Fund Direct Growth	1000	-	-	1,010.65	-
NIL	(Previous year 24022.909) units of UTI Liquid Fund Direct Growth	1000	-	-	-	1,021.26
NIL	(Previous year 27118.786) units of DSP Liquidity Fund Direct Growth	1000	-	-	-	1,005.64
NIL	(Previous year 74790.457) units of SBI Liquid Fund Direct Growth	1000	-	-	-	3,033.46
NIL	(Previous year 50438.993) units of Baroda BNP Paribas Liquid Fund Direct Growth	1000	-	-	-	1,508.47
NIL	(Previous year 58508.925) units of HSBC Liquid Fund Direct Growth	1000	-	-	-	1,512.06
NIL	(Previous year 21381.563) units of LIC MF Liquid Fund Direct Growth	1000	-	-	-	1,006.90
NIL	(Previous year 44104.954) units of Sundaram Liquid Fund Direct Growth	1000	-	-	-	1,010.77
22964.793	(Previous year NIL) units of Nippon India Money Market Fund - Direct Growth	1000	-	-	1,010.46	-
3491823.495	(Previous year NIL) units of HSBC Money Market Fund - Direct Growth	10	-	-	1,011.00	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current As at March 31, 2026	Non-current As at March 31, 2025	Current As at March 31, 2026	Current As at March 31, 2025
5404004.208	(Previous year NIL) units of SBI Saving Fund - Direct Growth	10	-	-	2,513.22	-
30381.940	(Previous year NIL) units of Invesco Money Market Fund - Direct Growth	1000	-	-	1,001.19	-
61632.416	(Previous year NIL) units of UTI Money Market Fund - Direct Growth	1000	-	-	2,013.15	-
82746.822	(Previous year NIL) units of Bajaj Finserv Money Market Fund - Direct Growth	1000	-	-	1,005.21	-
255324.550	(Previous year NIL) units of ABSL Money Market Fund - Direct Growth	10	-	-	1,001.12	-
19883.398	(Previous year NIL) units of TATA Money Market Fund - Direct Growth	1000	-	-	1,001.95	-
2191176.573	(Previous year NIL) units of Bandhan Money Market Fund - Direct Growth	10	-	-	1,001.87	-
9999500.025	(Previous year NIL) units of HDFC CRISIL-IBX Financial Services	10	-	-	1,002.55	-
2879517.837	(Previous year 2879517.837) units of Kotak Equity Arbitrage Fund Direct Growth	10	-	-	1,210.24	1,133.17
8318740.603	(Previous year 16599077.153) units of AXIS Bank Arbitrage Fund Direct Growth EADG	10	-	-	1,772.47	3,310.98
3425532.881	(Previous year 13490452.151) units of Invesco India Arbitrage Fund Direct Growth	10	-	-	1,241.09	4,574.86
3013912.925	(Previous year 3013912.925) units of UTI Arbitrage Fund Direct Growth Canserve	10	-	-	1,178.75	1,104.36
NIL	(Previous year 3929369.982) units of ABSL Arbitrage Fund Direct Growth	10	-	-	-	1,104.81
5869399.349	(Previous year 5869399.349) units of Nippon India Arbitrage Fund Direct Growth	10	-	-	1,765.72	1,654.97
8305370.542	(Previous year 8305370.542) units of Edelweiss Arbitrage Fund Direct Growth	10	-	-	1,812.16	1,697.91
4414218.622	(Previous year 8828437.252) units of SBI Arbitrage Opportunities Fund Direct Growth	10	-	-	1,664.61	3,117.59
10515900.863	(Previous Year 10515900.863) TATA Arbitrage Fund Direct Growth	10	-	-	1,669.23	1,560.62
11733747.975	(Previous Year 11733747.975) MIRAE Asset Arbitrage Fund Direct Growth	10	-	-	1,664.43	1,559.65
4939122.286	(Previous Year NIL) HSBC Arbitrage Fund Direct Growth	10	-	-	1,052.51	-
6945110.068	(Previous Year NIL) LIC MF Arbitrage Fund Direct Growth	10	-	-	1,051.39	-
9999500	(Previous year NIL) units of AXIS Fixed Maturity Plan Series 129 - Q4	10	-	-	1,006.17	-
4895236.709	(Previous Year NIL) HDFC Arbitrage Fund Direct Growth	10	-	-	1,035.24	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

No. of units	Particulars	Face value	Non-current		Current	
			As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
(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	5,925.58	-
13724503.583	(Previous year 13724503.583) units of Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund	10	-	1,756.16	1,873.50	-
9835831.784	(Previous year 9835831.784) units of Kotak Nifty SDL APR 2027 Top 12 Equal Weight Index Fund Direct Growth Plan	10	1,270.47	1,184.35	-	-
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	1,269.20	1,186.75	-	-
NIL	(Previous year NIL) Vajra Capital Growth Scheme	100	-	-	-	1,113.46
(d)	**Investments in Bond Funds (unquoted)**					
108109.497	(Previous year 108109.497) units of Kotak Corp Bond Direct Growth	1000	4,411.91	4,160.00	-	-
2618367.638	(Previous year 2618367.638) units of ABSL Corporate Bond Fund Direct Growth	10	3,087.12	2,944.41	-	-
5430713.319	(Previous year 5430713.319) units of HDFC Corporate Bond Fund Direct Growth	10	1,853.70	1,767.24	-	-
(e)	**Investments in Infrastructure Trust (unquoted)**					
4400000	(Previous year 4400000) units of Oriental Infratrust	100	4,879.60	5,060.00	-	-
(f)	**Investment in portfolio management services (unquoted)**					
	Abakkus Asset Manager - All Cap Approach PMS		-	-	777.71	3,712.56
	Total		33,310.74	41,789.39	40,273.17	39,307.04
	Aggregate carrying value of quoted investments		16,538.74	18,183.44	-	-
	Market value of quoted investments		16,538.74	18,183.44	-	-
	Aggregate carrying value of unquoted investments		16,772.00	23,605.95	40,273.17	39,307.04
	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 previous 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 10: Trade receivables

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
a) Trade receivables considered good-secured	-	-
Less: allowance for expected credit loss		
b) Trade receivables considered good-unsecured	49,814.68	44,056.01
Less: allowance for expected credit loss	(97.54)	(83.20)
c) Trade receivables which have significant increase in credit risk	467.86	628.56
Less: allowance for expected credit loss	(233.94)	(314.28)
d) Trade receivables credit impaired	416.82	116.06
Less: allowance for credit impairment	(416.82)	(116.06)
e) Unbilled revenue	-	182.57
Total	**49,951.06**	**44,469.66**

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, 2026							
(i) Undisputed trade receivables – considered good	31,430.63	18,384.05	-	-	-	-	49,814.68
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	368.18	99.68	-	-	467.86
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	332.77	84.05	416.82
(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							**50,699.36**
Less: allowance for expected credit loss							(748.30)
Total							**49,951.06**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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	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**

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial asset at amortised cost				
Loans to employees				
a) Loans considered good-secured	-	-	-	-
b) Loans considered good-unsecured	59.20	97.13	65.53	83.09
c) Loans which have significant increase in credit risk	-	-	-	-
d) Loans credit impaired	-	-	-	-
Loans to Related parties				
Loans considered good-unsecured	5,000.00	-	21,000.00	-
Less: ECL provision on Loans considered good-unsecured	-	-	150.00	-
Total	**5,059.20**	**97.13**	**20,915.53**	**83.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Movement of Allowance for expected credit losses on loans :

	As at March 31, 2026	As at March 31, 2025
Opening Balance	-	-
Allowance for expected credit losses created / (reversed)	150.00	-
Closing Balance	**150.00**	-

Refer note 45B for classification of financial assets

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

Refer note 44 for disclosure under section 186 of the Companies Act, 2013

Note (i) : The above figures includes loan to Key Managerial Persons amounting to ₹8.17 Lakhs (previous year ₹11.97 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 0.03% (previous year 6.64%) of total loans outstanding as on that date. Such loans are neither repayable on demand nor without specifying any terms or period of repayment.

Note 12: Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets at amortised cost				
Security deposits	4,269.07	4,481.39	7.52	124.64
Interest accrued but not due on fixed deposits	6.42	20.73	267.50	203.49
Bank deposits having maturity period of more than 12 months from reporting date (refer note 16)	151.23	80.00	194.88	-
Interest subvention recoverable (on working capital loans)	-	-	286.95	286.95
Advance for Equity Investment #	7.76	746.88	-	-
Government grant receivable (refer note 51)*	-	-	7,167.16	6,224.97
Other recoverables				
-Related parties	-	-	781.98	-
-Others	183.08	-	67.40	45.39
Total	**4,617.56**	**5,329.00**	**8,773.39**	**6,885.44**

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

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

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 Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 13: Other assets

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless stated otherwise				
Capital advances	3,449.82	781.60	-	-
Other advances (other than advances to related parties)	-	-	15,690.23	1,051.16
Advances to related parties	-	-	-	-
Prepaid expenses	180.87	243.91	988.03	1,081.87
Balances with Government authorities	11.92	-	3,168.05	3,495.49
GST refund receivable	-	-	4,274.04	1,753.12
Payments under protest (excluding direct taxes other than Tax Deducted at Source(TDS)) #	486.48	486.48	-	-
Export benefits receivable	-	-	288.11	625.74
Other employee advances			55.39	56.56
Gratuity fund receivable (also refer note 40)	-	-	-	803.73
Others			6,571.56	5,874.66
Total	**4,129.09**	**1,511.99**	**31,035.41**	**14,742.33**

There are no advances to the Directors or other officers or any of them either severally or jointly with any other persons or advances to firms or private companies in which any Director is a partner or a Director or a member.

Detail of payments under protest (excluding direct taxes other than TDS) is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Entry tax	114.29	114.29
Central sales tax	229.83	229.83
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**	**486.48**

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, 2026	As at March 31, 2025
Raw materials	25,842.96	28,953.71
[Includes material in transit ₹9,706.33 lakhs ; previous year: ₹14,354.34 lakhs]		
Work-in-progress	43,610.27	45,087.85
Finished goods	38,436.62	45,750.23
Stores and spares	5,483.81	5,672.01
[Includes stores in transit ₹570.42 lakhs ; previous year: ₹655.17 lakhs]		
Total	**1,13,373.66**	**1,25,463.80**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(a) The cost of inventories includes ₹1,099.41 Lakhs (March 31, 2025 ₹512.49 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, 2026	As at March 31, 2025
Financial assets at amortised cost		
Balances with banks		
In current accounts	2,654.16	833.18
In cash credit accounts	1,156.68	1,107.07
Cheques, drafts in hand	-	3.31
Cash on hand	5.13	5.19
Term/fixed deposits with banks/financial institutions having original maturity period of less than three months	242.87	3,127.59
Total cash and cash equivalents	**4,058.84**	**5,076.34**

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, 2026	As at March 31, 2025
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	1,444.24	1,332.31
b) Held for unpaid/unclaimed dividend	372.90	567.16
c) Held for unspent Corporate Social Responsibility expenditure on account of ongoing projects	13.85	-
II. Term/fixed deposits with banks/financial institutions having original maturity period of more than three months	18,971.14	7,808.15
III. Term/fixed deposits with banks/financial institutions for unspent Corporate Social Responsibility	151.90	-
Less: Bank deposits having maturity period after 12 months from the reporting date (Refer note 12)	-	80.00
Total	**20,954.03**	**9,627.62**

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 17: Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
27,50,00,000 (previous year 27,50,00,000) equity shares of ₹2 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 (previous year 19,29,77,530) equity shares of ₹2 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	2025-26		2024-25	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	19,29,77,530	3,859.55	3,85,95,506	3,859.55
Add: 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) (refer note i)	-	-	15,43,82,024	-
Change during the year	-	-	-	-
Outstanding at the end of the year	19,29,77,530	3,859.55	19,29,77,530	3,859.55

b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹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 Holding 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 Company

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Redrose Vanijya LLP (refer note ii)	5,68,42,775	29.46	5,58,73,775	28.95
Norbury Investments Limited	2,68,14,955	13.90	2,68,14,955	13.90
Microlight Investments Ltd.	2,33,27,895	12.09	2,33,27,895	12.09
SBI Energy Opportunities Fund	67,99,089	3.52	1,37,27,188	7.11

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

d) Aggregate number of equity shares issued for consideration other than cash, allotted by way of bonus shares and shares bought back during the period of five years immediately preceding the reporting date.

Particulars	Aggregate no. of shares				
	2025-26	2024-25	2023-24	2022-23	2021-22
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, 2026		As at March 31, 2025		% change in the year
		No of shares	% of Total shares	No. of shares	% of Total shares	
1	Ravi Jhunjhunwala	3,595	0.00%	3,595	0.00%	0.00%
2	Riju Jhunjhunwala	6,780	0.00%	6,780	0.00%	0.00%
3	Rita Jhunjhunwala	9,380	0.00%	9,380	0.00%	0.00%
4	Rishabh Jhunjhunwala	9,035	0.00%	9,035	0.00%	0.00%
5	RLJ Family Trusteeship Pvt Ltd	2,500	0.00%	2,500	0.00%	0.00%
6	RSWM Ltd	15,91,955	0.82%	15,91,955	0.82%	0.00%
7	Redrose Vanijya LLP (refer note ii)	5,68,42,775	29.46%	5,58,73,775	28.95%	0.51%
8	Norbury Investments Ltd	2,68,14,955	13.90%	2,68,14,955	13.90%	0.00%
9	Microlight Investments Ltd	2,33,27,895	12.09%	2,33,27,895	12.09%	0.00%
	Total	10,86,08,870	56.29%	10,76,39,870	55.78%	0.51%

Note (i): Update regarding sub-division of equity Shares (New Face Value ₹2 per equity share) undertaken in previous year 2024-25:

(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 was 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 equity shares) in Rupees i.e. ₹38,59,55,060.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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

During the financial year ended 31st March, 2026, Redrose Vanijya LLP has increased its shareholding from 28.95% to 29.46% by way of acquisition of 9,69,000 equity shares (0.51%) from secondary market and in this regard necessary disclosures have been made to BSE Limited and National Stock Exchange of India Limited.

Note 18: Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
A. Capital reserve		
Balance as at the beginning of the year	10,437.85	10,437.85
Movement during the year		-
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	4,29,049.46	4,26,266.77
Amount transferred from statement of profit and loss		
- Profit for the year	34,136.82	11,505.54
- Other comprehensive income for the year (remeasurement of defined employee benefit plan) (net of tax expense)	(233.93)	(3.73)
- Share of other comprehensive income of Associates	(14.32)	(35.13)
Share of direct adjustment in other equity of Associates	-	-
Dividend distributed on equity shares during the year	**(3,473.60)**	**(8,683.99)**
Balance as at the end of the year	**4,59,464.43**	**4,29,049.46**
Total	**4,71,932.21**	**4,41,517.24**

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 andacquisition 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand from banks				
Working capital loans from banks				
-Secured	-	-	55,955.56	58,014.43
-Unsecured	-	-	23,372.91	471.22
Total	**-**	**-**	**79,328.47**	**58,485.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(i) Terms of repayment of loans

Particulars	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand		
Secured		
Working capital loans from banks	55,955.56	58,014.43
Unsecured		
Working capital loans from banks	23,372.91	471.22
Total	**79,328.47**	**58,485.65**

(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, 2026	As at March 31, 2025
Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	2,623.35	1,108.82
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	37,454.29	38,820.35
Total	**40,077.64**	**39,929.17**

(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, 2026						
(i) MSME	2,620.79	-	-	-	-	2,620.79
(ii) Others	36,026.49	1,281.86	4.53	-	141.41	37,454.29
(iii) Disputed - MSME	-	1.81	0.75	-	-	2.56
(iv) Disputed - others	-	-	-	-	-	-
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	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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, 2026	As at March 31, 2025
a) The amount remaining unpaid to micro and small enterprises at the end of each accounting year.		
a) Principal		
-Related to trade payables	2,623.35	1,108.82
-Related to creditors for capital purchases (refer note 21 B)	388.36	263.50
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 eachaccounting 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 thesmall 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease liabilities - land (refer note - 41)	259.94	222.77	13.68	13.25
Lease liabilities - building (refer note - 41)	-	-	-	45.45
Total	**259.94**	**222.77**	**13.68**	**58.70**

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, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 21B: Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	-	-	3.11	227.63
Security deposits	-	-	203.23	155.60
Unpaid/unclaimed dividend #	-	-	372.90	567.16
Creditors for capital purchases				
Payable to micro enterprises and small enterprises	-	-	388.36	263.50
Payable to other than micro enterprises and small enterprises	-	-	209.45	900.43
Other payables	-	-		
Employees related	-	-	2,570.68	2,191.52
Others	-	-	2,193.60	2,089.12
Financial liabilities at fair value through profit or loss				
Derivative financial instruments**	-	-	1,663.33	-
Total	**-**	**-**	**7,604.66**	**6,394.96**

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.

**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).

Note 22: Provisions

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits				
Gratuity (refer note 40)	30.67	121.93	371.93	26.17
Compensated absences	714.43	557.88	134.99	106.75
Other provisions				
Provision against pending litigations	-	-	325.83	325.83
Total	**745.10**	**679.81**	**832.75**	**458.75**

Movement of provision against pending litigations

Nature of provisions	Non-current		Current	
	2025-26	2024-25	2025-26	2024-25
Carrying amount at the beginning of the year	**-**	**-**	**325.83**	**325.83**
Amount provided made during the year	-	-	-	-
Amount reversed during the year	-	-	-	-
Carrying amount at the end of the year	**-**	**-**	**325.83**	**325.83**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note: Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

No reimbursements are expected in respect of the above provisions

Note 23: Deferred tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities (A)		
Difference between carrying value of property, plant and equipment as per books of account and income tax	10,079.78	10,101.72
Fair valuation of investments	19.74	-
Deferred tax assets (B)		
Expenses deductible on payment basis under income tax/ provision for employee benefits	434.02	77.75
Allowance for expected credit loss	226.08	129.25
Fair valuation of investments	613.22	320.49
Demerger & Amalgamation (refer note 54)	114.17	66.01
MTM Loss	418.63	-
Unabsorbed Losses	-	14.75
Net deferred tax liability (A)-(B)	**8,293.40**	**9,493.47**

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, 2026

Particulars	As at 1st April, 2025	Recognized in the profit or loss	Recognized in other comprehensive income	Acquired through business combination (refer note 48)	As at March 31, 2026
Deferred tax liabilities (A)					
Difference between carrying value of property plant and equipment as per books of account and tax base	10,101.72	(21.94)	-	-	10,079.78
Fair valuation of investments	**-**	**19.74**	**-**	**-**	**19.74**
Deferred tax assets (B)					
Expenses deductible on payment basis under income tax/ provision for employee benefits	77.75	277.59	78.68	-	434.02
Allowances for expected credit loss	129.25	96.83	-	-	226.08
Fair valuation of investments	320.49	292.73	-	-	613.22
Demerger & Amalgamation (refer note 54)	66.01	48.16	-	-	114.17
MTM Loss	-	418.63	-	-	418.63
Unabsorbed Losses	14.75	(14.75)	-	-	-
Net deferred tax liabilities/(assets) (A)-(B)	**9,493.47**	**(1,121.39)**	**(78.68)**	**-**	**8,293.40**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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 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
Allowances 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**

There are no unrecognised deferred tax liabilities/assets as at March 31, 2026 and March 31, 2025 . 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Deposits from employees against various schemes	482.97	494.69	125.84	72.01
Advance from customers	-	-	528.32	814.54
Statutory dues payable	-	-	407.80	311.97
Payable against unspent Corporate Social Responsibility expenditure (refer note 43)*	-	-	163.72	206.07
Other payables	-	-	662.05	395.90
Total	**482.97**	**494.69**	**1,887.73**	**1,800.49**

*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, 2026	As at March 31, 2025
Income tax assets (net of provision for taxation)	4,686.36	10,539.34
Total	**4,686.36**	**10,539.34**

Note 25B: Current tax liabilities / (assets)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax liabilities (net of advance tax)	1,257.37	1,420.91
Total	**1,257.37**	**1,420.91**

The current tax assets and current tax liabilities have been set off, to the extent the group :
(a) has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Note 26: Revenue from operations

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Sale of products				
Graphite electrodes (including by-products)	2,52,531.71		2,10,798.39	
Power	2,645.72	2,55,177.43	2,935.48	2,13,733.87
Other operating income				
REC sales	249.04		330.52	
Fly Ash Income	-		11.66	
Export incentives	1,424.00		1,194.86	
		1,673.04		**1,537.04**
Total		**2,56,850.47**		**2,15,270.91**

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, 2026	For the year ended March 31, 2025
Interest income from financial assets measured at amortized cost		
- from fixed deposits	915.16	1,676.95
- from unsecured loans	863.83	-
Interest income from financial assets measured at fair value through profit or loss	260.62	300.11
Rental income	133.73	153.99
Net gain on sale of investments measured at fair value through profit or loss	1,846.89	1,699.71
Net gain on fair valuation of investments measured at fair value through profit or loss	1,123.54	-
Dividend income from investments measured at fair value through profit or loss	250.15	190.03
Gain on foreign currency fluctuation (net)	-	0.60
Liabilities / provisions written back (including allowances for expected credit losses, if any)	71.79	1,750.04
Government Grant* (refer note 51)	3,391.00	5,714.00
Gain on reduction of Interest in Associates	3,702.33	-
Miscellaneous	1,539.10	1,271.17
Total	**14,098.14**	**12,756.60**

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 28: Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material consumed		
Opening stock	28,953.71	16,341.60
Add : Purchases	94,441.12	1,08,084.71
	1,23,394.83	1,24,426.31
Less: Closing stock	25,842.96	28,953.71
Cost of raw materials consumed	97,551.87	95,472.60

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(1) Inventories at the beginning of the year		
Finished goods	45,750.22	50,558.61
Work-in-progress	45,087.85	35,182.52
Total	**90,838.07**	**85,741.13**
(2) Inventories at the end of the year		
Finished goods	38,436.62	45,750.22
Work-in-progress	43,610.27	45,087.85
Total	**82,046.89**	**90,838.07**
Net (increase)/decrease [(1) - (2)]	**8,791.18**	**(5,096.94)**

Note 30: Employee benefit expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages (refer note 40)	10,183.03	8,665.59
Contribution to provident and other funds (refer note 40)	1,782.54	648.18
Staff welfare expenses	401.94	340.93
Total	**12,367.51**	**9,654.70**

Note 31: Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Interest on borrowings	2,419.97	3,116.32
(ii) Foreign Exchange Fluctuation on Foreign Currency Loans to the extent regarded as an adjustment to borrowing cost	1,274.05	444.70
(iii) Others		
-Interest on lease liabilities	13.65	13.48
-Interest on direct taxes i.e. income tax/TDS	12.07	31.79
-Others	1.03	313.35
Total	**3,720.77**	**3,919.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 32: Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(1) Depreciation of property, plant and equipment (refer note 4)	21,199.74	19,924.65
(2) Depreciation of right of use assets (refer note 6)	57.39	64.66
(3) Depreciation on investment property (refer note 7)	32.51	32.86
(4) Amortisation of intangible assets (refer note 8)	31.56	32.50
Total	**21,321.20**	**20,054.67**

Note 33: Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts (including refractory blocks)	16,701.71	15,880.47
Job/process charges	1,370.97	830.45
Power and fuel	36,948.79	33,167.47
Repairs and maintenance		
Plant and machinery	2,937.13	3,774.01
Building	344.62	338.02
Others	1,697.94	1,231.47
Insurance	1,627.39	1,340.78
Rent (refer note 41)	47.58	37.23
Rates and taxes	207.86	229.15
Directors' sitting fees and incidental expenses	101.90	121.18
Freight & forwarding	18,114.39	17,372.51
Packing expenses (including packing material consumption)	2,517.63	2,145.84
Commission	1,979.38	1,478.22
Claims and rebates	23.28	218.87
Power generation charges	511.99	487.50
Travelling expenses	488.51	443.85
Postage and communication	69.75	74.17
Payment to auditors(refer details below ##)	69.01	49.78
Contribution towards Corporate Social Responsibility (refer note 43)	746.61	929.80
Legal and professional expenses	1,145.14	1,242.36
Vehicle running and maintenance	63.39	68.23
Allowances for expected credit losses/ credit impairment	409.20	154.09
Net loss on sale/discard of property, plant and equipments	74.48	7.24
Loss on Foreign Currency Fluctuation (Net)	7,232.60	160.59
Net loss on fair valuation of investments measured at fair value through profit or loss	1,878.65	6,352.95
Miscellaneous expenses*	998.80	1,124.09
Total	**98,308.70**	**89,260.32**

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Payments to auditors (excluding GST)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor		
Statutory audit	43.52	35.32
Other services		
Tax audit	5.25	2.00
Certification fees	12.73	3.64
Reimbursement of out of pocket expenses	7.51	8.82
Total**	**69.01**	**49.78**

** Includes payment to auditors of subsidiary companies.

Note 34: Tax expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
From continuing operations:		
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	7,725.43	4,944.59
2) Current tax adjustment related to earlier years	92.14	(103.36)
3) Deferred tax	(1,177.03)	(191.22)
	6,640.54	**4,650.01**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	(78.68)	(1.26)
	(78.68)	**(1.26)**
C) Tax expense/(income) relating to items that are charged or credited directly to equity		
1) Current tax	-	-
2) Deferred tax	-	-
From discontinued operations:		
A) Tax expense recognised in the statement of profit and loss		
1) Current tax	90.51	(15.21)
2) Current tax adjustment related to earlier years	-	
3) Deferred tax	**59.23**	**(103.52)**
	149.74	**(118.73)**
B) Tax expense recognised in other comprehensive income		
1) Current tax	-	-
2) Deferred tax	-	-
	-	-
C) Tax expense/(income) relating to items that are charged or credited directly to equity		
1) Current tax	-	-
2) Deferred tax	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2026	For the year ended March 31, 2025
Accounting profit before tax & share of profit of Associates (From continuing and discontinued operations)	29,376.40	14,288.86
At India's statutory income tax rate of 25.168%	25.168	25.168
Tax as per accounting profit (A)	**7,393.45**	**3,596.22**
Add/(less) :		
Effect of expenses that are not deductible in determining taxable profits	94.98	245.41
Effect of expenses that are deductible in determining taxable profits	120.19	(27.23)
"Tax rate differential and other adjustments on gain on sale /fair valuation of investments"	21.75	859.86
Others	(932.23)	(39.62)
Effect of unused tax losses	-	-
Current tax adjustment related to earlier years	92.14	(103.36)
Total (B)	**(603.17)**	**935.06**
Income tax expense recognized for the year (A+B)	**6,790.28**	**4,531.28**

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, 2026	For the year ended March 31, 2025
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of defined employee benefit plan	(312.61)	(4.99)
Total	**(312.61)**	**(4.99)**
(ii) Tax expense relating to items that will not be reclassified to profit or loss		
-Remeasurement of defined employee benefit plan	(78.68)	(1.26)
Total	**(78.68)**	**(1.26)**

Note 36: Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
From Continuing Operations		
Profit attributable to equity shareholders of the Company (₹)	33,797.54	11,860.47
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(₹)	17.51	6.15
From Discontinued Operations		
Profit attributable to equity shareholders of the Company (₹)	339.28	(354.93)
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(₹)	0.18	(0.19)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026
(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
From Continuing and Discontinued Operations		
Profit attributable to equity shareholders of the Company (₹)	34,136.82	11,505.54
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(₹)	17.69	5.96

* There are no potential equity shares

Note 37: Segment information

The Holding Company's Chief Operational Decision Makers consisting of Chairman, Managing 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, 2026

(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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment revenue								
Turnover	2,53,955.71	2,12,004.91	2,894.76	3,266.00	736.60	698.20	2,57,587.07	2,15,969.11
Less: Inter segment turnover	-	-	-	-	-	-	-	-
External turnover	**2,53,955.71**	**2,12,004.91**	**2,894.76**	**3,266.00**	**736.60**	**698.20**	**2,57,587.07**	**2,15,969.11**
Segment result before interest & taxes	**27,034.27**	**21,661.06**	**1,472.25**	**1,576.77**	**1,458.36**	**(2,353.14)**	**29,964.88**	**20,884.69**
Add: Interest income							2,040.47	1,977.06
Add / (Less): net gain/(loss) on sale/fair valuation of investments measured at fair value through profit or loss							1,091.82	(4,653.25)
Less: finance cost							3,720.77	3,919.64
Profit before tax & share of profit of Associates							29,376.40	14,288.86
Add: Share of profit of Associates							11,550.70	1,747.96
Less: Income tax (including deferred tax)							6,790.28	4,531.28
Net profit for the year							34,136.82	11,505.54
Depreciation and amortisation expense	21,079.82	19,754.39	137.36	206.84	104.02	98.25	21,321.20	20,059.48
Non cash expenses other than depreciation and amortization	728.84	202.65	-	-	-	24.44	728.84	227.09

2) Segment assets, liabilities and other details

Particulars	Graphite (including other carbon products)		Power		Unallocable items/others		Total	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment assets	3,71,886.83	3,86,113.63	1,748.03	2,104.54	2,42,940.65	1,76,598.02	6,16,575.51	5,64,816.20
Segment liabilities	1,27,881.30	1,06,526.13	296.87	249.61	12,605.54	12,663.63	1,40,783.71	1,19,439.37
Capital expenditure incurred during the year	10,066.86	14,778.63	82.31	43.94	14,827.76	3,560.15	24,976.93	18,382.72

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

3) Details of unallocated items/ others

I. Unallocated assets

Assets	As at March 31, 2026	As at March 31, 2025
Property, plant & equipments and investment property (including capital work-in-progress and Intangible asset)	19,764.40	6,458.78
Right of use asset	3,082.12	3,124.18
Investments	1,47,753.88	1,40,022.45
Trade receivable	5.24	475.35
Inventories	14.68	14.68
Cash and cash equivalents	2,116.70	3,037.85
Bank balances other than cash & cash equivalents	20,940.17	10,330.92
Financial assets-loans	5,030.65	43.44
Goodwill on Consolidation	92.97	92.97
Other financial assets	1,659.16	357.65
Other assets	37,794.32	2,184.21
Income tax asset	4,686.36	10,455.53
Total	**2,42,940.65**	**1,76,598.02**

II. Unallocated liabilities

Liabilities	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities	8,293.41	9,493.47
Current tax liabilities	1,257.37	1,420.91
Lease liabilities	154.14	154.14
Trade payables	1,274.96	89.03
Other financial liabilities	802.60	905.93
Other liabilities	525.70	250.93
Provisions	297.36	349.22
Total	**12,605.54**	**12,663.63**

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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Segment revenue	85,804.87	72,607.46	1,71,782.20	1,43,361.65	2,57,587.07	2,15,969.11
b) Segment non-current assets*	2,10,081.93	2,13,018.31	-	-	2,10,081.93	2,13,018.31

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, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

5) The Company 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, 2026	For the year ended March 31, 2025
India (including sale to SEZ units) #	85,804.87	72,607.46
United Arab Emirates	3,026.98	1,802.24
Japan	6,694.25	2,950.56
Egypt	9,531.52	9,461.62
Korea (South)	8,873.58	10,944.49
South Africa	3,866.16	4,081.60
Spain	8,058.85	7,495.44
Turkey	18,288.04	11,058.46
USA	44,018.45	36,696.48
Mexico	8,182.41	6,860.64
Others*	61,241.96	52,010.12
Total	**2,57,587.07**	**2,15,969.11**

*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 2025-26 and 2024-25

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

8) Financial numbers of discontinued operations of one subsidiary have been included for above segment disclosures in "Unallocable items/others"

Note 38: Contingencies and commitments

1) Contingent liabilities

Particulars	As at March 31, 2026 "	As at March 31, 2025 "
For taxation matters		
a) Excise duty	220.04	220.04
b) Goods & services tax	36.71	36.70
c) Income tax	8,064.18	7,227.04
d) Sales tax	420.69	450.70
Other than taxation matters		
a) Power related matters	955.00	847.00
b) Labour related matters	50.20	29.20
c) Other matters	1,438.26	1,315.19

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the group's favour in respect of all the items listed above and hence no provision is considered necessary against the same.

Further group has deposited amount to the tax authorities against the cases, which shown as payment under protest in Note 13 of other assets. .

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

2) Commitments outstanding

Particulars	As at March 31, 2026	As at March 31, 2025
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹3,449.82 Lakhs, (previous year ₹781.60 Lakhs.)]	92,215.15	8,450.90
b) Outstanding commitments under letter of credits established by the Holding Company	6,214.71	1,101.33
c) Pending export obligation against EPCG/Advance license	25,265.21	26,244.23
d) Other commitments	770.80	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, 2026	Year ended March 31, 2025
I)	Associates	(i) Bhilwara Energy Limited	(i) Bhilwara Energy Limited
II)	Subsidiaries of Associates	(i) Balephi Jalvidhyut Company Limited, Nepal	(i) Balephi Jalvidhyut Company Limited, Nepal
		(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	(vii) Replus Engitech Private Limited
		(viii) LNJ Greenpet Private Limited (Till January 21, 2026)	(viii) LNJ Greenpet Private Limited
		(ix) Bhilwara Energy Storage Solutions Private Limited (with effect from June 28, 2025)	
		(x) LNJ Suntech Private Limited (with effect from February 25, 2026)	
		(xi) LNJ5 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
		(xii) LNJ1 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
		(xiii) LNJ3 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
		(xiv) LNJ4 RENEWABLE ENERGY LTD (with effect from March 30, 2026)	
III)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Sh. Ravi Jhunjhunwala-CMD & CEO
		Sh. Riju Jhunjhunwala-Vice Chairman	Sh. Riju Jhunjhunwala-Vice Chairman

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Related parties	
		Year ended March 31, 2026	Year ended March 31, 2025
		Sh. Shekhar Agarwal	Sh. Shekhar Agarwal
		Sh. Satish Chand Mehta	Sh. Satish Chand Mehta
		Dr. Kamal Gupta	Dr. Kamal Gupta
		Smt. Vinita Singhania	Smt. Vinita Singhania
		Smt. Ramni Nirula	Smt. Ramni Nirula
		Sh. Jayant Davar	Sh. Jayant Davar
			Sh. Davinder Kumar Chugh^
		Sh. Sandip Somany	Sh. Sandip Somany
		Dr. Nand Gopal Khaitan	Dr. Nand Gopal Khaitan
		Sh. P S Dasgupta	Sh. P S Dasgupta
		Sh. Manish Gulati - Executive Director	Sh. Manish Gulati - Executive Director
		Sh. Ravi Kant Tripathi -Chief Financial Officer	Sh. Ravi Kant Tripathi -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	Smt. Indu Mehta- Director Operations of Bhilwara Infotechnology Limited
		Sh. Puneet Anand ##	-
		Sh. Om Prakash Ajmera - Director of HEG Graphite Limited	-
		Sh. Basant Kumar Jain - Director of TACC Limited	-
IV)	**Close family members of Key Management Personnel**	Sh. L.N. Jhunjhunwala	Sh. L.N. Jhunjhunwala
		Smt. Mani Devi Jhunjhunwala	Smt. Mani Devi Jhunjhunwala
		Sh. Rishabh Jhunjhunwala	Sh. Rishabh Jhunjhunwala
		Smt. Rita Jhunjhunwala	Smt. Rita Jhunjhunwala
		Smt. Mansi Jhunjhunwala	Smt. Mansi Jhunjhunwala
		Sh. Ramesh Khaitan	
V)	**Post employment benefit plan trust**		(a) Hindustan Electro Graphites Staff Gratuity Fund Trust
		(a) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	(b) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Related parties	
		Year ended March 31, 2026	Year ended March 31, 2025
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#
			Purvi Vanijya Niyojan 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#
			Jet(India) Pvt. Ltd.#
			India Texfab Marketing Limited#
			Investors India Limited#
			LNJ Financial Services Limited#
			M.L. Finlease Pvt Limited#
			Raghav Commercial Limited#
		Bhilwara Technical Textiles Ltd.	Bhilwara Technical Textiles Ltd.
			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.
		LNJ Reality Pvt. Ltd	LNJ Reality Pvt. Ltd
			Kalati Holdings (P) Ltd.
		Redrose Vanijya LLP	Redrose Vanijya LLP
		Bhilwara Services Private Limited	Bhilwara Services Private Limited
		Jawahar Foundation	Jawahar Foundation
		RLJ Family Trusteeship Pvt. Ltd.	
		Norbury Investments Limited	
		Microlight Investments Ltd.	
		LNJ Leasing & Finance Pvt. Ltd.	
		Abhav Realtors Pvt. Ltd.	
		Mandapam Vikas Private Limited	

Mr. Puneet Anand has been appointed as the President, Group CSO & KMP of HEG Limited with effect from December 1, 2025

~ Associate upto December 8, 2024

^Resigned with effect from May 22, 2024.

*Appointed with effect from November 13, 2024.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

** Resigned with effect from September 18, 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, 2026	Year ended March 31, 2025
I)	Associates	Bhilwara Energy Ltd.	Reimbursement received	8.45	1.47
			Allowances for expected credit losses	150.00	-
			Unsecured loan given to the Associate	26,000.00	-
			Interest accrued on the Unsecured loan given to the Associate	1,068.16	-
			Subscription Charges for software	0.13	-
II)	Subsidiaries of Associates	Malana Power Co.Ltd.	Reimbursement received	14.84	14.61
		AD Hydro Power Ltd	Reimbursement received	13.67	1.18
		Indo Canadian Consultancy Services Ltd.	Reimbursement received	8.14	7.93
		Chango Yangthang Hydro Power Ltd.	Reimbursement received	0.33	-
III)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	497.89	432.56
			Commission	829.00	662.88
			Purchase of equity shares of BIL	-	583.27
			Dividend Paid	0.06	0.16
		Sh Riju Jhunjhunwala-Vice Chairman	Director sitting fee	6.00	8.25
			Dividend Paid	0.12	0.31
			Reimbursement of expenses	0.24	0.33
			Purchase of equity shares of BIL	-	168.30
		Sh. Shekhar Agarwal	Director sitting fee	7.50	10.50
			Reimbursement of expenses	0.30	0.42
		Sh. Satish Chand Mehta	Director sitting fee	11.25	17.25
			Reimbursement of expenses	0.71	0.93
		Dr. Kamal Gupta	Director sitting fee	15.00	15.75
			Reimbursement of expenses	0.72	0.63

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
		Dividend Paid	0.04	0.11
	Smt. Vinita Singhania	Director sitting fee	2.25	5.25
		Reimbursement of expenses	0.15	0.33
	Smt. Ramni Nirula	Director sitting fee	10.50	18.75
		Reimbursement of expenses	0.42	0.75
	Sh Jayant Davar	Director sitting fee	16.50	17.25
		Reimbursement of expenses	0.66	0.69
		Dividend Paid	0.00	0.00
	Sh. Sandip Somany	Director sitting fee	3.75	4.50
		Reimbursement of expenses	0.15	0.18
		Dividend Paid	1.37	-
	Dr. Nand Gopal Khaitan	Director sitting fee	12.75	8.25
		Reimbursement of expenses	2.23	2.19
	Sh. P S Dasgupta	Director sitting fee	4.50	1.50
		Reimbursement of expenses	0.18	0.06
	Sh. Manish Gulati - Executive Director	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	221.86	187.80
		Commission	200.00	108.33
	Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	82.09	68.92
		Dividend Paid	0.00	-
	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	-	71.98
		Housing Loan Repayment -Principal	-	8.75
		Special loan Repayment-Principal	-	1.98
		Housing Loan & Special Loan - Interest Repayment	-	0.19
	Sh. Vivek Chaudhary-Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	59.03	54.54
		Housing Loan Repayment -Principal	1.40	1.40
		Special loan Repayment-Principal	2.40	2.40
		Housing Loan & Special Loan - Interest Repayment	0.82	1.12

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship		Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
		Sh. Puneet Anand	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)	50.30	-
		Sh.Ankur Khaitan-MD & CEO (TACC Limited)	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	138.00	102.65
		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	0.16	0.41
			Purchase of equity shares of BIL	-	88.42
		Smt. Rita Jhunjhunwala	Dividend Paid	0.17	0.42
			Purchase of equity shares of BIL	-	114.57
		Sh. Ramesh Khaitan	Professional Fee	13.75	-
V)	Post employment benefit Plan Trust	Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust	Contribution in Employee Benefit Scheme	226.28	156.77
VI)	Enterprises in which KMP is able to exercise significant influence.	RSWM Ltd	Rent Paid	43.52	43.52
			Reimbursement received	54.86	65.69
			Reimbursement made	204.74	200.70
			Dividend Paid	28.66	71.64
		Shashi Commercial Co. Ltd.	Rent Paid	-	20.22
			Dividend Paid	-	152.00
			Purchase of equity shares of BIL	-	110.66

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
	Purvi Vanijaya Niyojan Ltd.	Reimbursement received	-	0.21
		Dividend Paid	-	420.43
		Purchase of equity shares of BIL	-	232.27
	Giltedged Industrial Securities Ltd.	Rent Paid	-	4.08
		Dividend Paid	-	199.73
		Purchase of equity shares of BIL	-	18.56
	BSL Ltd	Rent Received	12.19	12.19
		Purchase of Fabrics	1.86	2.23
		Reimbursement received	1.67	1.52
	Maral Overseas Ltd	Reimbursement received	27.17	24.01
	BMD Pvt Ltd	Reimbursement received	16.34	17.06
	Bhilwara Technical Textiles Ltd.	Reimbursement received	0.33	-
	Bharat Investment Growth Ltd.	Dividend Paid	-	615.36
		Purchase of equity shares of BIL	-	241.33
	Jet(India) Pvt. Ltd.	Dividend Paid	-	226.26
	India Texfab Marketing Limited	Dividend Paid	-	46.51
		Purchase of equity shares of BIL	-	130.33
	Investors India Limited	Dividend Paid	-	8.16
	LNJ Financial Services Limited	Dividend Paid	-	370.87
		Purchase of equity shares of BIL	-	884.96
	M.L. Finlease Pvt Limited	Dividend Paid	-	77.95
	Raghav Commercial Limited	Dividend Paid	-	325.84
		Purchase of equity shares of BIL	-	182.20
	RLJ Family Trusteeship Pvt. Ltd.	Dividend Paid	0.05	0.11
	Dreamon Commercial Pvt Ltd.	Reimbursement received	-	0.08

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Relationship	Name of the related Party	Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
		Dividend Paid	-	71.22
		Purchase of equity shares of BIL	-	363.72
	LNJ Reality Pvt. Ltd	Rent Paid	68.04	39.25
		Reimbursement received	0.60	0.45
		Reimbursement made	-	0.08
	Kalati Holdings (P) Ltd.	Purchase of equity shares of BIL	-	185.83
	Redrose Vanijya LLP	Reimbursement received	1.32	0.64
		Rent Paid	0.71	-
		Dividend Paid	1,005.73	-
	LNJ Leasing & Finance Pvt. Ltd.	Reimbursement received	2.05	-
	Bhilwara Services Pvt. Ltd.	Reimbursement received	0.33	-
	Abhav Realtors Pvt. Ltd.	Reimbursement received	0.22	-
	Mandapam Vikas Private Limited	Sale of Property	238.80	-
	Norbury Investments Limited	Dividend Paid	482.67	1,206.67
	Microlight Investments Ltd.	Dividend Paid	419.90	1,049.76
	LNJ Bhilwara -HEG Lok Nyas	Donation under Corporate Social Responsibility (CSR)	22.00	35.38
	Graphite Education & Welfare Society	Donation under Corporate Social Responsibility (CSR)	21.70	12.60
		Reimbursements Received	0.98	-

Note: Remuneration amount of key Managerial Personnel represents remuneration paid for the whole year irrespective of the period for which the person is key Managerial Personnel.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

C) Details of outstanding balances as at the end of year

Sl. No.	Related party	Name of the related party	Particulars	As at March 31, 2026	As at March 31, 2025
1	**Associates**	Bhilwara Energy Ltd.	Investments	30,711.50	30,711.50
			Unsecured Loan given	26,000.00	-
			Interest Receivable on unsecured loan	1,047.82	-
			Allowances for expected credit losses	150.00	-
2	**Key Management Personnel**	Sh. Ravi Jhunjhunwala- CMD & CEO	Salary payable (including commission)	58.67	407.20
		Sh Manish Gulati - Executive Director	Salary payable (including commission)	65.58	76.00
		Sh. Vivek Chaudhary - Company Secretary	Loan Outstanding at the end of the year	8.17	11.97
			Salary payable	4.04	1.69
		Sh. Ravi Kant Tripathi -Chief Financial Officer	Salary payable	5.57	1.74
		Sh. Puneet Anand	Salary payable	12.57	-
		Sh.Ankur Khaitan- MD & CEO (TACC Limited)	Salary payable	11.19	4.07
		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	193.11	157.88

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, 2026	Year ended March 31, 2025
Short term benefits	1,985.42	1,679.66
Post employment benefits#	92.75	79.20
Director's Sitting Fee	90.00	107.25
Reimbursement of expenses and Incidental expenses	5.76	11.31
Dividend paid by the company	1.60	0.58
Housing loan repayment -principal	-	(10.15)
Purchase of equity share of BIL	(1.40)	751.57
Special loan repayment-principal	(2.40)	(4.38)
Housing loan and Special loan repayment -interest	(0.82)	(1.31)

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2026 and March 31, 2025.

For the year ended March 31, 2026, the Company has not recorded any impairment in respect of any bad or doubtful debts due from related parties (March 31, 2025: 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 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, 2026	For the year ended March 31, 2025
Employer's contribution to Provident Fund (including administrative and other expenses)	498.24	466.31
Employer's contribution to Superannuation Fund	197.26	156.77
Employer's contribution to Employees State Insurance Corporation	29.41	25.05
Employer's contribution to Labour Welfare Fund	-	0.05
Total	**724.91**	**648.18**

(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 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 fund managed by Insurer as permitted by Law. The management of fund is entrusted with the Insurer. 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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	**Movement in the present value of defined benefit obligation:**		
	Present value of defined benefit obligation at the beginning of the year	1,562.03	1,389.40
	Current service cost	157.83	95.70
	Interest cost	101.14	105.51
	Past service cost including curtailment (gains)/losses	995.94	-
	Acquired through Business Combination	-	129.05
	Benefits paid	(349.80)	(176.90)
	Actuarial changes (gain)/loss	184.05	19.27
	Present value of defined benefit obligation at the end of the year	2,651.19	1,562.03
II.	**Movement in fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	2,217.66	2,054.20
	Interest income	157.23	146.88
	Contribution	-	-
	Benefits paid	-	-
	Remeasurement- return on plan assets excluding amount included in interest income	(126.30)	16.58
	Fair value of plan assets at the end of the year	2,248.59	2,217.66
III.	**Net assets/(liability) recognized in balance sheet:**		
	Present value of defined benefit obligation	2,651.19	1,562.03
	Fair value on plan assets	2,248.59	2,217.66
	Surplus/(deficit)	(402.60)	655.63
	Effect of asset ceiling (if any)	-	-
	Net assets/(liability) recognized in balance sheet	(402.60)	655.63
	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	157.83	95.70
	Past service cost including curtailment (gains)/losses	995.94	-
	Net interest expense on net defined benefit liability / (asset)	(56.09)	(41.36)
	Net cost	1,097.68	54.33
	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	(186.31)	(21.57)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Remeasurement- return on plan assets (excluding amount included in net Interest on net defined benefit liability/(asset))	(126.30)	16.58
	Net income/(expense) for the year recognised in OCI	(312.61)	(4.99)
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))	(3.39)	6.90
3.	Actuarial changes arising from changes in experience adjustments (gain/ (loss))	298.61	14.67
4	Actuarial gain/(loss) arising for the year on plan assets	(126.30)	(16.58)
VI.	**The major categories of plan assets as a percentage of the fair value of total plan assets :**		
	Insurer management fund	100%	100%
VII.	**The Principal assumptions used for the purpose of actuarial valuation are as follows:**		
	Discount rate (per annum)	7.90%	7.09%
	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, 2026	For the year ended March 31, 2025
a)	**Impact of the change in discount rate**		
	Impact due to increase of 0.50%-increase(decrease) in obligation	(81.05)	(55.90)
	Impact due to decrease of 0.50 %-increase(decrease) in obligation	86.92	60.12
b)	**Impact of the change in salary increase**		
	Impact due to increase of 0.50%-increase(decrease) in obligation	88.61	51.85
	Impact due to decrease of 0.50 %-increase(decrease) in obligation	(83.26)	(49.48)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) 0-1 year	662.32	95.02
b) 1-2 year	106.94	104.59
c) 2-3 year	105.72	142.54
d) 3-4 years	315.56	66.32
e) 4-5 years	210.43	121.11
f) More than 5 years	1,250.22	1,032.45

X. The Group expects to make a contribution of ₹175.29 Lakhs to defined benefit plans during the next financial year (March 31, 2025 ₹44.43 Lakhs).

(C) Other long term employee benefits (compensated absences)

(i) Expense of compensated absences amounting to ₹243.40 lakhs has been recognised in Note 30 "employee benefits expense" under the head "salaries and wages" (previous year ₹107.82 lakhs).

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

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	134.99	106.75
Non-current liability	714.43	557.88

The above amount has been shown in Note-22 "Provisions" under the head "Compensated absences".

Note 41: Leases

(i) Group as a lessee

(a) The depreciation expense on ROU assets of ₹ 58.95 Lakhs (previous year ₹ 64.66 Lakhs) is included under depreciation and amortization expense in the statement of profit and loss after netting off ₹ 42.05 Lakhs (previous year ₹ 41.85 Lakhs) transferred to CWIP in the subsidiary company i.e. TACC Limited.

(b) Interest expense on the lease liability amounting to ₹ 13.65 Lakhs (previous year ₹13.48 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, 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**
As at April 1, 2025	**4,078.71**	**369.28**	**3,709.43**
Addition during the year	39.49	-	
Deletion during the year	(20.98)	(20.98)	
Depreciation during the year	-	60.06	
As at March 31, 2026	**4,097.22**	**408.36**	**3,688.86**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Gross carrying value	Depreciation	Net carrying value
(ii) Buildings			
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**
As at April 1, 2025	**299.63**	**260.25**	**39.38**
Addition during the year	-	-	
Adjustments during the year	-	-	
Depreciation during the year	-	39.38	
As at March 31, 2026	**299.63**	**299.63**	**-**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	13.68	58.70
Non current lease liabilities	259.94	222.77
Total	**273.62**	**281.47**

(e) The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	**281.47**	**329.74**
Additions during the year	39.49	18.60
Adjustments during the year	(20.98)	-
Finance cost accrued during the year	13.65	13.48
Payment of lease liabilities	40.01	80.35
Balance at the end of the year	**273.62**	**281.47**

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

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	29.45	24.36	72.19	58.70
After one year but not more than 5 years	133.19	84.41	116.33	52.36
More than 5 years	1,793.55	164.85	1,706.71	170.41
Total minimum lease payments	**1,956.19**	**273.62**	**1,895.23**	**281.47**
Less: amount representing finance charges	1,682.57		1,613.76	
Present value of minimum lease payments	**273.62**	**273.62**	**281.47**	**281.47**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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 ₹47.58 Lakhs during the year ended March 31, 2026 towards expense relating to short-term leases having tenure of less than 12 months (previous year ₹37.23 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, 2026 is ₹133.73 Lakhs (previous year ₹153.99 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, 2026	As at March 31, 2025
(i) Not later than one year	133.08	150.44
(ii) Later than one year and not later than five years	158.10	139.13
(iii) Later than five years	-	-
Total	**291.18**	**289.57**

Note 42: Events after the reporting period

The Board of Directors of the holding company has recommended a final dividend of ₹3.40/- per equity share of the face value of ₹2 each (previous year ₹1.80/- per equity share of face value of ₹2 each) which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Note 43: Corporate Social Responsibility (CSR)

The group meeting the applicable threshold under Section 135 of the Companies Act, 2013 ("Act") read with related rules thereto, is mandatorily required to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The funds were utilized throughout the year on the activities which are specified in Schedule VII of the Companies Act, 2013. The disclosures in this regard are as under:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Amount required to be spent for the year	739.61	929.80
(ii) Interest earned on deposits under on-going projects- included in CSR expense in the statement of profit and loss	7.00	-
(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	739.61	723.73
(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	49.35	80.34
(iv) Shortfall of current year	-	206.07
(v) Total of previous years shortfall (including interest earned on deposits under on-going projects)	163.72	-
(vi) Reason for shortfall (of current and previous years)	Pertains to ongoing projects	Pertains to ongoing projects

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(vii)	Nature of CSR activities	Eradication of hunger and malnutrition,Promoting gender equality, empowering women, setting up homes and hostels for women, old age persons and orphans, promoting education, art and culture, healthcare, environment sustainability, Protection of national heritage, art and culture, and rural development projects.	
(viii)	Details of related party transactions, e.g. contribution to a trust controlled by the group in relation to CSR expenditure as per relevant Accounting Standard	Refer note 39 of consolidated financial statements	Refer note 39 of consolidated financial statements

Note 44: Particulars of Loans, Guarantees and Investment under Section 186 of the Companies Act, 2013

1. a) Equity Shares of Associates (At cost):

No. of units	Particulars	Face Value	As at March 31, 2026	As at March 31, 2025
81232560	(Previous year 81232560) fully paid up equity shares of Bhilwara Energy Ltd. (Associate)	10	30,711.50	30,711.50
Total			**30,711.50**	**30,711.50**
b) Investment in equity instruments- quoted (at fair value through profit or loss)				
2577106	(Previous year 24310015) fully paid up equity shares of Graftech International Ltd., USA	$ 0.01	16,538.74	18,183.44
Total			**16,538.74**	**18,183.44**

2 **Detail of the Loans given by the Holding Company to Associates**

Name of the Company / Entity	Amount outstanding		Maximum amount outstanding during		Purpose for which the loan utilised / to be utilised	Rate of Interest Per Annum
	As at March 31, 2026	As at March 31, 2025	2025-26	2024-25		
Bhilwara Energy Ltd (Associate)*	21,000.00	-	21,000.00	-	Business Purpose#	9%

* Loan to Associate is before expected credit loss of ₹150 Lakhs (in previous year Nil)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

3 **Disclosure of Ultimate Beneficiaries**

For the year ended March 31, 2026

Name of the Associate	Date of loan to Associate	Nature of transaction	Amount of Loan (₹ Lakhs)	Name of the beneficiary	Date of further loan by subsidiary to beneficiary	Nature of transaction	Amount of Loan (₹Lakhs)
Bhilwara Energy Ltd #	16.10.2025	Unsecured Loan given	21,000.00	Chango Yangthang Hydro Power Ltd. (Wholly owned Subsidiary of Associate)	16.10.25	Loan Given	21,000.00

For the year ended March 31, 2025

Name of the Associate	Date of loan to Associate	Nature of transaction	Amount of Loan (₹ Lakhs)	Name of the beneficiary	Date of further loan by subsidiary to beneficiary	Nature of transaction	Amount of Loan (₹Lakhs)
-	-	-	-	-	-	-	-

\# Loan for its growth trajectory (for further purchase of shares by BEL which would make Malana Power Company Ltd, 100% owned directly/indirectly by BEL

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, 2026	As at March 31, 2025
(a) Debt*	79,328.47	58,485.65
(b) Cash & cash equivalents	(4,058.84)	(5,076.34)
(c) Net debt (a)+(b)	75,269.63	53,409.31
Total equity	4,75,791.80	4,45,376.83
Net debt to equity ratio	**0.16**	**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 borrowing during the year ended March 31, 2026 and March 31, 2025.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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, 2026

Particulars	At amortised cost	At fair value through OCI		At fair value through profit or loss		Total carrying amount	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Financial assets							
Investments (refer note 9) #							
-Equity instruments	-				16,538.74	16,538.74	16,538.74
-Fixed maturity plans					10,338.75	10,338.75	10,338.75
-Mutual funds					31,696.38	31,696.38	31,696.38
-Bond funds					9,352.73	9,352.73	9,352.73
-Infra trust & PMS investment					5,657.31	5,657.31	5,657.31
-Bonds	-					-	-
Trade receivables(refer note 10)	49,951.06			-	-	49,951.06	49,951.06
Cash and cash equivalents (refer note 15)	4,058.84			-	-	4,058.84	4,058.84
Other bank balances (refer note 16)	20,954.03					20,954.03	20,954.03
Loans (Refer Note 11)	25,974.73			-	-	25,974.73	25,974.73
Other financial assets (Refer Note 12)	13,390.95					13,390.95	13,390.95
Derivative financial instruments (Refer Note 12)	-			-	-	-	-
Total financial assets	**1,14,329.61**	**-**	**-**	**-**	**73,583.91**	**1,87,913.52**	**1,87,913.52**
Financial liabilities							
Borrowings (Refer Note 19)	79,328.47				-	79,328.47	79,328.47
Trade payables (Refer Note 20)	**40,077.64**				**-**	**40,077.64**	**40,077.64**
Lease liabilities (Refer Note 21A)	**273.62**					**273.62**	**273.62**
Other financial liabilities (Refer Note 21B)	5,941.33				-	5,941.33	5,941.33
Derivative financial instruments (Refer Note 21B)	-				1,663.33	1,663.33	1,663.33
Total financial liabilities	**1,25,621.06**	**-**	**-**	**-**	**1,663.33**	**1,27,284.39**	**1,27,284.39**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

As at March 31, 2025

Particulars	At amortised cost	At fair value through OCI		At fair value through profit or loss		Total carrying amount	Total fair value
		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					35,594.48	35,594.48	35,594.48
-Bond funds					8,871.65	8,871.65	8,871.65
-Infra trust & PMS investment					8,772.56	8,772.56	8,772.56
-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**	**-**	**-**	**-**	**81,096.43**	**1,52,664.69**	**1,52,664.69**
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**

#Investment value excludes investment in Associates/Subsidiaries of ₹52,914.40 Lakhs (March 31, 2025: ₹46,858.40 Lakhs) which are shown at cost in balance sheet as per Ind AS 27 ""Separate Financial Statements

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities,

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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, 2026

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)	16,538.74	16,538.74		
-Fixed maturity plans	10,338.75	-	10,338.75	-
-Mutual funds	31,696.38	-	31,696.38	-
-Bond funds	9,352.73	-	9,352.73	
-Infra trust & PMS investment	5,657.31	-	-	5,657.31
Derivative financial instruments	-	-	-	-
Total	**73,583.91**	**16,538.74**	**51,387.86**	**5,657.31**
Financial liabilities measured at fair value through profit or loss				
Derivative financial instruments	1,663.33	-	1,663.33	-
Total	**1,663.33**	**-**	**1,663.33**	**-**

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	35,594.48	-	35,594.48	-
-Bond funds	8,871.65	-	8,871.65	-
-Infra trust & PMS investment	8,772.56	-	-	8,772.56
-Derivative Financial Instruments	-	-	-	-
Total	**81,096.43**	**18,183.44**	**54,140.43**	**8,772.56**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
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
	Infra trust Infra trust & PMS investment
As at April 1, 2024	**5,337.20**
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit or loss on fair value changes	3,435.36
As at March 31, 2025	**8,772.56**
Additions during the year	-
Sales during the year	-
Gain/(loss) recognised in profit or loss on fair value changes	(3,115.25)
As at March 31, 2026	**5,657.31**

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(i) Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. The foreign currency forward contracts are used to hedge its risks associated with foreign currency fluctuations relating to accounts receivable and accounts payable. The use of foreign currency forward contracts is governed by the strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the group's Risk Management Policy. The group does not use forward contracts for speculative purposes.

a) Foreign currency forward contracts outstanding as at the balance sheet date

Category	Currency	Nature	As at March 31, 2026			As at March 31, 2025		
			No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)	No. of contracts	(USD) (in Lakhs)	(INR) (Lakhs)
Against receivables	USD/ INR	Sold	45	600.00	56,792.58	-	-	-
Against receivables	EUR/ INR	Sold	12	120.00	13,080.77	-	-	-

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:

Category	Currency	As at March 31, 2026		As at March 31, 2025	
		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	210.17	19,893.53	162.84	13,935.97
	Euro	0.91	99.01	0.14	13.26
Other payables (B)	USD	12.01	1,136.65	12.03	1,029.50
	Euro	5.16	562.56	5.52	509.35
Borrowings (C)	USD	645.87	61,134.69	562.00	48,096.63
	Euro	101.98	11,116.80	58.36	5,387.80
Total exposure to foreign currency risk (liabilities) (D=A+B+C)	USD	868.05	82,164.87	736.87	63,062.10
	Euro	108.05	11,778.37	64.02	5,910.41

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Category	Currency	As at March 31, 2026		As at March 31, 2025	
		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 (E)	USD	201.87	19,108.28	244.03	20,884.49
	Euro	91.67	9,992.31	97.93	9,041.28
Bank balances (F)	USD	6.69	633.17	0.02	1.74
	Euro	0.87	94.66	0.00	0.00
Total exposure to foreign currency risk (assets) (G=E+F)	USD	208.56	19,741.45	244.05	20,886.23
	Euro	92.54	10,086.97	97.93	9,041.28
Net exposure to foreign currency risk after considering natural hedge receivable/(payable) (H=G-D)	USD	(659.49)	(62,423.42)	(492.82)	(42,175.87)
	Euro	(15.51)	(1,691.40)	33.91	3,130.87
Foreign currency forward contracts outstanding in respect of receivables (I)	USD	600.00	56,792.58	-	-
	Euro	120.00	13,080.77	-	-
Foreign currency forward contracts outstanding in respect of payables (J)	USD	-	-	-	-
	Euro	-	-	-	-
Net exposure to foreign currency risk in respect of receivables after considering natural hedge and forward contracts # (H-I)	USD	(59.49)	(5,630.84)	(492.82)	(42,175.87)
	Euro	104.49	11,389.37	33.91	3,130.87

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, 2026	For the year ended March 31, 2025
USD Sensitivity		
Increase in exchange rate by 5% (previous year 5%)	(281.54)	(2,108.79)
Decrease in exchange rate by 5% (previous year 5%)	281.54	2,108.79
EURO sensitivity		
Increase in exchange rate by 5% (previous year 5%)	569.47	156.54
Decrease in exchange rate by 5% (previous year 5%)	(569.47)	(156.54)

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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, 2026			As at March 31, 2025		
	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	6.82%	79,328.47	100	6.03%	58,485.65	100
Fixed rate borrowings	-	-		-	-	
Total borrowings	**6.82%**	**79,328.47**	**100**	**6.03%**	**58,485.65**	**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, 2026	For the year ended March 31, 2025
Interest rate - increase by 50 basis points	(396.64)	(292.43)
Interest rate - decrease by 50 basis points	396.64	292.43

(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, infrastructure trust and Optional Convertible Debenture (OCD). 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 valuation of OCD is taken based upon valuation report by independent registered valuer. The Company is exposed to price risk on such Investments.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Investments in debt based fixed maturity plans, mutual fund schemes, equity instruments and infrastructure trust carried at fair value through profit and loss	73,583.91	81,096.43

(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, 2026	For the year ended March 31, 2025
Fair value/NAV increase by 1%	735.84	810.96
Fair value/NAV decrease by 1%	(735.84)	(810.96)

(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 2025-26 and 2024-25.

(i) Allowances for expected credit losses on financial assets

As at March 31, 2026

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	124.73	-	124.73
Security deposits	4,276.59	-	4,276.59
Loans to Related parties	26,000.00	150.00	25,850.00

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	50,699.36	748.30	49,951.06

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
Loans to related parties	-	-	-

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(ii) Reconciliation of allowances for expected credit loss and 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, 2026	For the year ended March 31, 2025
As at the beginning of year	513.54	**359.45**
Provided during the year	234.76	154.09
Reversal during the year	-	-
As at the end of the year	748.30	**513.54**

(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, 2026	For the year ended March 31, 2025
Floating rate		
– Expiring within one year – Working Capital Loans	85,100.00	78,121.00

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, 2026

Particulars	Less than 12 months	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Financial liabilities					
Borrowings (current)	79,328.47				79,328.47
Trade payables	40,077.64	-	-	-	40,077.64
Lease liabilities	29.45	-	133.19	1,793.55	1,956.19
Other financial liabilities	7,604.66	-	-	-	7,604.66
Total	1,27,040.22	-	133.19	1,793.55	1,28,966.96

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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**

Note 46: Carrying amount of pledged assets

Particulars	As at March 31, 2026	As at March 31, 2025
First charge		
Current assets		
(a) Trade receivables	49,951.06	44,469.66
(b) Inventories	1,13,373.66	1,25,463.80
Total (A)	1,63,324.72	**1,69,933.46**
Secondary charge		
Property, plant and equipment (including capital work-in-progress and leasehold land)	1,78,595.06	1,91,549.29
Total (B)	1,78,595.06	**1,91,549.29**
Total (A+B)	3,41,919.78	**3,61,482.75**

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, 2026	For the year ended March 31, 2025
- Graphite electrode	2,36,907.77	1,97,636.80
- Graphite by-products	15,623.94	13,161.59
- Power	2,645.72	2,935.48
Total	2,55,177.43	**2,13,733.87**

(b) Geographical

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from customers within India (including sale to SEZ units)	83,395.23	70,503.59
Revenue from customers based outside India	1,71,782.20	1,43,230.28
Total	2,55,177.43	**2,13,733.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

(c) Timing of revenue recognition

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from goods transferred to customers at a point in time	2,55,177.43	2,13,733.87
Revenue from goods transferred to customers over time	-	-
Total	**2,55,177.43**	**2,13,733.87**

(ii) Reconciliation of revenue from contract with customer

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contract with customer as per the contract price	2,55,651.93	2,15,505.65
Adjustments made to contract price on account of :-		
a) Discounts / rebates / incentives	-	-
b) Sales returns / credits / reversals	474.50	1,771.78
Revenue from contract with customer	**2,55,177.43**	**2,13,733.87**
Other operating revenue	1,673.04	1,537.04
Revenue from operations	**2,56,850.47**	**2,15,270.91**

(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, 2026 includes revenue against advances from customers amounting to ₹781.18 Lakhs (previous Year- ₹657.12 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 group expects to recognize these amounts in revenue.

Particulars	As at March 31, 2026	As at March 31, 2025
The aggregate value of performance obligations that are completely or partially unsatisfied	NIL	NIL

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 48: Business combination

Acquisition of Bhilwara Infotechnology Limited (BIL) and Step Down Subsidiary Texnere India Private Limited ("Texnere") during previous year

On December 09, 2024, the Holding Company had acquired additional 61.41 percent equity interest of Bhilwara Infotechnology Limited, 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, Bhilwara Infotechnology Limited had acquired additional 100 percent equity interest in Texnere India Private Limited, 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 during previous year:

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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 acquire 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, 2026	For the year ended March 31, 2025
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, 2026

(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, 2026		For the year ended March 31, 2025	
	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	58,485.65	-	61,937.81	-
Changes during the year				
a) Changes from cash flows	17,335.91	-	(3,763.16)	-
b) The effect of changes in foreign exchanges rates- (gain)/loss	3,506.91		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	**79,328.47**	**-**	**58,485.65**	**-**

Note 50: Details of research and development expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Capital	-	-
b) Revenue	665.35	319.79

Note 51: Government grants

Particulars	Grants recognised during the year		Grants recoverable	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Government grant shown as other operating revenue				
Export incentives	1,424.00	1,194.86	288.11	625.74
B. Government grant deducted from expenses				
Interest subvention on export packing credit loans reduced from finance cost	-	-	286.95	286.95
Subsidy in electricity tariff reduced from power and fuel expenses	510.97	510.97	510.97	510.97
C. Government grant shown as other income				
State Government investment promotion assistance as per MP industrial promotion policy 2018	3,391.00	5,714.00	6,656.19	5,714.00
Total of government grants recognised & grants recoverable	**5,325.97**	**7,419.83**	**7,742.22**	**7,137.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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 willful 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, except as mentioned in note 44(3).

(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 except as mentioned in note 45 (C).

(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:

The Board of Directors of the Holding Company at its meeting held on May 22, 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 April 1, 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 March 10, 2025 has approved the execution of definitive agreements in connection with the issue of further shares to investors.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(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 modified scheme was approved by the board of directors of respective companies on March 10, 2025. 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 (NCLT) and the shareholders and creditors (as applicable) of the Companies involved in the Scheme. Approval/observation letters from BSE and NSE were received on January 8, 2026 and January 9, 2026 respectively. Thereafter, the Scheme was filed with the Hon'ble National Company Law Tribunal, Indore Bench on January 24, 2026.

Pursuant to order dated th March 26, 2026, the Hon'ble NCLT has directed convening of meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of HEG Limited and Equity Shareholders of Bhilwara Energy Limited through Video Conferencing / Other Audio Visual Means for approval of the Scheme. Accordingly, notices have been issued to the respective stakeholders and the meetings are scheduled to be held on Tuesday, May 5, 2026.

Pending receipt of final approvals from NCLT, no adjustments have been made in the consolidated financial statements for the financial year ended March 31, 2026.

Note 55:

The Government of India, vide notification dated November 21, 2025, has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"), which consolidate and replace existing multiple labour legislations. In accordance with Ind AS 19 – Employee Benefits, changes to employee benefit plans resulting from the new labour codes are treated as plan amendments, requiring immediate recognition of past service cost as expense in the statement of profit and loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. The implementation of the Labour Codes has resulted in an increase of ₹1526.10 Lakhs in the provision for gratuity and long-term compensated absences, which has been recognized as an employee benefit expense in the audited financial statements for the year ended March 31, 2026. The Group continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/additional guidance from authorities and will continue to assess the accounting implications basis such developments/guidance.

Note 56: A. Interest in other entities

Name of Company	Country of incorporation/ Principal place of business	Activities	Proportion of ownership of interest	
			March 31, 2026	March 31, 2025
A. Subsidiary				
TACC Limited	India	Anode manufacturing for lithium ion batteries	100.00%	100.00%
Bhilwara Infotechnology Limited*	India	IT enabled services	100.00%	100.00%
HEG Graphite Limited	India	Manufacturing of Graphite Electrodes	100.00%	100.00%
Texnere India Private Limited**	India	IT enabled services	0.00%	100.00%
B. Associates				
Bhilwara Energy Limited	India	Power Generation and Power Consultancy	45.62%	49.01%
Bhilwara Infotechnology Limited*	India	IT enabled services	-	38.59%

* Refer note 48

** Associate Company of wholly owned subsidiary of Bhilwara Infotechnology Limited w.e.f. 01st June 2025 to 13th November 2025, prior to this date it was a wholly owned subsidiary of Bhilwara Infotechnology Limited acquired during the previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 56 B: Summarised financial information of Associates

Particulars	Bhilwara Energy Limited	
	As at March 31, 2026	As at March 31, 2025
I. Assets		
(A) Non Current Assets	1,61,810.24	1,49,989.97
(B) Current Assets		
i) Cash and cash equivalent	8,135.38	1,581.19
ii) Others	97,819.60	60,025.01
Total Current Asset	**1,05,954.98**	**61,606.20**
Total Asset (A+B)	**2,67,765.22**	**2,11,596.17**
II. Liabilities		
(A) Non Current Liabilities		
i) Financial Liabilities		
A. Borrowings	81,774.83	2,351.11
B. Other financial liabilities	642.41	86.66
ii) Other liabilities (including provisions)	23,907.38	17,892.54
Total Non Current Liabilities	**1,06,324.62**	**20,330.31**
(B) Current Liabilities		
i) Financial Liabilities		
A. Borrowings	30,941.82	4,753.27
B. Trade Payables	15,179.70	1,501.24
C. Other financial liabilities	4,314.02	1,789.88
ii) Other liabilities (including provisions)	8,882.91	2,993.98
Total Current Liabilities	**59,318.45**	**11,038.37**
Total Liabilities (A+B)	**1,65,643.07**	**31,368.68**
Net Assets (including non controlling interest) (I-II)	**1,02,122.15**	**1,80,227.49**
III. Contingent liabilities and commitments		
Contingent liabilities	36,836.32	12,596.13
Capital commitments	-	-
Group's share of contingent liabilities	16,803.62	6,172.81
Group's share of capital commitments	-	-

Note: The previous year figures mentioned above are the comparative figures as mentioned in the financial statements of associates for the year ended March 31, 2026.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 56: C. Summarised performance of Associates

Particulars	Bhilwara Energy Limited	
	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Summarised performance of Associates		
(i) Revenue from operations	90,965.92	57,770.83
(ii) Profit/(Loss) before Tax	47,044.86	22,634.18
(iii) Profit/(Loss) after Tax (net of non-controlling interest)	24,322.54	3,218.23
(iv) Other comprehensive Income(net of non-controlling interest)	(31.02)	(71.67)
(v) Total comprehensive Income(for the purpose of calculation of Group's share)	24,291.52	3,146.56
II. Group's share in Associate		
Proportion of group's ownership in associate	45.62%	49.01%
(i) Group's share in profit after tax	11,550.70	1,577.25
(ii) Group's share in other comprehensive income	(14.31)	(35.13)
(iii) Group's share in total comprehensive income	11,536.39	1,542.12
III. Other information		
(i) Depreciation & amortisation expense	5,219.23	4,961.43
(ii) Interest income including interest on transmission line	10,057.69	3,458.55
(iii) Interest expense	4,648.16	3,059.54
(iv) Tax expense	13,845.43	10,680.10

Note 56D: Movement of investment in Associates accounted for using the Equity method

Particulars	As at March 31, 2026	As at March 31, 2025
Investment at cost - at the beginning of the year	**30,711.50**	**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**	**30,711.50**
Profit till date at the beginning of the year	**28,215.55**	**28,363.63**
Add: Share of profit for the year	11,550.70	1,747.95
Add: Share of OCI for the year	(14.31)	(35.13)
Add: Gain on reduction of interest in associates including profit in discontinued operations	3,707.57	-
Less: Reduction on account of acquisition of control (refer note 48)	-	(1,860.90)
Profit till date at the end of the reporting year	**43,459.51**	**28,215.55**
Investment at equity method - at the beginning of the year	**58,927.05**	**59,494.13**
Investment at equity method - at the end of the year	**74,171.01**	**58,927.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 56: E. Other details mandated by Schedule III of Companies Act 2013, by way of additional information:

As at March 31, 2026

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	79.56%	3,78,553.99	63.10%	21,543.29	94.23%	(233.93)	62.88%	21,309.36
Subsidiary (Indian)								
TACC Limited	3.46%	16,476.20	0.01%	1.96	-	-	0.01%	1.96
Bhilwara Infotechnology Limited	1.39%	6,594.93	3.05%	1,042.48	-	-	3.07%	1,042.48
HEG Graphite Limited	0.00%	(4.33)	0.00%	(1.61)	-	-	0.00%	(1.61)
Associates (Indian) (Investment as per Equity Method)								
Bhilwara Energy Limited	15.59%	74,171.01	33.84%	11,550.70	5.77%	(14.32)	34.04%	11,536.38
Total	**100.00%**	**4,75,791.80**	**100.00%**	**34,136.82**	**100.00%**	**(248.25)**	**100.00%**	**33,888.57**
Attributable to								
Owners of the Company	100.00%	4,75,791.80	100.00%	34,136.82	100.00%	(248.25)	100.00%	33,888.57
Non Controlling Interest	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

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	(0.00)	(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, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

Note 57:

A) The notes disclosed in the consolidated financial Statements of Bhilwara Energy Limited, one of the Associate company, referred in the Auditor's Report of Associate under 'Emphasis of matter' paragraph are being reproduced hereunder:

(a) NJC Hydro Power Limited (NHPL), a Subsidiary of the Associate - Emphasis of matter

In Case of NJC Hydro Power Limited (NHPL):- 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 the project is not doable any more, NHPL has decided not to implement the project and sought the refund of upfront premium of ₹25.47 Crores from GoAP invoking the clauses of MoA and presently the matter is under litigation with GoAP.

(b) Chango Yangthang Hydro Power Limited (CYHPL), a Subsidiary of the Associate - Emphasis of matter

(i) 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.

(ii) During the current period, the CYHPL has acquired 49% equity shareholding in Malana Power Company Limited (MPCL) a fellow subsidiary from Statkraft Holding Singapore Pte. Ltd. on November 17, 2025 pursuant to a Share Purchase Agreement dated September 09, 2025. The acquisition consideration has been funded through borrowings from banks and promotor entities, which have been drawn down during the period, and finance costs are being accrued thereon.

The CYHPL is also contemplating the acquisition of the remaining 51% equity shareholding in MPCL from its holding company and, upon completion of such acquisition, the management intends to merge MPCL and ADHPL (wholly owned subsidiary of MPCL) with the CYHPL, in accordance with applicable laws and regulatory requirements. The proposed acquisition and merger is being done for consolidating the hydro power assets of the group in the CYHPL in line with undertaking given by CYHPL to ICICI Bank.

B) Discontinued Operations:

a. During the year ended on March 31, 2026, the Subsidiary Company Bhilwara Infotechnology Limited (BIL), sold its Infotech Division to Texnere India Private Limited along with 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) other than Book Debts, Creditors, Bank Balances, Investments etc, under slump sale basis, pursuant to Agreement to Transfer of Business.

The Board of Directors of the Company in the meeting held on January 30, 2026 and shareholders of the Company in its Extra Ordinary General Meeting held on February 16, 2026 had approved discontinuation of Medical Transcription Business effective from March 1, 2026. Accordingly Medical Transcription Business carried out by the Company in Scribe Division stands discontinued as at March 31, 2026.

The Company has laid off all its employees and there are no employees as at March 31, 2026

b. Upon discontinuance of IT enabled services (Infotech Division) and Medical Transcription Services (Scribe Division), the Company has no business operations as on March 31, 2026, however, the Company holds investments in Portfolio Management Services (PMS) and have also granted interest bearing inter corporate loans. The Management of the Company is also exploring further business opportunities in the Company and in view of the investments in PMS and loans granted, the accounts of the Company have been prepared on going concern basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in ₹ Lakhs unless otherwise stated)

The financial results of Discontinued Operations for the year are as follows :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	736.61	698.20
Other income	652.06	-
Total Income	**1388.67**	**698.20**
Employees benefit expenses	534.79	712.19
Finance cost	-	-
Depreciation and amortization expenses	11.13	4.81
Other expenses	353.74	454.86
Total Expenses	**899.66**	**1171.86**
Profit /(Loss) before Tax from Discontinued Operations	**489.01**	**(473.66)**
Tax Expense:		
Current tax	90.51	(15.21)
Deferred tax	59.23	(103.52)
Total tax expenses	**149.74**	**(118.73)**
Profit/(Loss) after Tax from Discontinued Operations	**339.27**	**(354.93)**

Net cash flow attributable to discontinued operations are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from / (used in) Operating activities	610.82	(40.06)
Cash flow from / (used in) Investing activities	2.91	11.87
Cash flow from / (used in) Financing activities		(25.25)
Net increase / (decrease) in cash and cash equivalent	613.73	(53.44)

Note 58 : Capitalization of Pre-Operative Expenditure

The following expenditure has been included under Capital work in progress:For the year ended

The following expenditure has been included under Capital work in progress:	For the year ended March 31, 2026	For the year ended March 31, 2025
Travelling expenses	398.07	178.78
Power cost	86.24	24.13
Consultancy	3,371.89	-
Salaries and wages	2,490.93	1,185.92
Insurance & Other Charges	1,410.83	293.41
Total	**7,757.96**	**1,682.24**

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 : April 29, 2026

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

Amount (₹ in Lakhs)

1)	**Name of the subsidiary:**	**TACC Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	01.04.2025 to 31.03.2026
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	N.A.
3.	Share capital:	Authorized Share Capital: ₹ 210 Crore Paid Up Share Capital: ₹ 160 Crore
4.	Reserves & surplus:	1759.21
5.	Total assets:	58438.32
6.	Total Liabilities:	40679.11
7.	Investments:	0
8.	Turnover:	0
9.	Profit/Loss before taxation:	1.96
10.	Provision for taxation/Deferred tax:	0
11.	Profit/Loss after taxation:	1.96
12.	Proposed Dividend:	0
13.	% of shareholding:	100%
2)	**Name of the subsidiary:**	**HEG Graphite Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	01.04.2025 to 31.03.2026
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	N.A.
3.	Share capital:	Authorized Share Capital: ₹ 1 Lakh Paid Up Share Capital: ₹ 1 Lakh
4.	Reserves & surplus:	(5.33)
5.	Total assets:	2.79
6.	Total Liabilities:	7.12
7.	Investments:	0
8.	Turnover:	0
9.	Profit/Loss before taxation:	(3.41)
10.	Provision for taxation/Deferred tax:	(1.79)
11.	Profit/Loss after taxation:	(1.61)
12.	Proposed Dividend:	0
13.	% of shareholding:	100%

Notes:

1. The aforesaid subsidiaries are yet to commence operations.

Amount (₹ in Lakhs)

3)	**Name of the subsidiary:**	**Bhilwara Infotechnology Ltd**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	01.04.2025 to 31.03.2026
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	N.A.
3.	Share capital:	Authorized Share Capital: ₹ 970 Paid-Up Share Capital: ₹ 327.06
4.	Reserves & surplus:	6267.87
5.	Total assets:	6645.17
6.	Total Liabilities:	50.22
7.	Investments:	777.71
8.	Turnover (from continued operations):	0
9.	Profit/Loss before taxation (from continued and discontinued operations):	1266.68
10.	Provision for taxation (from continued and discontinued operations):	224.19
11.	Profit/Loss after taxation /Deferred tax:(from continued and discontiued operations):	1042.48
12.	Proposed Dividend:	0
13.	% of shareholding:	100%

Notes:

1 During the year under audit, Texnere India Pvt Ltd was the associate company of Bhilwara Infotecnology Ltd w.e.f 1st June, 2025 to 13th November, 2025, prior to this date it was a wholly owned subsidiary of Bhilwara Infotechnology Ltd. .

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	31/03/26
2.	Date on which the Associate was associated or acquired	28/03/07
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)	45.62
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	46205.94
7.	Profit / Loss for the year	
	i. Considered in Consolidation	11536.38
	ii. Not Considered in Consolidation (₹ in Lakhs)	-

1. Names of associates or joint ventures which are yet to commence operations: N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A..

For and on behalf of the Board of Directors

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Riju Jhunjhunwala
Vice Chairman
DIN: 00061060

Manish Gulati
Executive Director
DIN: 08697512

Shekhar Agarwal
Director
DIN: 00066113

Satish Chand Mehta
Director
DIN: 02460558

Ravi Kant Tripathi
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P)
Date : April 29, 2026

NOTES

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG LIMITED

Registered Office:

Mandideep (Near Bhopal)
Distt. Raisen - 462046, Madhya Pradesh, India
Website: www.hegltd.com/www.lnjbhilwara.com
E-mail: heg.investor@lnjbhilwara.com
CIN: L23109MP1972PLC008290

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG LIMITED

CIN: L23109MP1972PLC008290
Registered Office: Mandideep (Near Bhopal), Distt. Raisen - 462 046, (M.P.), Phone: 07480-233524, 233525, 405500
Corporate Office: Bhilwara Towers, A - 12, Sector - 1, Noida - 201 301 (U.P.), Phone: 0120-4390300 (EPABX), Fax: 0120-4277841
E-mail: heg.investor@lnjbhilwara.com; Website: www.hegltd.com

NOTICE

NOTICE is hereby given that the 54th Annual General Meeting (AGM) of HEG LIMITED will be held on Wednesday, 29th July, 2026 at 12:00 Noon (IST) through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without physical presence of members at the AGM venue to transact businesses as set out in this notice. The venue of the AGM shall be deemed to be the Registered Office of the Company at Mandideep (Near Bhopal,) Distt. Raisen – 462 046, Madhya Pradesh. The following businesses will be transacted at the AGM:

Ordinary Business:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026, the Report of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2026 and the Report of Auditors thereon.**

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2026, the Report of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2026 and the report of Auditors thereon, as circulated to the Members and laid before the meeting, be considered, received and adopted."

2. **To declare a Final Dividend on equity shares of the Company for the Financial Year 2025-26.**

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the recommendation of the Board of Directors, final dividend for the financial year 2025-26 at the rate of ₹ 3.40 /- per equity share of face value of ₹ 2/- each, be and is hereby declared and that the same be paid, to those members whose name appears on the Company's register of members as on the close of business hours on 22nd July 2026."

3. **To appoint a Director in place of Shri Manish Gulati (DIN: 08697512), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.**

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act"), Shri Manish Gulati (DIN: 08697512) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business:

4. **To consider and approve continuation of Shri Shekhar Agarwal (DIN: 00066113), as Non-Executive Non-Independent Director of the Company who will be attaining the age of 75 years in FY 2027-2028.**

   To consider and if thought fit, to pass, the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of Members be and is hereby accorded for continuation of Shri Shekhar Agarwal (DIN: 00066113) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation, who will attain the age of 75 years on October 09, 2027, during FY 2027–28.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, and things as may be necessary to give effect to this resolution."

5. **To ratify the remuneration of Cost Auditors for the Financial Year ending 31st March, 2027.**

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, M/s. N.D. Birla & Co., Cost Accountants (Firm Registration Number 000028) who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records for the financial year ending 31st March 2027 , be paid the remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things, as they may, in their absolute discretion, deem necessary to give effect to this resolution"

By order of the Board of Directors
For **HEG Limited**

Sd/-
Vivek Chaudhary
Company Secretary
ACS: 13263

Place : Noida (U.P.)
Date: 22nd June, 2026

Registered Office
Mandideep (Near Bhopal)
Distt. Raisen - 462046, (M.P.)
CIN: L23109MP1972PLC008290
E-mail: heg.investor@lnjbhilwara.com
Website: www.hegltd.com
Phone: 07480-233524, 233525, 405500

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the special business to be transacted at the Annual General Meeting (AGM) is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 4 to 5 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

2. Members are informed that Mrs. Vinita Singhania, who was liable to retire by rotation at the ensuing Annual General Meeting and whose re-appointment was recommended by the Board in the Board's Report for FY 2025-26, has resigned from the Board of Directors of the Company with effect from 21st June, 2026.

   Accordingly, no resolution for her re-appointment is being placed before the Members at the ensuing Annual General Meeting. The relevant reference to her re-appointment in the Board's Report shall be deemed to stand modified accordingly.

3. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated May 5, 2020 read with subsequent circulars issued from time to time, the latest one being General Circular No. 03/2025 dated September 22, 2025 ('MCA Circulars') and the circulars issued by the Securities and Exchange Board of India (MCA Circular and SEBI Circular collectively referred as 'Circulars') permitted holding of Annual General Meetings ('AGM') through VC/OAVM facility and dispensed physical presence of the members at the meeting. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Circulars, the 54th AGM of the Company is being held through VC/OAVM facility. The deemed venue for the AGM shall be the Registered Office of the Company. Hence, Members can attend and participate in the AGM through VC/OAVM only. Further, the Company will be availing remote e-voting/ e-voting system for casting vote during AGM from National Securities Depository Limited (NSDL).

   Further, In accordance with the aforesaid Circulars, the Notice of the AGM along with Annual Report 2025-26 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. The Company shall send the physical copy of Annual Report 2025-26 to those Members who request the same at heg.investor@lnjbhilwara.com mentioning their Folio No./DP ID and Client ID. The Notice convening the 54th AGM along with the Annual Report 2025-26 will also be available on the website of the Company at www.hegltd.com, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of NSDL at www.evoting.nsdl.com.

4. In terms of the MCA & SEBI Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 54th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 54th AGM through VC/OAVM Facility only. Therefore, attendance slip and route map are not annexed to this notice.

5. The Members attending the AGM through VC/OAVM shall be counted for purpose of reckoning the quorum under Section 103 of the Act.

6. Members can join the AGM in VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the website of National Securities Depository Limited ("NSDL') at www.evoting.nsdl.com.

   Please note that, the facility for participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

7. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 23rd July, 2026 to Wednesday, 29th July, 2026 (both days inclusive)** for the purpose of the AGM.

8. The Company's Registrar and Transfer Agent (RTA) for its Share Registry Work (Physical and Electronic) is MCS Share Transfer Agent Limited, having its office at 179-180, DSIDC Shed, 3rd Floor Okhla Industrial Area, Phase – 1, New Delhi – 110020, Phone: 011-41406149 – 52, Fax: 011-41709881, Website: www.mcsregistrars.com, E-mail Id: helpdeskdelhi@mcsregistrars.com.

9. Members are requested to note that under Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government of India.

Accordingly, during the financial year ended 31st March, 2026, the Company had transferred unpaid and unclaimed dividend amount of ₹ 116.66 lakhs pertaining to Final Dividend for the financial year 2017-18 and ₹ 78.08 lakhs pertaining to Interim Dividend for the financial year 2018-19 to the IEPF within the stipulated time period.

Information regarding unpaid and unclaimed dividend in respect of dividends declared up to the financial year 2024-25 reported/filed in Form No. IEPF-2 after the 53rd AGM of the Company held on 20th August, 2025, has been uploaded on the Company's website: www.hegltd.com under 'Investors' section. The said information is also available on the website of IEPF Authority i.e. www.iepf.gov.in. Further, details of unpaid and unclaimed dividend lying with the Company can be accessed through the link http://hegltd.com/unpaid-unclaimed-amounts/.

The concerned members are requested to verify the details of their unclaimed amounts, if any, from the said websites and write to the Company's Secretarial department at Corporate Office / RTA before the same becoming due for transfer to the Investor Education and Protection Fund.

10. Members are requested to note that, pursuant to the provision of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund Authority ('IEPF Authority') within a period of 30 days of shares becoming due to be transferred to IEPF Account.

    Accordingly, 36,340 equity shares pertaining to Final Dividend 2017-18 and 19,995 equity shares pertaining to Interim Dividend 2018-19 on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred to the IEPF Account during the financial year ended 31st March, 2026, after following the prescribed procedure under the IEPF Rules

    Details of shares so far transferred to the IEPF Authority are available on the website of the Company at http://hegltd.com/transfer-of-shares-to-iepf/.

    The Members / claimants whose shares, unclaimed dividend, etc. have been transferred to the IEPF Authority may claim the shares/unclaimed dividend by making an application to IEPF Authority in Web Form No. IEPF-5 (available on the Website: www.iepf.gov.in) as per the procedure prescribed in the IEPF Rules. The procedure in brief is as under:

    a. Make an online application in Form IEPF -5 available on the website www.iepf.gov.in along with fee as prescribed by Central Government from time to time (presently nil fee).

    b. Send a copy of the online application duly signed by claimant along with all documents mentioned in Form IEPF-5 in physical to the Nodal Officer of the Company at its Corporate Office at Bhilwara Towers, A-12, Sector-1, Noida-201301 (U.P.) Ph: 0120-4390300 for verification of his/her claim.

    c. The Company shall, within 30 days of receipt of the claim form, send an online verification report to the IEPF Authority alongwith all documents submitted by claimant.

    d. On verification, the IEPF Authority shall release the shares directly to the claimant.

    As per latest Instructions issued by Investor Education and Protection Fund Authority, claimant(s)/shareholder(s) have to submit complete set documents as prescribed to Nodal Officer of the Company and get 'Entitlement Letter' before claiming their shares and dividend amount by way of filing Form IEPF-5 on the website www.iepf.gov.in. While filing Form IEPF-5, claimants/Shareholder(s) have to submit the Entitlement Letter along with other prescribed documents. The Company may reject claims filed without proper Entitlement Letter.

    In case of members have any queries on the subject matter, they may write to our RTA or Company Secretary at Corporate Office of the Company at Bhilwara Towers, A-12, Sector-1, Noida-201301 (U.P.) or send an email at heg.investor@lnjbhilwara.com or by calling at Company telephone no. 0120-4390300 (Extn. 492).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company/RTA.

12. Manner of registering/updating email address, bank account details, PAN etc.:

    Members are requested to intimate/update changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. (along with duly cancelled cheque leaf stating the said details) to their Depository Participant in case the shares are held by them in electronic form or to the Company's RTA in case the shares are held by them in physical form, which will help the Company and the Company's RTA to provide efficient and better services.

The Securities and Exchange Board of India ("SEBI") has mandated furnishing of PAN, Nomination Details, Contact details (Address with PIN, Mobile number and Email address), Bank account details and Specimen signature by shareholders holding securities in physical form. Effective from 1st January 2022, any service request or complaint received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. The relevant forms prescribed by SEBI for furnishing the above details are available on the website of the Company at www.hegltd.com under head **Investors > Investor Service Request > Updation of PAN, KYC, Nomination and Bank Account Details etc.** The concerned shareholders are requested to register/ update the above mentioned details by submitting the prescribed forms duly completed in all respect to Company's RTA, i.e. **MCS Share Transfer Agent Limited, having its office at 179-180, DSIDC Shed, 3rd Floor Okhla Industrial Area, Phase – 1, New Delhi – 110020,** Phone: 011-41406149-52, E-mail Id: helpdeskdelhi@mcsregistrars.com.

Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management Members can contact the Company or RTA for assistance in this regard.

Further, members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio. For this, shareholder shall send Investor Service Request duly filled up in Form ISR-4 along with the documents / details specified therein, to Company's RTA. The said format is available at the websites of Company and Company's RTA as mentioned in Note no. 16.

Members holding shares in dematerialized mode are also requested to register / update their PAN, Nomination Details, Contact details (Address with PIN, Mobile number and Email address), Bank account details and Specimen signature with their respective Depository Participants (DPs), in case any of the said details are yet not updated or any change in the said details.

The Company had sent individual reminder letters in past, to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details, and Nomination in Form ISR-1 and other prescribed forms. This is in compliance with the SEBI Master Circular dated February 6, 2026 (which supersedes the previous Master Circulars in this regard). The Form ISR-1 is available on the website of the Company at https://hegltd.com/wp-content/uploads/2023/05/Form-Edit-ISR-1.pdf. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1 at the earliest to ensure seamless RTA services and electronic credit of dividends.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

13. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

14. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA at their office address mentioned in **Note no. 8**. If a member desires to opt-out or to cancel the existing nomination and record a fresh nomination, the member may request for the same in Form ISR-3 or Form SH-14 to the RTA, as the case may be. The forms are available on the website of the Company i.e. www.hegltd.com. Members holding shares in electronic form may contact their respective Depositary Participants for availing this facility.

15. To support the 'Green Initiative', Members who have not yet registered their email addresses and/or not updated the bank account details with the Company/ Registrar & Share Transfer Agent (RTA)/ Depository Participant(s) 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 RTA in case the shares are held by them in physical form, to facilitate:

    a. Service of documents including notice of AGM and Annual Report in electronic form;

b. Receiving Dividend directly in your bank account through the Electronic Clearing Service (ECS) or any other means.

Members holding shares in physical form	Please submit Form-ISR-1 dully filled and signed to the RTA, M/s MCS Share Transfer Agent Limited. The copy of form is available on the website of RTA and Company at https://www.mcsregistrars.com/downloads.php and https://hegltd.com/wp-content/uploads/2023/05/Form-Edit-ISR-1.pdf respectively.
Members holding shares in DEMAT form	Please contact your Depository Participant (DP) to register/update your email address and/or bank account details in your DEMAT account, as per the process advised by your DP.

The Company has also sent intimation letter dated 27th April, 2026 for service of documents through electronic mode to concerned Shareholders with regard to registration of their email address etc. with the Registrar and Share Transfer Agent/ Depository Participants.

This may be considered as an advance opportunity to the members to register their e-mail address and changes therein as required under Rule 18 of the Companies (Management and Administration) Rules, 2014, as amended from time to time.

16. Members may please note that SEBI vide its Master Circular dated 6th February, 2026 (which superseds the previous Master Circulars in this regard and read with other SEBI Circulars) has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Subdivision/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition etc. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://hegltd.com/wp-content/uploads/2022/02/Investor-Service-Request2.pdf and on the website of the Company's RTA at https://www.mcsregistrars.com/downloads.php. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI. Members can contact the Company or RTA, for assistance in this regard.

17. Members may please note that SEBI, vide its Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 28, 2023) regarding the 'Master Circular for Online Resolution of Disputes in the Indian Securities Market', has streamlined the dispute resolution mechanism by establishing a common Online Dispute Resolution Portal (the 'SMART ODR Portal'). This portal harnesses independent online conciliation and online arbitration for the resolution of disputes in the Indian Securities Market.

    In terms of the said circular, a shareholder must first take up their grievance directly with the Company/RTA. If the grievance is not redressed satisfactorily, the shareholder may escalate the same through the SEBI SCORES portal (https://scores.sebi.gov.in). Only after exhausting these direct resolution options, if the shareholder remains unsatisfied with the outcome, can they initiate dispute resolution through the SMART ODR Portal. Shareholders are requested to take note of the same. The aforesaid SEBI Master Circular can be accessed on the Company's website at: https://hegltd.com/wp-content/uploads/2023/10/Covering-Letter-SEBI-ODR-Circular-13_10_23.pdf. Shareholders can access and enrol on the SMART ODR Portal at https://smartodr.in/login.

18. In terms of Section 152 of the Act, Shri Manish Gulati, Director of the Company, is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

19. Details under Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standard-2 in respect of the Directors seeking appointment/re-appointment at the 54th Annual General Meeting are annexed hereto as **Annexure -A** to this Notice which forms part of the explanatory statement. Requisite declarations have been received from the Directors seeking appointment/re-appointment.

20. Non-Resident Indian members are requested to inform RTA/respective DP's, immediately of:

    a. Change in their residential status on return to India for permanent settlement.

b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier.

21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019. Further w.e.f. 24th January 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or RTA, for assistance in this regard.

22. Pursuant to SEBI Circular No. SEBI/HO/OIAE/2023/03391 dated 27th January, 2023 with regard to enhance the awareness of investors about the availability of arbitration facility at Stock Exchanges for their dispute, if any, against listed companies/RTAs, the Company has issued the Intimation regarding "Availability of Dispute Resolution Mechanism of the Stock Exchange(s)" to all investors, who hold shares in physical form in permitted mode. The same was also available on the website of the Company i.e. www.hegltd.com.

23. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. **Wednesday, 22nd July, 2026**. Members are eligible to cast vote only if they are holding shares as on that date and a person who is not a member as on the cut-off date should treat this notice for information purposes only.

24. Members of the Company who acquires shares after the sending of Notice by the Company and hold shares as on the cut-off date i.e. **Wednesday, 22nd July, 2026**, shall follow the same procedure for e-Voting as mentioned at **point no 29**.

25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories and Company's RTA as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through VC/ OAVM.

26. **AN ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ELECTRONIC ANNUAL REPORT:**

(i) In accordance with, General Circular Nos. 20/2020 and 9/2023 dated 5th May 2020 and 25th September 2023, respectively, issued by MCA and Circular No. SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 issued by SEBI, inter-alia granting relaxation from requirement of dispatching physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

(ii) Members who do not have registered their E-mail ID and/or bank details are required to register their email addresses and/ or bank details, in respect of electronic holdings with their concerned Depository Participants and in respect of physical holdings, with the Company's RTA i.e. MCS Share Transfer Agent Ltd., 179-180, DSIDC Shed, 3rd Floor Okhla Industrial Area, Phase – 1, New Delhi – 110020. PIN-110 020 Tel.: 011- 41406149-52 Fax No.: 011- 41709881 E-mail: helpdeskdelhi@mcsregistrars.com by following due procedure, which is as under:

Shareholders with Physical Holding	Shareholders have to fill the Form ISR-1 for updating their Email address / Mobile no. and other details, if yet not updated by them, and sent the same duly completed in all respect to the RTA of the Company i.e. MCS Share Transfer Agent Limited (Unit : HEG Limited), 179-180, DSIDC Shed, 3rd Floor Okhla Industrial Area, Phase – 1, New Delhi – 110020, Phone no. 011-41406149-52. The said form can be downloaded 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.**
Shareholders with Demat Holding	a) Please contact your Depository Participant (DP) and register your Email address / Mobile No./ PAN in case the same are yet not updated in your demat account, as per the process advised by your DP. b) In case Email address / Mobile No. are updated but presently you have Opted for "email RTA download flag as "No" in your demat account, you can contact your DP for email download flag as "Yes" so that you can be able to receive the various communication sent through email by the Company. OR you can ask your DP to make necessary updation in your demat account so that in future you can be able to get Annual Report / Notice / various communications from the Company in electronic mode.

(iii) The Notice of AGM along with Annual Report for the financial year 2025-26, is available on the website of the Company at www.hegltd.com, on the website of Stock Exchanges where shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

27. PROCEDURE FOR INSPECTION OF DOCUMENTS:

i. All the documents referred to in the accompanying Notice and Explanatory Statement, shall be available for inspection on the website of the Company till the date of this Annual General Meeting.

ii. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system.

28. DIVIDEND TDS COMMUNICATION:

1. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on **Wednesday, 22nd July, 2026,** i.e. the Record Date, prior to the commencement of book closure, will be paid the Final Dividend of ₹ 3.40/- per Equity Share of the face value of ₹ 2 each for the financial year 2025-26, as recommended by the Board, if declared at the 54th AGM of the Company, within 30 days from the date of AGM.

2. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar & Share Transfer Agent cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.

3. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to MCS Share Transfer Agent Ltd, Registrar and Share Transfer Agent or to the Company immediately by sending a signed request in form ISR-1 along with the necessary supporting documents on e-mail at heg.investor@lnjbhilwara.com or contact RTA at helpdeskdelhi@mcsregistrars.com.

4. Shareholders may note that as per the Income Tax Act, 2025 (The Act), dividends paid or distributed by a company shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the payment of final dividend, if declared at the 54th AGM of the Company. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 2025.

A. RESIDENT SHAREHOLDERS:

A.1 *Tax deductible at source for Resident Shareholders*

No tax shall be deducted on payment of dividend to the resident individual shareholder if the total dividend, paid during Tax Year ('TY') 2026-27, does not exceed INR 10,000/- as per Section 393(4) Table Sl. No. 10 of the Act.

Shareholders are advised to update their PAN with the Depository Participant, if shares are held in demat form, or with the Registrar and Share Transfer Agent of the Company, if shares are held in Physical form. The address of Registrar and Share Transfer Agent (RTA) of the Company is as under:

MCS Share Transfer Agent Limited
(Unit: HEG 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

TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:

As per Section 262 of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be considered inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 397(2) of the Act.

Sr. No.	Particular	Withholding tax rate	Declaration / Documents required
1	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Shareholder	10%	No Documents Required
2	No PAN / Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form, and no exemption sought by Shareholder.	20%	No Documents Required
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 395(1) of the Act.	Rate specified in Lower tax withholding certificate obtained from Income Tax Department.	• Self-attested Copy of PAN card • Self-attested Copy of lower tax withholding certificate obtained from Income Tax Department

A.2 ***No Tax shall be Deducted at Source on dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in the below table with the Company on or before 13th July, 2026,***

S. No.	Particular	Declaration / documents required
1	An Individual furnishing Form 121	• Self-attested Copy of PAN card • Declaration in Form No. 121 (applicable to resident individuals including individuals above the age of 60 years), fulfilling prescribed conditions. ***(Please download the Link given as Annexure 1, at the end of this communication)***
2	Shareholders to whom Section 393(1) of the Act does not apply such as LIC, GIC, Business Trust etc.	• Self-attested Copy of PAN card • Self-declaration ***(Please download the Link given as Annexure 2, at the end of this communication)***, along with adequate documentary evidence (e.g., Registration certificate), to the effect that no tax withholding is required as per provisions of Section 393(1) of the Act.
3	Mutual Funds specified at Schedule VII (Table: Sl. No. 20 or 21) of the Act, corporations established by Central Act and exempt from Income Tax.	• Self-attested Copy of PAN card • Self-declaration ***(Please download the Link given as Annexure 2, at the end of this communication)***, along with adequate documentary evidence and SEBI registration certificate, substantiating applicability of exemption under the Act.
4	Category I and II Alternative Investment Fund (AIF)	• Self-attested Copy of PAN card • Self-declaration ***(Please download the Link given as Annexure 2, at the end of this communication)*** that AIF's income is exempt under Schedule V Table Sl. No. 1 of the Act and they are registered with SEBI as Category I or Category II AIF, along with copy of AIF registration certificate with SEBI.

S. No.	Particular	Declaration / documents required
5	Any other entity exempt from withholding tax under the provisions of the Act	• Self-attested Copy of PAN card • Self-declaration ***(Please download the Link given as Annexure 2, at the end of this communication)*** along with adequate documentary evidence, substantiating the nature of the entity • *Copy of the lower tax withholding certificate obtained from Income Tax Department.*
6	New Pension System Trust	• Self-attested Copy of PAN card • Self-declaration ***(Please download the Link given as Annexure 2, at the end of this communication)*** that Trust's income is eligible for exemption under Schedule VII Table Sl. No. 41 of the Act and being regulated by provisions of the Indian Trusts Act, 1882. • Copy of registration certificate.

B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source for non-resident shareholders shall be as per following table.

S. No.	Category	Withholding tax rate	Declaration / documents required
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) as per Section 393(2) [Table Sl. No. 15] of the Act or tax treaty rate whichever is beneficial	1. Self-declaration ***(Please download the Link given as Annexure 4, at the end of this communication)*** along with adequate documentary evidence substantiating the nature of the entity. 2. To avail beneficial rate of tax treaty following tax documents would be required: 3. Self-attested Copy of PAN card (if available) If PAN is not available, furnish details as per Rule 217 of Income-tax Rules, 2026 ***(Please download the Link given as Annexure 3, at the end of this communication)*** 4. Copy of Tax Residency Certificate (TRC) valid as on the AGM date for the TY 2026-27 or the calendar year 2026 obtained from the tax authorities of the country of which the shareholder is resident. 5. Copy of E-filed Form 41 on the https://eportal.incometax.gov.in/. ***(Please download the Link given as Annexure 7, at the end of this communication)*** 6. Self-declaration for no permanent establishment/ fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] ***(Please download the Link given as Annexure 6, at the end of this communication).*** 7. Copy of SEBI registration certificate

S. No.	Category	Withholding tax rate	Declaration / documents required
			8. In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA. *(Note: It is recommended that Shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA. Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).*
2	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)	• Self-attested Copy of PAN card (if available) • Self-declaration ***(Please download the Link given as Annexure 5, at the end of this communication)*** along with adequate documentary evidence substantiating the nature of the entity.
3	Other Non-resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) as per Section 393(2) Table Sl. No. 17 of the Act or DTAA Tax Treaty Rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: 1. Self-attested Copy of PAN card (if available). If PAN is not available, furnish details as per Rule 217 of Income-tax Rules, 2026 ***(Please download the Link given as Annexure 3, at the end of this communication)*** 2. Copy of Tax Residency Certificate (TRC) valid as on the AGM date for the TY 2026-27 or the calendar year 2026 obtained from the tax authorities of the country of which the shareholder is resident 3. Copy of E-filed Form 41 on the https://eportal.incometax.gov.in/. ***(Please download the Link given as Annexure 7, at the end of this communication)*** 4. Self-declaration for no permanent establishment/ fixed base / business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] ***(Please download the Link given as Annexure 6, at the end of this communication).***

S. No.	Category	Withholding tax rate	Declaration / documents required
			5. In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA. *(Note: It is recommended that Shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA. Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).*
4	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined under the Act	30% (plus applicable surcharge and cess)	NA
5	Sovereign Wealth funds and Pension funds notified by Central Government under the Act	NIL	• Copy of the notification substantiating the applicability of exemption issued by Government of India by notification in the Official Gazette. • Self-Declaration ***(Please download the Link given as Annexure 8 and 9, at the end of this communication)*** that the conditions specified have been complied with.
6	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed under the Act	NIL	Self-Declaration ***(Please download the Link given as Annexure 10, at the end of this communication)*** substantiating the fulfillment of conditions prescribed under Schedule V of the Act.
7	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 395(1) of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	• Self-attested Copy of PAN card • Copy of lower tax withholding certificate obtained from Income Tax Department

SUBMISSION OF TAX RELATED DOCUMENTS:

The above referred documents duly completed and signed are required to be sent to the Company through email at tdsfdiv170@lnjbhilwara.com by quoting your Name, Folio number / Demat Account No. (DP and Client ID both), Number of shares and PAN details ***on or before 13th July, 2026*** in order to enable the Company to determine and deduct appropriate TDS / withholding tax.

Hence, to enable us to deduct TDS on Dividend at the rate lower than the prescribed rate, the above documents should be submitted ***on or before 13th July, 2026***. No communication on the tax determination/ deduction shall be entertained in respect of the dividend declared after the above time limit.

The Resident Non-Individual Shareholders i.e. Insurance companies, Mutual Funds and AIF established in India and Non-Resident Non-Individual Shareholders i.e. Foreign Institutional Investors and Foreign Portfolio Investors may submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, ***on or before 13th July, 2026.*** All communications/queries in this respect shall be sent to tdsfdiv170@lnjbhilwara.com only. Documents sent to any other email ID may lead to non-submission of documents and attract TDS as per the provisions of the Act. Documents received by Post at the Corporate Office or from registered email ID will only be accepted.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate. In case, the joint owners wish to get the credit of TDS on their name separately please provide declaration under Rule 203 of Income-tax Rules, 2026. ***(Please download the Link given as Annexure 11, at the end of this communication)***

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income-tax Act, 2025 and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

UPDATION OF BANK ACCOUNT DETAILS:

In case your Bank details are not updated with records of Depository Participant, if shares are held in demat form, or with the Registrar and Share Transfer Agent of the Company, if shares are held in Physical form, you are requested to kindly get the same updated, to enable the Company to make timely credit of dividend in your bank accounts. We seek your cooperation in this regard.

PAYMENT OF DIVIDEND IN ELECTRONIC MODE:

Shareholders holding shares in physical folios are requested to note that SEBI vide its Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 issued to the Registrar & Transfer Agents and SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, as amended, has mandated that effective April 1, 2024, dividend to the security holders holding shares in physical mode shall be paid only through electronic mode. Such payment to the eligible shareholders holding physical shares shall be made only after they have furnished their PAN, Contact Details (Postal Address with PIN and Mobile Number) Bank Account Details and Specimen Signature for their corresponding physical folios to the Company or the RTA.

Further, your kind attention is drawn to the SEBI Circulars issued time to time on the norms/procedural requirements for processing service requests of investors specified by the SEBI to mandatorily update the PAN, KYC (including contact details viz. Email address / Mobile no.), Nomination details, Bank Account details and Specimen Signature of all Shareholders holding shares in physical form and compulsory linking of PAN with Aadhaar number by all Shareholders. 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 the following address:

MCS Share Transfer Agent Limited
(Unit: HEG Limited),
179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020.
Phone no. 011-41406149 –51 ;
Email ID: helpdeskdelhi@mcsregistrars.com

Additional Notes:

1. Shareholders will be able to download the copy of TDS certificates from the website of the Company (www.hegltd.com) Home page, in due course by furnishing the PAN number and Shareholders can also check the credit of TDS in Form 168 by login in to e-filing portal of Income Tax.
2. The aforesaid documents such as Form 121, Form 41, documents under the relevant sections of the Act, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be sent on the e-mail id of the Company at tdsfdiv170@lnjbhilwara.com **on or before 13th July, 2026** to enable the Company to determine the

appropriate withholding tax rate applicable. In case where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. Any communication in relation to tax rate determination/deduction received post 13th July, 2026 shall not be considered.

3. Shareholders holding shares under multiple accounts under different residential status / category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.

4. **TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:**

   As per the Section 262 of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 397(2) of the Act. The Company will be using the functionality of the Income-tax department for the above purpose. Provisions are effective from July 1, 2023. Shareholders may visit: https://www.incometax.gov.in/iec/foportal/help/e-filing-link-aadhaar-faq for FAQ issued by Government on PAN Aadhaar linking.

5. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and provide the Company with all information / documents and co-operation in any tax proceedings.

6. In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at the highest rate applicable, without any further communication in this regard.

7. In terms of Rule 203 of Income-tax Rules, 2026, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then deductee should file declaration with Company in manner prescribed by Rules. *(Please download the Link given as Annexure 10, at the end of this communication)*

8. In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

Link for Annexures as mentioned above:-

1.	**Annexure 1**	Form 121 (Declaration for Nil TDS for Resident Individuals)
2.	**Annexure 2**	Self-Declaration for Resident Non-Individual Shareholders
3.	**Annexure 3**	Declaration under Rule 217
4.	**Annexure 4**	Self-Declaration for FII/FPI
5.	**Annexure 5**	Self-Declaration for AIF Category III in IFSC
6.	**Annexure 6**	No PE Declaration for Non-Resident Shareholders and Tax Treaty Claim
7.	**Annexure 7**	Form 41 for Tax Treaty Claim
8.	**Annexure 8**	Self-Declaration for Sovereign Wealth Fund
9.	**Annexure 9**	Self-Declaration for Pension Fund
10.	**Annexure 10**	Self-Declaration for Subsidiary of ADIA
11	**Annexure 11**	Declaration under Rule 203

The Company vide its separate e-mail communication dated 27th May, 2026 had informed the Members regarding taxation provisions as per the Income Tax Act, 2025 as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate. A newspaper Notice was also published inter-alia informing about the communication related to Tax Deduction at source (TDS) on Dividend for the benefit of shareholders whose email IDs were not registered with the Company/ Depository Participants.

29. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING THROUGH VC/ OAVM ARE AS UNDER:-

The remote e-voting period begins on Saturday, 25th July, 2026 at 9 A.M. (IST) and ends on Tuesday, 28th July, 2026 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Wednesday, 22nd July, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 22nd July, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 139842 then user ID is 139842001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to heg.investor@lnjbhilwara.com or helpdeskdelhi@mcsregistrars.com

b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to heg.investor@lnjbhilwara.com or helpdeskdelhi@mcsregistrars.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

c. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

d. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cssaket.associates@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 or send a request to Ms. Pallavi Mhatre, DVP, NSDL at evoting@nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM through VC/OAVM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/ OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at queries.agm54@lnjbhilwara.com. The same will be replied by the company suitably.

30. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at queries.agm54@lnjbhilwara.com before **Wednesday, 22nd July, 2026** to enable the management to keep information ready at the AGM. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio no., mobile number at queries.agm54@lnjbhilwara.com before **Wednesday, 22nd July, 2026**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The other members desiring to seek information/clarification during the AGM may ask through the chat box facility provided by NSDL. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

31. DECLARATION OF RESULTS

1. Mr. Saket Sharma, a Practicing Company Secretary (Certificate of Practice No. 2565, Membership No. FCS 4229), Partner, M/s. GSK & Associates has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
3. The results shall be declared not later than two working days from conclusion of the meeting by posting the same on the website of the Company (www.hegltd.com), website of NSDL (www.evoting.nsdl.com) and by filing with the BSE Ltd. and National Stock Exchange of India Ltd. It shall also be displayed on the Notice Board at the Registered Office & Corporate Office of the Company.
4. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e. **Wednesday, 29th July, 2026**.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 4 :

Shri Shekhar Agarwal, (Presently aged: 73 Years 8 Months) is a distinguished industrialist with over 47 years of experience in the textile and manufacturing sectors. He serves as a Non-Executive, Non-Independent Director on the Board of HEG Limited and is liable to retire by rotation.

Members may also note that pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company shall take the approval of Shareholders by passing special resolution for continuation of any Non-Executive Director before attaining the age of 75 years. Shri Shekhar Agarwal will attain the age of 75 years on October 09, 2027 in FY 2027-28, hence approval by way of Special Resolution is placed before the shareholders in order to comply with the provision of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

Member may also note that apart from being a Director on the Board, Shri Shekhar Agarwal is also member of Audit Committee and has been effectively performing his duties and providing valuable guidance to the Company in key strategic matters from time to time.

He is a seasoned professional with decades of experience in the industry. During his tenure, the Company has significantly benefited from his visionary leadership, strategic inputs, and deep understanding of corporate governance and financial management.

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 29th April, 2026, after evaluating his performance, contribution, and the expertise he brings to the Board, are of the opinion that his continued association would be of immense value to the Company, especially during the current phase of growth and strategic transitions.

The Board evaluated the performance of Shri Shekhar Agarwal on the basis of criteria laid down in the Nomination and Remuneration Policy of the Company and expressed their satisfaction over his performance as a Non-Executive Non-Independent Director of the Company.

His presence ensures a balanced Board with a wealth of institutional memory and mentorship for the executive management.

The Board, therefore, recommends the Special Resolution as set out in Item No. 4 of the Notice for approval by the members.

Except for Shri Shekhar Agarwal and his relatives, none of the other Directors, Key Managerial Personnel (KMP) of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the special resolution as set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5 :

Upon the recommendation of the Audit Committee, the Board of Directors at their meeting held on 29th April 2026 have approved the appointment of M/s. N.D. Birla & Co., Cost Accountants (Firm Registration Number 000028) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027 , at a remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditor has to be ratified by the members.

None of the Directors & Key Managerial Personnel of the Company, and/or their relatives are, in any way, concerned or interested, financially or otherwise in the aforesaid Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval by the shareholders.

By order of the Board of Directors
For **HEG Limited**

Sd/-
(Vivek Chaudhary)
Company Secretary
ACS: 13263

Place : Noida (U.P.)
Date: 22nd June, 2026

Registered Office
Mandideep (Near Bhopal)
Distt.Raisen - 462046, (M.P.)
CIN: L23109MP1972PLC008290
E-mail: heg.investor@lnjbhilwara.com
Website: www.hegltd.com
Phone: 07480-233524, 233525, 405500

ANNEXURE-A

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

Name of Director	Shri Manish Gulati
DIN	08697512
Category of Directorship	Executive
Date of Birth	29.07.1969
Age	57 Years
Date of First Appointment on the Board	1st March, 2020
Qualification	BSc (Statistics), BE (Electronics), and MBA (Marketing and Finance).
Experience	Shri Manish Gulati is BSc (Statistics) Agra University, BE Electronics, Pune University and MBA (Marketing and Finance), FMS Delhi University having professional experience of more than 33 years. He has been associated with our Company (HEG Limited) for more than 32 years. Starting his career from marketing, he developed an in-depth understanding of the customers, Product application, Quality, Customer service, Production planning etc. Over some past years, he has been spending more and more time at the plant and has accumulated tremendous knowledge of operations, technical processes, projects, power plant, HR, R&D etc besides his core strength of marketing and commercial. Prior to elevation on Board, he was Chief Operating Officer and Chief Marketing Officer of the Company.
No. of other Directorshipsin Public Limited Companies	1) HEG Graphite Limited
Chairman/Member of the Committees of the Board of Directors of the Companies. #	
Audit Committee	Nil
Stakeholders Relationship Committee	Nil
Chairman/Member of the Committees of the Board of Directors of the other Companies. #	
Audit Committee	Nil
Stakeholders RelationshipCommittee	Nil
Listed Entities from whichthe Director has resigned in the past three years	Nil

Name of Director	Shri Manish Gulati
No of Equity Shares held in the Company as on 31st March, 2026.	4,000
Number of Board Meetings attended/ held during the year	5/5
Terms and conditions of appointment/ re-appointment	Executive Director, liable to retire by rotation.
Remuneration sought to be paid and the remuneration last Drawn	Remuneration sought to be paid will be as approved by the Shareholder. Remuneration drawn in FY 2025-26 was ₹ 421.86 Lakhs.
Relationship with other Directors, Manager andKey Managerial Personnel	No relationship with other Director, Manager and Key Managerial Personnel.
Justification for choosingthe Independent Director	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

#Audit Committee and Stakeholders Relationship Committee have been considered.

Note 1: Shri Shekhar Agarwal (Presently Aged: 73 Years 8 Months) (DIN: 00066113), Non-Executive Non-Independent Director of the Company will attain the age of 75 years in FY 2027-2028, 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.

For kind attention of Physical Shareholders / Investors

a) **Special Window for Transfer & Dematerialisation of Physical Shares**

In line with **SEBI Circular dated January 30, 2026**, a **Special Window** has already been opened from **February 05, 2026 to February 04, 2027** to facilitate shareholders in lodging or re-lodging requests for transfer and dematerialisation of physical shares. This applies to shares sold or purchased prior to April 01, 2019 where original share certificates are available, as well as earlier requests that were rejected or returned due to incomplete documentation. The weblink for the said SEBI Circular is given hereunder:

https://hegltd.com/wp-content/uploads/2026/04/1769772850270-1.pdf

Eligible shareholders are advised to submit their requests with the requisite documents to the Company's RTA, **MCS Share Transfer Agent Limited**, 179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area, Phase - 1, New Delhi – 110020, Email ID: helpdeskdelhi@mcsregistrars.com, phone nos. 011-41406149-51, within the stipulated period. Transfers processed during this window will be credited only in demat mode once verified, and such shares will remain under lock-in for one year from the date of registration. During this lock-in period, the shares shall not be transferred, pledged, or lien-marked. This facility does not apply to disputed cases or shares already transferred to the Investor Education and Protection Fund.

b) **Second 100 Days Campaign – "Saksham Niveshak"**

The Investor Education and Protection Fund Authority (IEPFA) has re-launched its initiative *"Saksham Niveshak"* under the Second 100 Days Campaign, effective from **April 01, 2026 to July 09, 2026**. This program is aimed at encouraging shareholders to **update their KYC**, bank account, nomination, and contact details to ensure that unpaid or unclaimed dividends are not transferred to the Investor Education and Protection Fund (IEPF).

Shareholders holding shares in physical form are requested to complete their KYC information (including PAN, bank account details, contact information, and nomination detail) using the prescribed forms and send them to Company's Registrar and Transfer Agent (RTA), **MCS Share Transfer Agent Limited**, 179-180, DSIDC Shed, 3rd Floor, Okhla Industrial Area, Phase - 1, New Delhi - 110020. Queries may be directed to helpdeskdelhi@mcsregistrars.com or by phone at 011-41406149 – 51. The necessary forms are available on the Company's website www.hegltd.com under *Investor Service Request* and on the RTA's website https://mcsregistrars.com/downloads.php. Details of unpaid/unclaimed dividends are also accessible on the Company's website. Shareholders holding shares in demat form are advised to update their details with their Depository Participants.