

HEUBACH COLORANTS INDIA LIMITED
[formerly Clariant Chemicals (India) Limited]

Registered Office:
Rupa Renaissance, B Wing, 25th Floor
D-33, MIDC Road, TTC Industrial Area
Juinagar, Navi Mumbai – 400705. India
CIN: L24110MH1956PLC010806
www.heubach.com



August 31, 2024

To
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Mumbai - 400 001
Scrip: 506390

To
The National Stock Exchange of India Limited
Listing Department, Exchange Plaza,
5th floor, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051
Scrip: HEUBACHIND

Sub.: Notice of the 67th Annual General Meeting (“AGM”) and Annual Report for the financial year 2023-24.

Dear Sir/Ma’am,

This is to inform you that the 67th AGM of the Company will be held at 4:00 p.m. IST on Wednesday, September 25, 2024, through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”).

Further, pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, the Annual Report of the Company for the financial year 2023-24 along with the Notice of the 67th AGM is enclosed herewith.

The Register of Members and Share Transfer Books of the Company will remain closed from September 18, 2024, to September 25, 2024 (Both Days Inclusive).

This annual report is also available on the website of the Company at:
<https://heubach.com/heubach-india/investor-relations-india-overview/annual-reports/>

Kindly take the same on record and acknowledge the receipt.

Thanking you,

For Heubach Colorants India Limited

Jugal Sahu
Executive Director
and Chief Financial Officer
DIN: 02629782

Encl: a/a



**Crafting
Colors:
The Journey
Continues**

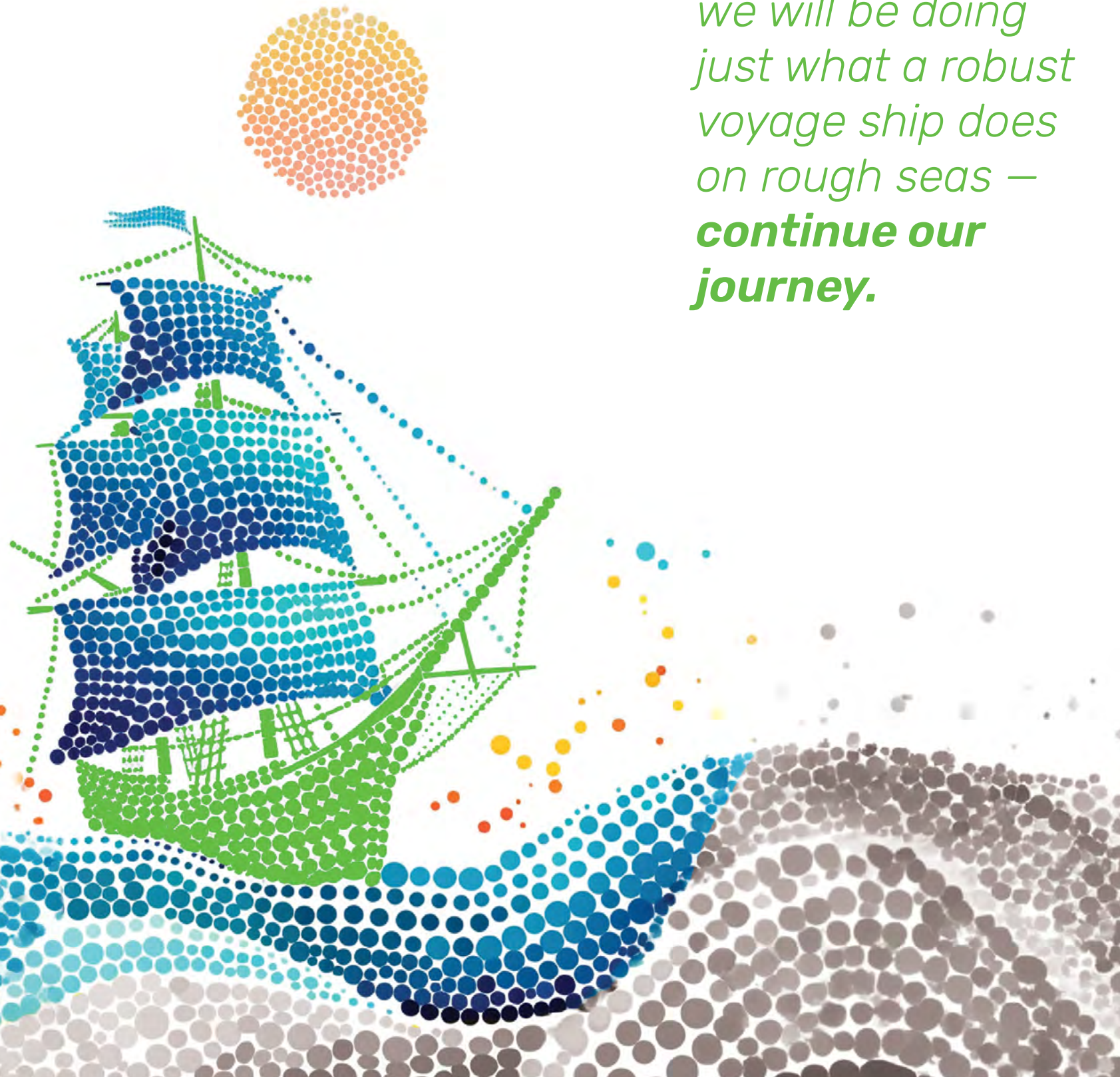
Crafting Colors: The Journey Continues

Often, the market, whether domestic or international, is like a rough sea. One has to brave the uneven waves while ensuring everyone at the shore is spared of high tides.

FY2024 was something similar for us.

We faced industry-wide challenges like volatile raw material costs, global supply chain disruptions, adverse demand fluctuations, and price erosion. However, our robust voyage ship braved these uneven waves and delivered notable outcomes – an effective illustration of our strategic execution and operational excellence. We accredit these to our increased momentum in innovation and strong customer engagement. Combine these with our efficient capital utilization, and you have a zero-debt company with enhanced cash flow, sustaining its legacy. And to top that, the Heubach group was the first in the industry to establish the Product Carbon Footprint of a select range of products.

We do acknowledge that our sister firms in Germany have filed for insolvency as per German law. We are already on it, assessing the cause & impact and enforcing rapid mitigation measures. Given our resilience, self-sufficient manufacturing plants, substantial domestic footprint, and advanced technical center, we assure you that the coast will be clear soon. So, you are looking at a momentum-driven FY2025 for Heubach Colorants India Limited (HCIL). Overall, the medium-to-long-term outlook for HCIL remains positive. We will continue to be a reliable partner for all stakeholders in our entire value chain.



*In other words,
we will be doing
just what a robust
voyage ship does
on rough seas –
**continue our
journey.***

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Pioneering Excellence in Pigments

Heubach Colorants India Limited (HCIL), headquartered in Navi Mumbai, stands as a beacon of innovation and excellence in the pigments industry. With a commanding ~20% market share in India, HCIL offers a diverse portfolio that includes organic and inorganic pigments, pigment preparations, and dyes.

The Company's extensive product range caters to a wide array of industries, including decorative paints, automotive and powder coatings, plastics, printing, home and personal care, agriculture, etc. HCIL's commitment to understanding and meeting customer needs is reflected in its expansive network of associates, ensuring reliable and innovative solutions for its broad customer base. This dedication to quality and service solidifies Heubach Colorants India Limited's status as a trusted name in the global pigments market.

Reassuring Numbers

₹799.4 Cr
+3.6% Y-0-Y
Total Revenue

₹80.8 Cr
+20.8% Y-0-Y
EBITDA

10.2 %
+150 bps Y-0-Y
EBITDA Margin

₹41.1 Cr
Profit after Tax

₹94.5 Cr
Cashflow from Ops

Message from the Managing Director

Dear Stakeholders,

I hope this letter finds you well. I am pleased to share your Company's journey through a year of innovation and growth. As a leader in the colorant industry with a rich history, Heubach Colorants India Limited (HCIL) continues navigating a dynamic environment full of challenges and opportunities.



Despite facing significant headwinds in FY2024 – such as weak demand, price erosion, and global supply chain disruptions – we achieved strong results, reflecting our focused execution of our strategy and continued operational excellence. The insolvency of the Heubach Group's German entities in April 2024 temporarily impacted Q1 FY2025, but our team's resilience is driving a solid comeback for growth and profitability.

Our foundational pillars include growth, innovation, sustainability, and people. I want to share our progress and reflections on each of these areas.

Growth

As a result of executing our strategy effectively this year, we have achieved significant milestones despite facing numerous challenges. Our commitment to cementing and expanding our market presence has led to solid market share gains and robust volume growth. Additionally, we have grown revenue with our top five customers, driven by our approach to partnering with them on innovation and providing them peace of mind. By investing in newer products and expanding our portfolio, we have successfully captured new market segments and strengthened our competitive position. Our proactive approach to understanding and meeting customer needs has enabled us to foster long-term relationships, driving sustained growth even in a turbulent environment. HCIL remains laser-focused on delivering robust growth.

Innovation

Innovation is at the forefront of our growth strategy. We continue to invest in developing new products and enhancing our existing offerings to deliver exceptional value

to our customers. In FY2024, we successfully launched 11 new products – nearly one product each month – underscoring our commitment to staying at the cutting edge of the industry. Our relentless focus on innovation fuels our revenue growth and ensures we remain highly competitive in the market. Collaborative development with customers is central to our approach. I am proud to share that many customers regularly visit our Technical Centre to co-create solutions for their evolving needs.

Sustainability

At HCIL, our sustainability practices are comprehensive and deeply ingrained in the way we conduct business. Demonstrating our commitment, we have significantly invested in enhancing the use of renewable energy at our manufacturing sites. The Heubach Group, of which HCIL is a part, is proud to have established the carbon footprint of some of our key products—an industry first. Our flagship site at Roha exemplifies our ethos, utilizing 84% renewable energy, while our overall renewable energy usage across all our plants is 76%. We continue to focus on using renewable and green energy sources to reduce our carbon footprint, and more efforts are ongoing. We continuously innovate our products to meet stringent sustainability criteria, such as transitioning to water-based paints and inks, reducing VOCs, and enhancing energy management through easy dispersibility. Our goal is to become the partner of choice for industry-leading sustainable products.

These initiatives underscore the integration of sustainability into our core operations, making HCIL a leader in the industry.

People

Giving back to the community is fundamental to HCIL. This year, we invested in education, health, and women's empowerment, aiming for a more equitable world. To enhance these initiatives, we will continue to uphold our CSR principles, actively engage with the communities we aim to support, and promote employee volunteering and engagement, embedding these values into our working culture.

We strongly focus on employee well-being and development, creating a safe, growth-oriented work environment. Our employees take pride in being part of the Company, and we communicate frequently with them to foster world-class engagement.

By creating a supportive, growth-focused work environment, we aimed to retain employee confidence and inspire them to reach their full potential, reducing the voluntary attrition rate in FY2024.

As I look ahead, I remain optimistic about HCIL's future. In FY2024, we significantly strengthened our balance sheet by improving our cash position, EPS, and EBITDA figures.

Despite the challenges we faced with the group entities' insolvency in Q1 FY2025, we have demonstrated a remarkable recovery, thanks to our team's resilience and our shareholders' support.

Our robust financial position, combined with a solid, experienced management team and the dedication of our entire workforce, sets the stage for an even stronger performance in FY2025 as conditions normalize. Our renewed focus on innovation and sustainability reinforces our position as a leading player in the industry.

Before I end this letter, I would like to thank all the shareholders for their support during my stint at HCIL. I believe we have navigated some unprecedented situations with clarity, focus, and passion. As I hand over the baton to the HCIL leadership, I am confident that the best days for HCIL are ahead.

I sincerely thank all our shareholders and stakeholders for your unwavering support. Together, we will continue to shape a vibrant and sustainable future.

Warm regards,

Bharath R. Sesha

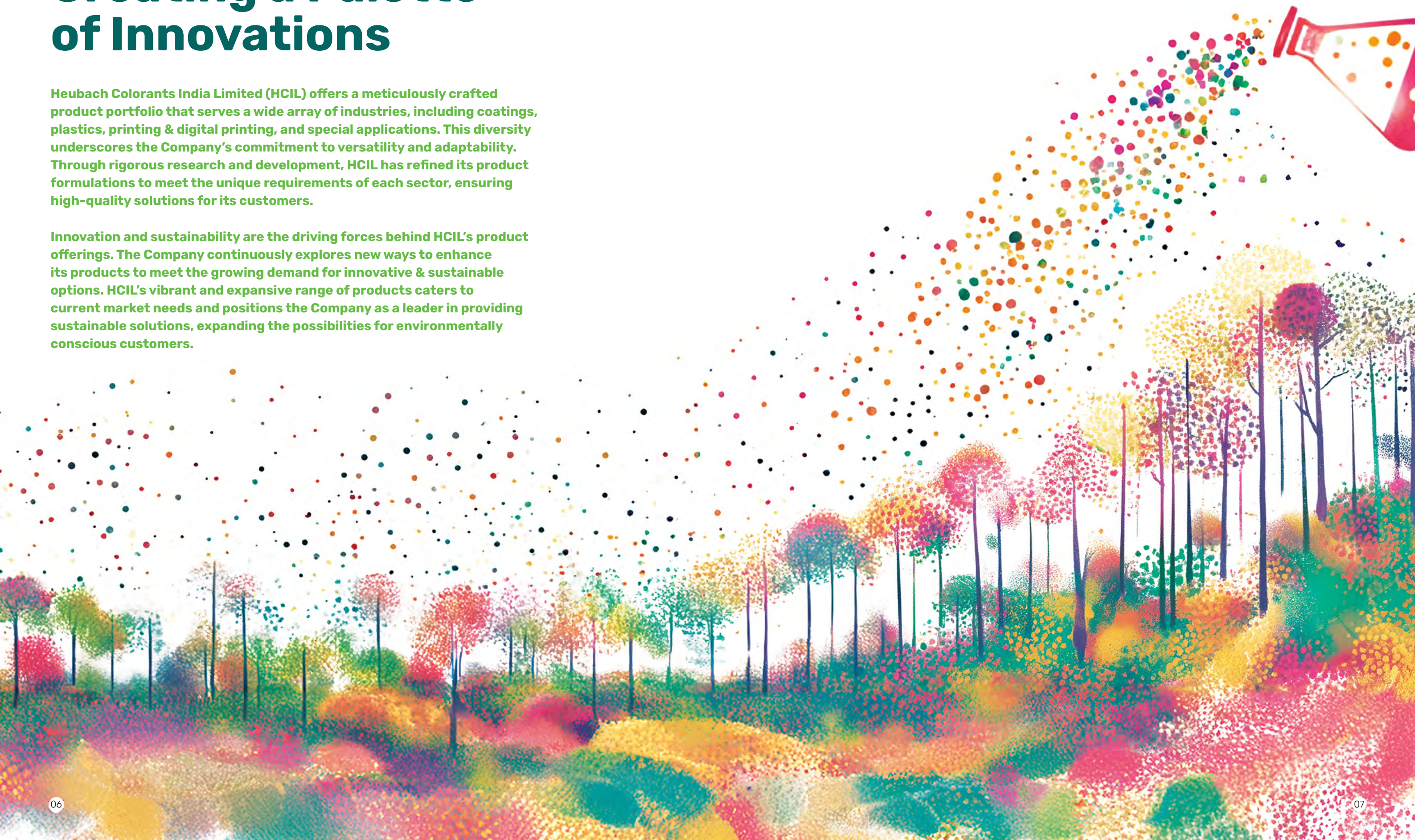
Managing Director
Heubach Colorants India Limited



Creating a Palette of Innovations

Heubach Colorants India Limited (HCIL) offers a meticulously crafted product portfolio that serves a wide array of industries, including coatings, plastics, printing & digital printing, and special applications. This diversity underscores the Company's commitment to versatility and adaptability. Through rigorous research and development, HCIL has refined its product formulations to meet the unique requirements of each sector, ensuring high-quality solutions for its customers.

Innovation and sustainability are the driving forces behind HCIL's product offerings. The Company continuously explores new ways to enhance its products to meet the growing demand for innovative & sustainable options. HCIL's vibrant and expansive range of products caters to current market needs and positions the Company as a leader in providing sustainable solutions, expanding the possibilities for environmentally conscious customers.



Innovations in Applications and Products

Catering Efficiently to the Sustainable Trends in Applications

Sustainability is a core element of HCIL's business strategy. It requires finding the right balance between environmental goals and cost-effectiveness. The Company applies industry-leading standards and benchmarking in all manufacturing, quality management, and supply chain activities. HCIL is committed to a reliable supply of high-quality materials to meet demanding production environments.

Transparency and Innovation: A Greener Future

Transparency is the starting point for innovation and improvements. To this end, the Heubach group has taken significant steps to measure and certify the product carbon footprints of select Azo pigments, specifically targeting coatings and plastics applications. Partnering with TÜV Rheinland ensures the accuracy and reliability of the carbon footprint calculations and certifications.

The following pigments have been certified for their Product Carbon Footprints:

Hostaperm Yellow H3G	Hostaperm Yellow H4G 70	Novoperm Orange HL 70	PV Fast Red HB	Novoperm Orange H5G 70
Graphtol Yellow 3GP	Novoperm Red F3RK 70	PV Fast Yellow HGR	PV Fast Orange H2GL	PV Fast Yellow H4G
Hansa Brilliant Yellow 2GX 70-S	PV Fast Orange H4GL 01	PV Fast Yellow HG	By certifying these pigments, the Company demonstrates its commitment to sustainability and transparency, taking important steps toward a greener future.	

Cosmenyl® S 100: Extending Pigment Versatility Sustainably

The Company specializes in coloring personal care and home & fabric care products, such as shower gels, bar soaps, shampoos, body paints, detergents, and softeners. Recognizing the global demand for biodegradable colorants, especially in the personal and laundry care segments, HCIL has innovatively developed the Cosmenyl® S 100 range to address this need.

Cosmenyl® S 100 offers a new range of earthy, warm shades recommended for home care products, such as laundry detergents, and personal care products, including soaps and toothpaste.

Furthermore, global manufacturers in these segments sought solutions to reduce the non-biodegradable waste from conventional organic colorants in water resources post-consumer usage. In response, HCIL team of Technical Experts, in collaboration with their global counterparts developed colorants that achieve vivid hues for personal and home care applications while ensuring biodegradability and inertness, as validated by Organisation for Economic Co-operation and Development (OECD) test standards.

The sustainable advantages of Cosmenyl® S 100 are significant. The environmentally friendly pigments help protect water resources post-consumer usage, reinforcing HCIL's commitment to sustainability. These new aqueous dispersions are based on inert inorganic pigments formulated with readily biodegradable additives. The inert nature of these pigments means they have no negative impact on nature, making them an ideal sustainable solution.



Coloring the World, Preserving the Planet

Value Creation Using Sustainable Products & Practices

Quinacridone Pigments

The Heubach group is the first pigment producer to develop Quinacridone pigments using bio-succinic acid derived from natural sugar-based resources. This innovative approach substitutes fossil-based succinic acid with a renewable alternative, significantly reducing the environmental footprint of the end products without compromising production efficiency or pigment quality. Quinacridone pigments, formulated with renewable materials, offer an improved ecological footprint, thereby fostering environmental awareness in society. This commitment to sustainability underscores the Company's dedication to creating environmentally friendly products and promoting a greener future.

Easily Dispersible (ED) Pigments

These pigments enhance the eco-footprint of paint manufacturing by eliminating the bead mill step, which results in a shortened processing time. This innovation not only increases production capacity but also reduces electricity consumption and wastewater generation, contributing to more sustainable manufacturing practices.

Colonyl 500: IR Reflective Pigments Preparations

This product harnesses the power of Near Infrared Radiation (NIR) to maintain cooler surfaces. It is widely known that while white surfaces remain cool, black surfaces tend to heat up due to their interaction with NIR emitted by the sun. The effectiveness of this cooling property is measured by Total Solar Reflectance (TSR) and thermal emittance.

Graphol Black CLN

A unique colorant that does not absorb the NIR light spectrum, ensuring its proven suitability for plastic sorting during the recycling process.

Roha Plant

The Company has made significant strides in sustainability at its Roha facility, achieving 84% coverage of utility with renewable energy in FY2024. This effort is part of the Company's commitment to reducing its carbon footprint. Additionally, the Roha plant has implemented 'valve bag packing' and increased transportation efficiency, leading to a 44% reduction in CO2 emissions from factory to port transportation.

Cuddalore Plant

The Company has achieved 55% coverage of utility with renewable energy for FY2024 at its Cuddalore facility. Furthermore, the plant has adopted the use of LPG as a fuel in the drying process, contributing to a significant reduction in CO2 emissions. These initiatives underscore the Company's dedication to sustainability and reducing its environmental impact.

As a manufacturer of chemical raw materials, Heubach Colorants India Limited is committed to reducing the risk of environmental contamination during its manufacturing processes through energy efficiency, operational sustainability, and resource optimization. The Company takes a careful and responsible approach to environmental management, ensuring that our operations prioritize environmental stewardship.

Energy Efficiency

VFDs (Variable Frequency Drives) for motors, LED lights in production plants, and the energy monitoring system – all focus on reducing electricity consumption and improving efficiency.

The Hybrid Power Plant (Solar + Wind) represents a shift toward renewable energy sources, reducing reliance on traditional power.

Using bio-briquettes for steam generation resulting in reduced CO2 emissions.

Operational Sustainability

The Hybrid Power Plant and the installation of transparent polycarbonate sheets for natural lighting contribute to sustainability efforts.

Waste heat recovery, alternate fuel, water consumption reduction, and the use of advanced process controls further emphasize sustainable practices.

Resource Optimization

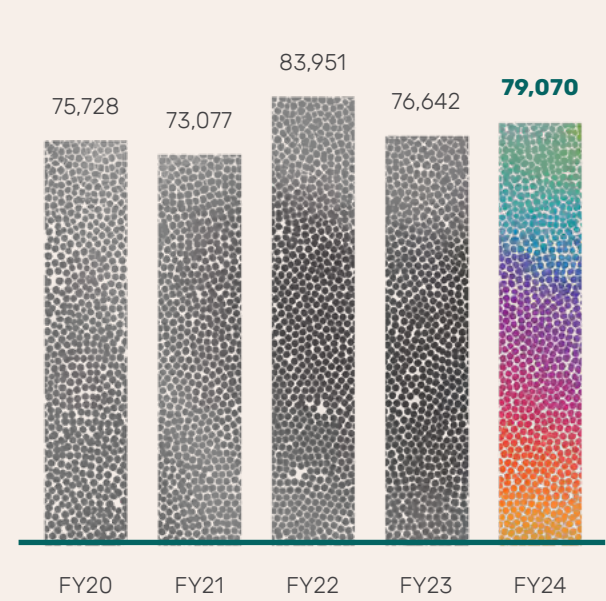
The reduction of batch cycle time and yield improvement points to optimizing processes for better output.

Training and awareness for water consumption, along with waste heat recovery, focus on optimizing resource use to minimize waste.

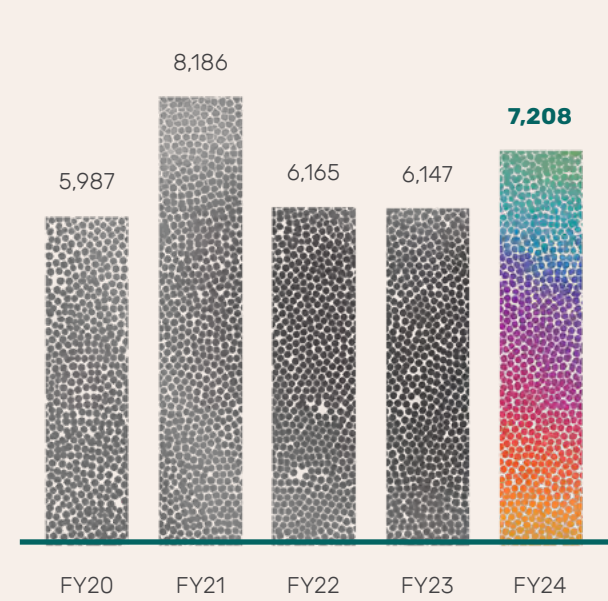
These initiatives collectively highlight the Company's commitment to **environmental responsibility** through **energy conservation** and **efficient use of resources**.

Vibrant Metrics

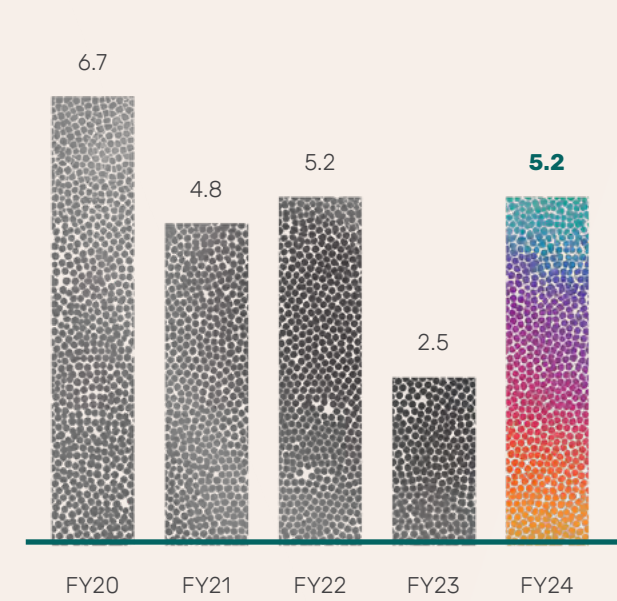
Revenue from Operations (₹ in Lakhs)



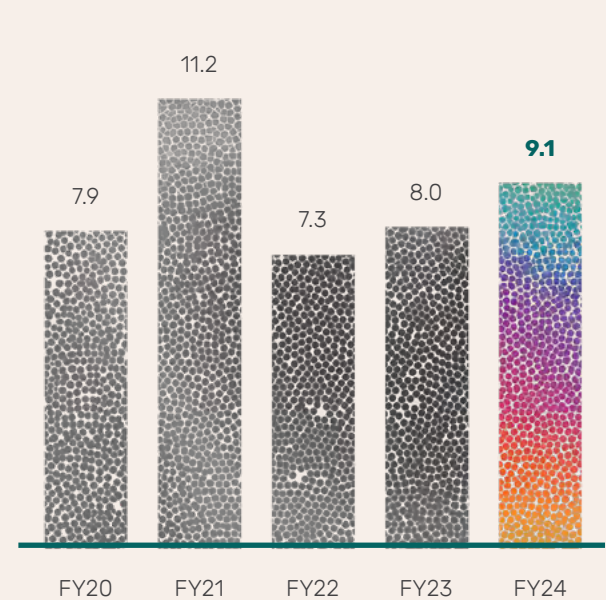
Operating EBITDA (₹ in Lakhs)



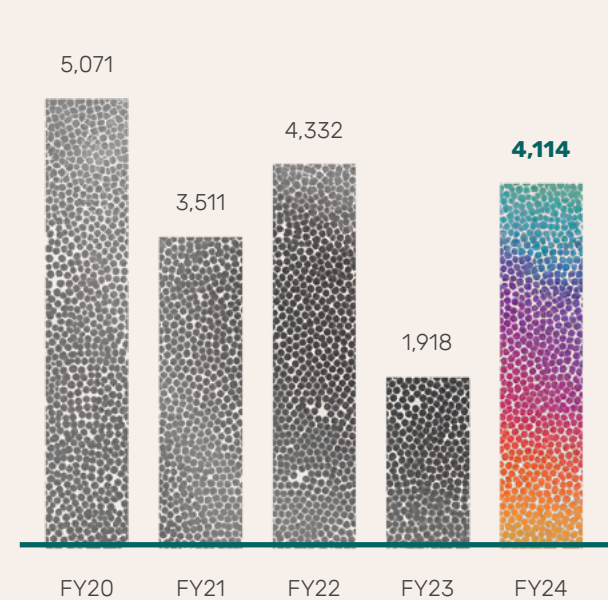
PAT Margin (%)



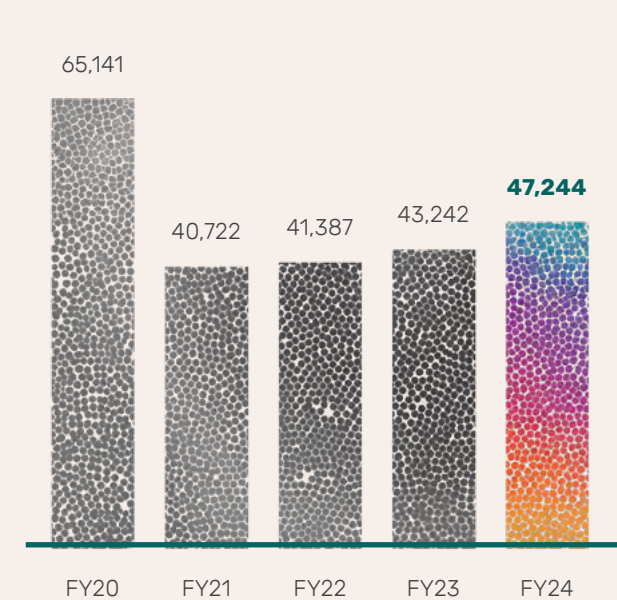
Operating EBITDA Margin (%)



Profit After Tax (₹ in Lakhs)



Net Worth (₹ in Lakhs)



Abriding the Environment Society Gap

Heubach Colorants India Limited (HCIL) bridges the gap between environmental sustainability and societal needs through its innovative products and dedicated CSR activities.

CSR Vision



Trust



Fairness



Care

₹1.16 Cr
CSR Expenditure

The key components of the Company's CSR Philosophy include:



Community Engagement

Actively initiating and participating in projects that position the Company as a regional leader, significantly enhancing the lives of people in the geographies where it operates.



Vocational Training

Providing vocational training and skill development to enhance the livelihoods and skills of individuals, especially those from the unorganized sector.



Sustainable Operations

Managing operations based on sustainable development principles to minimize the resource footprint and ensure the health and safety of all stakeholders.



Corporate Citizenship

Committing to creating social and economic value as a responsible corporate citizen and encouraging employees to participate in and contribute to various CSR programs.

The Company focuses its CSR initiatives around its office in Juinagar and sites in Cuddalore, Nagda, and Roha as follows:

Promoting Education & Providing Healthy Sanitation

- Support provided to Navi Mumbai Municipal Corporation (NMMC) school no. 42 (Marathi), Ghansoli:
 - Installation of a 100-liter per hour RO water filter
 - Construction of platform for a 500-liter water tank
 - Provision and installation of a stone basin, wall-mounted washbasin, wall and flooring tiles, painting, and civil work
 - Setup of a dustbin area with a door
 - Donation of wooden chairs for teachers
 - Supply of cabinets and storage units
- Supporting Turbhe NMMC school no. 25 (Marathi) and school no. 71 (Hindi) in Indira Nagar, MIDC Industrial Area
 - Science lab setup
 - Ceiling fan and tube lights
 - Tree plantation bed setup
- Constructed a toilet for Kudikadu Village Middle School
- Provided lab equipment for Saraswathi College
- Supplied chemical engineering equipment and infrastructure to Annamalai University
- Built an evening learning centre in Sothikuppam and provided notebooks for students (ongoing project)
- Constructed a toilet for the government primary school in Kudikadu village, benefiting 65 children
- Built a toilet block at Sothikuppam government school for 150 students, enhancing health and hygiene
- Provided a drinking water purifier to government school in Washi village, Roha
- Constructed a classroom in Roth Khurd
- Supplied chemicals and equipment to Dnyanankur School and Dhamansai School
- Provided chemicals, equipment, and gas cylinder safety barricades to M.B. More Women's College
- Electrified the science hall at Dhatav
- Supplied benches to J.M. Rathi Primary School and SND Arts Science College
- Developed labs at Sutawadi High School and Kolad High School, including revamping platforms and building chemical storage shelves
- Constructed a girls' washroom at New English School, Chanera

Women Empowerment and Education

- Provided books for medical students from economically weaker section
- Provided HP Slim Desktop PC and computer tables
- Provided Voltas water cooler
- Supplied sanitary napkins & 50 automatic sanitary napkin vending machines
- Constructed new RCC toilets for girls and boys
- Revamped classrooms and office in the government school in Banbani village
- Developed a science lab
- Provided domestic flour mills to local women in need
- Conducted a menstruation hygiene awareness session for M.B. More Women College, Dhatav
- Organized and conducted tailoring classes

Community Development

- Furnished and electrified the feeding section at the Tahasil Office
- Provided a waste collection vehicle in Roth Budruk

Healthcare

- Conducted health promotion camp for blood donation to government hospital in Cuddalore
- Conducted health promotion activities at government hospital in Kannarapettai

Setting Benchmarks



Following a successful audit, the Indian Chemical Council (ICC) granted Heubach Colorants India Ltd. permission to use the 'Responsible Care' logo for three years, from February 2024 to January 2027

Secured the Gold Award under the CII-SR EHS Excellence Awards 2023 from the Confederation of Indian Industry (CII) for excellence in EHS practices, topping the Chemical sector category



Received a 'Certificate of Merit' from the National Safety Council (NSC) - Maharashtra Chapter in the Chemicals & Fertilizers (Industrial Group) for Meritorious Performance in Industrial Safety during 2022



Received a 'Certificate of Appreciation' from the National Safety Council in the Manufacturing sector (Group-B) for appreciable achievement in Occupational Safety & Health during the assessment years 2020 to 2022



Awarded the Gold Award from Grow Care India in both 'Occupational Health and Safety' and 'Fire Safety' categories for 2023



Awarded the Gold Award from Grow Care India for 'Best Environment Practice' for 2022

Corporate Information



Mr. Ravi Kapoor
Chairman (Non-Executive)



Mr. Bharath R. Sesa
Managing Director
Submitted his resignation via letter dated June 28, 2024, with the resignation effective from the close of business hours on August 31, 2024.



Mr. Kewal Handa
(Independent Director)



Mr. Sunirmal Talukdar
(Independent Director)



Dr. (Mrs.) Indu Shahani
(Independent Director)
Retired as an Independent Director at the close of business hours on March 31, 2024.



Mrs. Diana Dhote
(Independent Director)
Appointed as Director w.e.f April 1, 2024



Mr. Jugal Sahu
(Executive Director and Chief Financial Officer)

Chief Financial Officer

Mr. Jugal Sahu

Company Secretary

Ms. Ameer Joshi
Resigned from the position of Company Secretary, effective at the close of business hours on June 30, 2024

Auditors

MSKA & Associates

Bankers

Citibank N.A.
Standard Chartered Bank
HDFC Bank Ltd

Registrar & Transfer Agents

Link Intime India Private Limited
C-101, 247 Park, L. B. S. Marg, Vikhroli (West)
Mumbai - 400 083, Maharashtra
Phone: +91 22 4918 6000
Email: rnt.helpdesk@linkintime.co.in

Registered Office

Rupa Renaissance, B Wing, 25th Floor
D-33, MIDC Road, TTC Industrial Area
Juinagar, Navi Mumbai - 400 705, India
Phone: (+91) 22 20874406
Email: investor.relations_india@heubach.com

Works

Roha Site

113/114, M.I.D.C. Industrial Area
A.V.P.O. Dhatav, Taluka Roha
District Raigad - 402 116, Maharashtra

Nagda Site

Plot/Phase No. 378/2/2
Durgapura Colony Road, Birlagram
Nagda - 456 331, Madhya Pradesh

Cuddalore Site

Kudikadu, SIPCOT
Post Cuddalore - 607 005, Tamil Nadu



Notice

NOTICE is hereby given that the **Sixty Seventh Annual General Meeting** of the Company will be held at 4:00 p.m. on Wednesday, September 25, 2024 through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2024, together with the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Jugal Sahu (DIN: 02629782) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, who were appointed by the Board of Directors as the Cost Auditors based on the recommendation of the audit committee, to conduct audit of Cost records of the Company, for the Financial year 2023-2024 and 2024-2025, amounting to ₹ 3.00 Lakhs plus service tax and reimbursement of out-of-pocket expenses at actuals if any, incurred in connection with the audit, for each of the respective financial years, be and is hereby ratified."

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorized to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of effectuating this resolution and for matters concerned or incidental thereto".

For and on Behalf of the Board

Ravi Kapoor
Chairman
DIN: 01761752

Place: Navi Mumbai
Date: August 31, 2024

Registered Office:

Heubach Colorants India Limited
Rupa Renaissance, B Wing, 25th Floor
D-33, MIDC Road, TTC Industrial Area
Juinagar, Navi Mumbai 400705 India

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

M/s RA & Co., Cost Accountants, who were appointed as the cost auditor to conduct the audit of the cost records of the Company for F.Y. 2023-2024, resigned w.e.f. April 01, 2024, owing to ineligibility of Mr. Rakesh Chokshi, one of the partners of the firm, to continue as the cost auditor of the Company, due to his inheritance of the Company's shares.

Accordingly, in order to fill the casual vacancy in the office of the cost auditor, the Board of Directors of the Company by way of a circular resolution dated April 29, 2024, on the recommendation of Audit Committee, considered and approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants (FRN: 000294) to conduct the audit of the cost records maintained by the Company for the Financial year 2023-2024, at a remuneration of ₹ 3.00 Lakhs per annum exclusive of service tax and out of pocket expenses, to be reimbursed at actuals.

Further, the Board of Directors of the Company at their meeting held on May 29, 2024, on the recommendation of Audit Committee, considered and approved the re-appointment of M/s. Kishore Bhatia & Associates, Cost Accountants (FRN: 000294) to conduct the audit of the cost records maintained by the Company for the Financial year 2024-2025, at a similar remuneration of ₹ 3.00 Lakhs per annum exclusive of service tax and out of pocket expenses, to be reimbursed at actuals.

The overall remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2024, and March 31, 2025, is commensurate to the scope of the audit to be carried out by the Cost Auditors and is in line with the guidelines issued by the Institute of Cost Accountants of India.

M/s Kishore Bhatia & Associates, Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959 and are free from any disqualifications specified under the provisions of the Companies Act, 2013.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be approved by the Directors and subsequently shall be ratified by the shareholders and accordingly, the consent of the Shareholders is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2024 and March 31, 2025.

The Board of Directors, on recommendation of the audit committee, propose the ratification of the remuneration payable to M/s Kishore Bhatia & Associates, as the Cost Auditor of the Company for the financial year ending March 31, 2024, and March 31, 2025, and recommends passing of resolution as set out in Item no. 3 as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and/or their relatives, are interested and/or concerned in passing of the said resolution.

For and on Behalf of the Board

Ravi Kapoor
Chairman
DIN: 01761752

Place: Navi Mumbai
Date: August 31, 2024

Registered Office:

Heubach Colorants India Limited
Rupa Renaissance, B Wing, 25th Floor
D-33, MIDC Road, TTC Industrial Area
Juinagar, Navi Mumbai 400705 India

NOTES:

- The Ministry of Corporate Affairs ("MCA") has vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 09/2023 dated September 25, 2023 and other circulars issued in this regard ("**MCA Circulars**") and the Securities and Exchange Board of India ("SEBI") has vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 and other circulars issued in this regard ("**SEBI Circulars**") (collectively referred to as "**Circulars**"), permitted companies to conduct their Annual General Meeting through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") without the physical presence of Members at a common venue till September 30, 2024. In accordance with the Circulars and in compliance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 67th Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM.
- The explanatory statement pursuant to Section 102 of the Companies Act, 2013 for the business set out under Item No. 3 is annexed to the Notice.
- Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote thereat instead of himself, on a poll. However, this AGM is being held, pursuant to the Circulars, through VC/ OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
- Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorizing its representative to attend the Annual General Meeting

through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer and to the Company by email at investor_relations_india@heubach.com and to the Registrar and Transfer Agents at rnt.helpdesk@linkintime.co.in.

- In case of joint holders participating at the AGM together, only such joint holder whose name appears higher in the order of names will be entitled to vote.
- The Register of members and Share Transfer Books of the Company will remain closed from, September 18, 2024 to September 25, 2024 (Both days Inclusive)
- 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 and any other documents referred to in the accompanying Notice and Explanatory Statement, shall be made available for inspection electronically by the Members in accordance with the applicable statutory requirements based on the requests received by the Company at investor_relations_india@heubach.com. Additionally, such documents shall be made available for inspection at the registered office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM.
- The details of Director seeking reappointment at this Annual General Meeting, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, is annexed hereto.
- The amount outstanding in the unpaid dividend accounts in respect of any Dividend declared earlier by the Company will be transferred to Investor and Education Protection Fund (IEPF) after completion of 7 years. Members who have still not claimed/encashed their dividends are requested to claim/ encash the same at the earliest.
- As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed Companies can be transferred, transmitted or transposed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Link Intime India Private Limited for assistance in this regard.
- Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to investor_relations_india@heubach.com on or before September 15, 2024.
- Members are requested to register their E-mail address with the Company/Registrar & Transfer Agents so as to receive the Annual Report and other communication electronically.
- In compliance with the aforesaid MCA Circulars and circular issued by SEBI dated May 13, 2022 and January

5, 2023, Notice of the Annual General Meeting along with the Annual Report for the Financial year 2023-24 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the Financial year 2023-24 will also be available on the Company's website www.heubach.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com, respectively, and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in/>.

14. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

15. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.

16. SEBI has through relevant circulars issued in this regard, mandated furnishing of PAN, KYC and Nomination by Members holding shares in physical form. In view of the same, concerned shareholders are requested to furnish the requisite documents/information to the RTA at the earliest. Any payments including dividend in respect of such folios wherein any one of the above cited documents/details are not available shall only be made electronically, upon registering all the required details. The Company has sent communications to the concerned shareholders explaining the aforesaid requirements and the same can also be accessed at: www.heubach.com.

Further, SEBI has vide its circular dated January 25, 2022 mandated 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, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests in prescribed Form ISR-4, as available on the Company's website at aforesaid link. The Company/ RTA shall verify and process the investor service requests and thereafter issue a 'Letter of Confirmation ("LOC")' in lieu of physical share certificate(s). The LOC shall be valid for a period of one hundred and twenty days from the date of issuance within which the Member/Claimant shall make a request to the Depository Participant for dematerialising the said shares. In case, the demat request is not submitted within the aforesaid period, the shares shall be credited to the Company's Suspense Escrow Demat Account.

17. VOTING THROUGH ELECTRONIC MEANS:

a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management

and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations and the aforementioned Circulars, the Company is providing the facility of remote e-Voting to its members in respect of the business to be transacted at the AGM.

For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by Link Intime.

b) The members, whose names appear in the Register of Members/ Beneficial Owners as on September 18, 2024, are entitled to vote on the resolutions set forth in this notice. A person who is not a member as on the cutoff date should treat this notice of AGM for information purpose only.

c) The remote e-Voting period begins on September 22, 2024 at 9:00 AM and ends on September 24, 2024 5:00 PM. The remote e-Voting module shall be disabled by Link Intime for voting thereafter.

Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e., September 18, 2024 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.

d) In addition, the facility for voting through electronic voting system will also be made available during the AGM. Members attending the AGM, who have not casted their vote by remote e-Voting, will be eligible to cast their vote through e-Voting during the AGM.

Members who have voted through remote e-Voting will be eligible to attend the AGM, however, they will not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-Voting facility provided by the Company through Link Intime e-Voting system.

18. Instructions for e-voting and joining the AGM are as follows:

A. REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

Shareholders are advised to update their Mobile No. and email address in their Demat Accounts to access eVoting facility.

As per SEBI circular dated December 9, 2020, individual holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP Portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

A. INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>METHOD 1 - If registered with NSDL IDeAS facility Users who have registered for NSDL IDeAS facility:</p> <ul style="list-style-type: none"> Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login". Enter user id and password. Post successful authentication, click on "Access to e-voting". Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. <p>OR User not registered for IDeAS facility:</p> <ul style="list-style-type: none"> To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with updating the required fields. Post registration, user will be provided with Login ID and password. After successful login, click on "Access to e-voting". Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. <p>METHOD 2 - By directly visiting the e-voting website of NSDL:</p> <ul style="list-style-type: none"> Visit URL: https://www.evoting.nsdl.com/ Click on the "Login" tab available under 'Shareholder/Member' section. Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting". Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
	<p>METHOD 1 - From Easi/Easiest Users who have registered/ opted for Easi/Easiest</p> <ul style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login_or_web.cdslindia.com. Click on New System Myeasi Login with user id and password After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. <p>OR Users not registered for Easi/Easiest</p> <ul style="list-style-type: none"> To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration Proceed with updating the required fields. Post registration, user will be provided Login ID and password. After successful login, user able to see e-voting menu. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. <p>METHOD 2 - By directly visiting the e-voting website of CDSL.</p> <ul style="list-style-type: none"> Visit URL: https://www.cdslindia.com/ Go to e-voting tab. Enter Demat Account Number (BO ID) and PAN No. and click on "Submit". System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with CDSL	

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) may login through their depository participants	<p>Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.</p> <ul style="list-style-type: none"> • Login to DP website • After Successful login, members shall navigate through "e-voting" tab under Stocks option. • Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu. • After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:	<p>Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:</p> <ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in 2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:- <ol style="list-style-type: none"> A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. *Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above *Shareholders holding shares in NSDL form, shall provide 'D' above <ul style="list-style-type: none"> • Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). • Click "confirm" (Your password is now generated). 3. Click on 'Login' under 'SHARE HOLDER' tab. 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
Cast your vote electronically:	<ol style="list-style-type: none"> 1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 2. E-voting page will appear. 3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
Guidelines for Institutional shareholders:	<p>Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.</p> <p>They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.</p>

In case you have forgotten the Password

Type of shareholders	Method for retrieving the password
Individual Shareholders holding securities in Physical mode has forgotten the password:	<p>If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in</p> <ul style="list-style-type: none"> • Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?' • Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT". <p>In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.</p> <p>User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company</p>
Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:	<p>Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.</p> <ul style="list-style-type: none"> ➤ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. ➤ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. ➤ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".
Institutional shareholders ("Corporate Body/ Custodian/ Mutual Fund") has forgotten the password:	<p>If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in</p> <ul style="list-style-type: none"> • Click on 'Login' under 'Corporate Body/ Custodian/ Mutual Fund' tab and further Click 'forgot password?' • Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT". <p>In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.</p>

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk 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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 22- 23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & eVoting service provider is Link Intime:

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-Voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on:-
Tel: 022 - 4918 6000
InstaVote Support Desk
Link Intime India Private Limited

B. INSTRUCTIONS FOR MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET (VC/OAVM) ARE AS UNDER:

1. Facility for joining the Annual General Meeting through VC / OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and shall be kept open till the expiry of 15 minutes after the schedule time on first come first basis.
2. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee,

Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first come first basis. Participation is restricted upto 1000 members only.

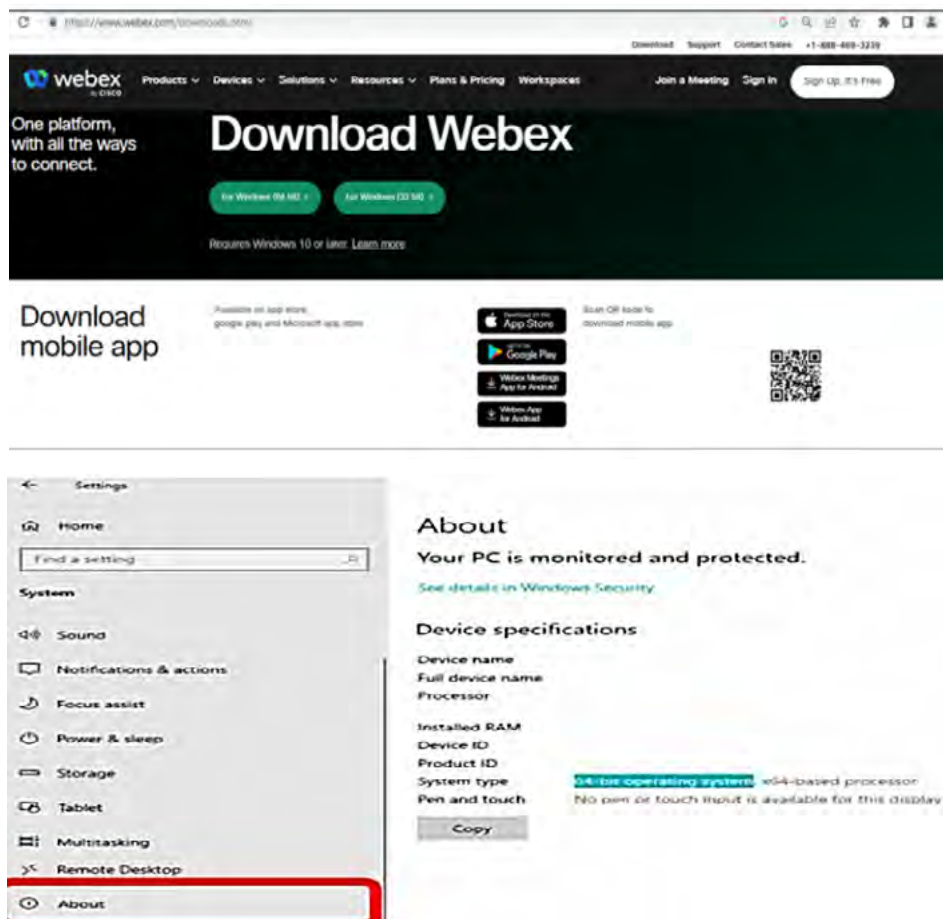
3. Shareholders/Members will be provided with the InstaMeet facility wherein they shall register their details and attend the Annual General Meeting as under:
 - Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> and click on "Log in"
 - > Select the "Company" and 'Event Date' and register with your following details:-
 - a. **Demat Account No. or Folio No:** Enter your 16-digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company.
 - b. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable.
 - c. **Mobile No.:** Enter your mobile number.
 - d. **Email ID:** Enter your email id, as recorded with your DP/Company.
 - > Click "Go to Meeting" (You are now registered for InstaMEET and your attendance is marked for the meeting).

Please refer the instructions (below) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully before participating in the meeting. In case you need any assistance, you may call the InstaMeet Support desk on the dedicated numbers provided to you in the instructions/InstaMeet website

Guidelines to attend the AGM through InstaMEET

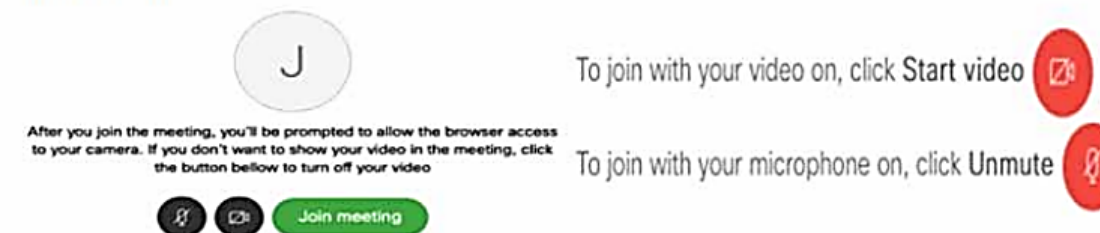
For a smooth experience of viewing the AGM through InstaMEET, shareholders/members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> and following the instructions as below:



- To check windows configuration i.e. (64 bit or 32 bit) Go to Desktop/PC Device "Setting", click on "About" to check the system type is 64 bit / 32 bit
- Install the desktop app to get the full-featured Webex Meetings experience.
- You can still join from your web browser by clicking Join from your browser. If you can't install apps.
- Checkpoints

Your microphone and webcam are usually turned off. You will need to turn both of those on, by clicking on each icon. You will also select use computer for audio.



- Open the internet browser and launch the Meeting URL shared to you. Or Open Webex App and further enter Meeting URL.
- Enter your name and email address, click "Next" and further click "Join Webinar".
- Click Join Meeting.

C. INSTRUCTIONS FOR SHAREHOLDERS / MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number with the Company at investor.relations_india@heubach.com from September 15, 2024 to September 19, 2024.
2. The first 15 Speakers on first come basis will only be allowed to express their views during the meeting.
3. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

D. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/

members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on:-

Tel: 022-49186175
InstaMeet Support Desk
Link Intime India Private Limited

PARTICULARS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	Mr. Jugal Sahu
DIN	02629782
Type	Executive Director and Chief Financial Officer
Date of Birth and Age	February 10, 1972, 52 years
Nationality	Indian
Date of Appointment	February 3, 2023
Qualification	Mr. Jugal Sahu has a degree in Bachelor of Commerce from the University of Berhampur, Odisha, is a Chartered Account from ICAI, Cost Accountant from ICWAI, Company Secretary from ICSI and Management Accountant from CIMA, London.
Expertise in Specific Functional area	<ul style="list-style-type: none"> Strategic Financial Planning & Business Analysis P&L Ownership & Growth Strategy Corporate Financial Reporting Business Plan, Budget & Forecast Financial Risk & Mitigation Cost Reduction & Control Statutory & Internal Audit Fund Management Accounting & Taxation ERP & MIS Business Valuation & M&A
No. of Equity Shares held	1,960 Equity Shares of the Company are being held in the name of Jugal Kishore Sahu HUF of which Mr. Jugal Sahu is the Karta.
Details of Board Meetings attended by the Directors during the year	During the year under review, Mr. Jugal Sahu was present in all 6 (Six) meetings held on May 16, 2023, July 25, 2023, October 27, 2023, December 28, 2023, January 24, 2024 and March 27, 2024.
Membership of Committees of HCIL	Member in the Risk Management Committee
Terms and Conditions of Appointment or re-appointment	Mr. Jugal Sahu would be Executive Director and Chief Financial Officer of the Company.
Remuneration last drawn	Please refer to the "Corporate Governance Report" which is a part of this Annual Report

E. OTHER INSTRUCTIONS

- Mr. Bhadrash Shah, Proprietor of Bhadrash Shah & Associates, Practising Company Secretary (CP No. 15957) has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the voting during the meeting, to be conducted at the Annual General Meeting, in a fair and transparent manner.
- The Scrutinizer shall within 48 hours of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
- The results declared along with the Scrutinizer's report shall be communicated to BSE Limited and NSE Limited and made available on the Company's website: www.heubach.com

Name of Director	Mr. Jugal Sahu
Remuneration sought to be paid	The Remuneration shall be within the limit of ₹ 3 Crore per year as approved by the Shareholders through the postal ballot on March 24, 2023.
Directorships held in other Listed Companies	Nil
Particulars of Committee Chairmanship/Membership held in other Listed Companies	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil
Name of listed entities from which the person has resigned in the past three years	Nil
Relationship with other Directors inter-se	None

Note: Only two Committees viz. Audit Committee and Stakeholders' Relationship Committee have been considered.

IMPORTANT DATES AT A GLANCE

Sr. No.	Particular	Dates
1.	Request for information relating to accounts and operations of the Company	September 15, 2024
2.	Window for registration as Speaker during the AGM	September 15, 2024 to September 19, 2024
3.	Cut-Off date for e-voting	September 18, 2024
4.	Book Closure	September 18, 2024 to September 25, 2024 (Both days inclusive)
5.	E-voting period	September 22, 2024 to September 24, 2024
6.	Date of AGM	September 25, 2024

Directors' Report

Dear Members,

Your Directors are pleased to present the 67th Annual Report together with the Audited Statement of Accounts for the Year ended March 31, 2024.

1. Financial performance of the Company

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Sales	79,070.15	76,641.66
Profit before tax from continuing operations	5,599.99	4,626.98
Exceptional Item	-	(630.32)
Less: Tax expenses (Incl. deferred tax)	1,486.14	2,078.75
Profit after tax from continuing operations	4,113.85	1,917.91
Profit before tax for discontinued operations	-	-
Less: Tax expenses (Incl. deferred tax)	-	-
Profit after Tax for discontinued operations	-	-
Add: Balance brought forward from previous period	29,216.29	27,360.53
Amount available for appropriation	33,330.14	29,278.44
Appropriations	-	-
Dividend (including interim and final)	-	-
Corporate tax on dividend	-	-
Other comprehensive income (OCI)	(111.94)	(61.84)
Reversal of vested option forfeiture	-	-
Transferred to retained earnings	-	-
Balance carried forward to the balance sheet	33,218.16	29,216.29

2. Review of operations

The Company's continued operations reported sales, for the year ended March 31, 2024 of ₹ 79,070.15 lakhs as against ₹ 76,641.66 lakhs for the previous year ended March 31, 2023. Company recorded a spike in sales of 3.2% out of the total revenue from contracts with customers for the year under review 31.7% is contributed by exports.

3. Reserves

There is no amount proposed to be transferred to Reserves.

4. Dividend

The Board of Directors have not recommended any Dividend for the Financial Year ended March 31, 2024.

Pursuant to the requirement of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company have formulated and adopted Dividend Distribution Policy which is available on the website of the Company at <https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Dividend-Distribution-Policy-EN.pdf>

5. State of Company Affairs & Change in Business

There is no change in company affairs or business by the company during the period under review.

6. Corporate Governance, Management Discussions and Analysis Report & Business Responsibility and Sustainability Report

The Company is committed to compliance standards, ensuring checks and balances between the Board and Management, as well as a sustainable approach to create value for all stakeholders. As stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis Report as well as Certificate confirming the compliance with the conditions of corporate governance and Business Responsibility and Sustainability Report are annexed herewith and forms part of this Annual Report.

7. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

During the year under review, there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

8. Material changes between the date of the Board report and end of financial year

On April 22, 2024, the Company received a communication from Heubach GmbH, a related party within the Heubach Group, informing that it had issued a press release announcing the filing of an application for the opening of regular insolvency proceedings over its assets with the competent insolvency court in Braunschweig. In the same communication, Heubach GmbH also notified that it had applied for the Braunschweig insolvency court to serve as the group court for the German subgroup of the Heubach Group. The court has since appointed an insolvency administrator to evaluate the feasibility of continuing business operations and exploring potential restructuring

or sale options. Additionally, a preliminary insolvency administrator and custodian have been appointed by the court.

Subsequently, on May 3, 2024, the Company received another communication from Heubach Group GmbH, the holding company of Heubach Holding Switzerland AG (formerly known as Colorants International AG and one of the Company's promoter shareholders). The notice stated that Heubach Group GmbH, along with certain affiliated companies, had also filed for insolvency proceedings over its assets with the Braunschweig insolvency court.

The Company continues to closely monitor any related developments and assess the impact on our Company. The Company disclosed this material information to the stock exchanges in its letter dated April 23, 2024 and May 03, 2024.

There have been no other material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

9. Subsidiary Company, Associates Company and Joint Ventures

As on March 31, 2024, the Company does not have any subsidiary, associates Company and joint ventures.

10. Details of Directors and Key Managerial Personnel

Your Company is dedicated to following best practices and values a diverse board that enhances stakeholder value and ensures strong governance. Company's board consists of highly skilled and respected individuals who provide valuable experience and leadership.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, amended.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (including those appointed during the year) have registered themselves with the Independent Directors Databank and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

The Board also confirm that all of the independent directors are persons of integrity and possess adequate knowledge and experience in the field.

Changes in Directors and Key Managerial Personnel

I. Appointment/Re-appointment of Directors:

During the year under review, the voting results & the Scrutinizer report dated September 27, 2023 related to

the voting on resolutions as mentioned in the AGM Notice convening the 66th Annual General Meeting held on September 26, 2023, the resolution for "appointment of Mr. Ravi Kapoor (DIN: 01761752), who retires by rotation and being eligible, offers himself for re-appointment" was not passed with requisite majority. Accordingly, he ceased to be the Director of the Company w.e.f. September 26, 2023. Subsequently, Mr. Ravi Kapoor was appointed as Non-Executive Director and Chairman of the Company with the approval of the members on November 29, 2023 through Postal Ballot.

Dr. (Mrs.) Indu Shahani (DIN: 00112289) retired from her role as Independent Director after completing her second term with effect from March 31, 2024. The Board of Directors and Management place on record their deep appreciation for the contributions made by Dr. (Mrs.) Indu Shahani during her association with the Company over the years.

Dr. (Mrs.) Indu Shahani was succeeded by Mrs. Diana Dhote (DIN: 10558367), who was appointed as an Additional Director in the capacity of a Non-Executive Independent Director, effective April 1, 2024. This appointment was made by the Board of Directors during its meeting on March 27, 2024, based on the recommendation of the Nomination and Remuneration Committee. The Board then referred the appointment to the shareholders for approval. Subsequently, Mrs. Diana Dhote was confirmed as the Independent Director by the shareholders through a Postal Ballot on June 14, 2024, for a term of five consecutive years, starting from April 1, 2024.

Mr. Bharath Sesha (DIN 01983066), Managing Director of the Company, submitted his resignation vide letter dated June 28, 2024, to pursue other opportunities outside the Organization. The Nomination and Remuneration Committee and the Board formally accepted his resignation during its meeting held on June 28, 2024 and Mr. Bharath Sesha will be relieved from his service as a Director and Managing Director of the Company with effect from the close of business hours on August 31, 2024.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jugal Sahu (DIN: 02629782), Executive Director and Chief Financial Officer, retires by rotation at the ensuing Annual General Meeting, and being eligible, he offers himself for re-appointment. The above re-appointment forms part of the Notice of the 67th Annual General Meeting and a Resolution is recommended for your approval. The brief profile of Mr. Jugal Sahu, covering details of his qualification and experience, as required pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India is annexed to the notice of this Annual General Meeting.

II. Key Managerial Personnel:

Ms. Ameer Joshi, Company Secretary & Nodal Officer (Key Managerial Personnel) of the Company, submitted her resignation vide letter dated June 24, 2024, to pursue an alternate career opportunity outside the Organization. Ms. Ameer Joshi was relieved from her duties with effect from the close of business hours on June 30, 2024.

There were no other changes in the Directors or Key Managerial Personnel of the Company during the year.

11. Audit Committee

The details on the composition, meeting, attendance, etc. of the Audit Committee are provided in the Corporate Governance Section of the Annual Report. The Board has accepted all the recommendations of the Audit Committee during the Financial year under review.

12. Number of meetings of the Board

During the year under review, the Board of Directors met 6 (Six) times on May 16, 2023, July 25, 2023, October 27, 2023, December 28, 2023, January 24, 2024 and March 27, 2024.

13. Conservation of energy, technology absorption, foreign exchange earnings and outgo

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information and data for the year ended March 31, 2024 are annexed to this report as 'Annexure A'.

14. Corporate Social Responsibility

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of your Company has constituted a Corporate Social Responsibility ('CSR') Committee which constitutes of following members:

Name	Category
Dr. (Mrs.) Indu Shahani (till March 31, 2024)	Chairperson
Mrs. Diana Dhote (w.e.f April 1, 2024)	Chairperson
Mr. Kewal Handa	Member
Mr. Bharath R. Seshu (till August 31, 2024)	Member

Your Company also has in place a CSR policy and the same is available on the website of the Company at <https://admin.heubach.com/wp-content/uploads/2024/04/CSR-Policy.pdf>. A detailed report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as 'Annexure B' forming part of this report.

15. Nomination and Remuneration Policy

The Board has based on the recommendation of Nomination and Remuneration Committee, framed a policy on Nomination and Remuneration of its Directors and Key Managerial Personnel, which is available on the website of the Company at <https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Nomination-Remuneration-Policy-EN.pdf>.

16. Board Evaluation and Familiarization programme

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board/Committee Governance. The Board have reviewed the performance of the individual Directors and the Chairperson. The manner in which the evaluation has been carried out is stated in the Corporate Governance Report.

The details of programme for familiarization of the Independent Directors of your Company are available on the Company's website at <https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Familiarization-Programme-EN.pdf>.

17. Particulars of Employee

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosure pertaining to the particulars of employees who are in receipt of remuneration as prescribed under the Section is annexed as 'Annexure C'.

The statement of particulars of employees pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. However, pursuant to proviso to Section 136 (1) of the Companies Act, 2013, the report and accounts are being sent to members excluding this statement of particulars of employees. Any member interested in obtaining a copy of this statement, may write to at investor.relations_india@heubach.com.

18. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of

the Company as at March 31, 2024 and of the profit and loss of the Company for that period;

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis;
- (v) The Directors have laid down Internal Financial Controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Statutory Auditor & Audit Report

M/s. MSKA & Associates, Statutory Auditors, in their Audit report for the Financial year ended March 31, 2024, have commented that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India. The Company would like to clarify that the Company's SAP is centralized in global Data Centers outside India where the backup storage is maintained. The Company is reviewing the maintenance of backup of SAP data in India as required under Rule 3 of the Companies (Account) Rules, 2014.

20. Cost Audit

The Board of Directors, in pursuance of order under Section 148 of the Companies Act, 2013 had appointed M/s. RA & Co., Cost Accountants, as Cost Auditors of the Company to carry out the audit of the cost accounts of the Company for the Financial year 2023-24 however they resigned from their role as Cost Auditors of the Company for the financial year ending March 31, 2024. This resignation is consequent to Mr. Rasesh Chokshi, one of the Partners of the firm, becoming ineligible to continue in this capacity following his inheritance of Company shares.

The Board has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, as Cost Auditors for the financial year ended March 31, 2024, to fill the casual vacancy caused by the resignation of M/s. R.A. & Co.

The Cost Audit Report for the 12 months ended March 31, 2023 has been filed on due date.

21. Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s J. R. Ahuja &

Co., Company Secretary, as Secretarial Auditor to carry out the Secretarial Audit for the Financial year 2023-24.

The Secretarial Audit Report is annexed herewith as 'Annexure D'. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further comments.

22. Internal Financial Controls and their Adequacy

The details in respect of Internal Financial Controls and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this Report.

23. Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 as on March 31, 2024, is available on Company's website at <https://heubach.com/heubach-india/investor-relations-india-overview/annual-reports/>.

24. Risk management policy

The Company has a robust Risk Management to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Many risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Company has framed a Risk Management Policy to manage the risks involved in all activities of the Company, to maximize opportunities and minimize adversities.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have constituted the Risk Management Committee. Particulars of the committee are provided in the Corporate Governance Report forming part of this Annual Report.

25. Related Party Transactions

In line with the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Policy on Material Related Party Transactions which is available on Company's website at <https://admin.heubach.com/wp-content/uploads/2022/09/Clariant-CCIL-Related-Party-Transaction-Policy-20220803-EN.pdf>.

All the Related Party Transactions entered during the year under review were in ordinary course of business and on arm's length basis. All the Related Party Transactions are placed before Audit Committee for review and approval. Prior omnibus approvals are granted by Audit Committee for Related Party Transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis.

The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 read

with Rule 8(2) of the Companies (Accounts) Rules 2014 in the Form AOC-2 is annexed as 'Annexure E' to this report.

26. Particulars of loans, guarantees or investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, is given in the notes forming part of Financial Statements.

27. Public Deposits

During the year under review, the Company has not accepted any deposits from the public falling under Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and as such no amount of principal or interest was outstanding as on the balance sheet date.

28. Secretarial Standards

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

29. Vigil Mechanism

The Company believes in upholding professional integrity and ethical behavior in the conduct of its business. To uphold and promote these standards, the Company has adopted Whistle Blower Policy for its Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal.

30. Prevention of Sexual Harassment of Women at Workplace

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, three complaints were received for sexual harassment of women at workplace, which was investigated by the Company and stands resolved.

31. Constitution of Internal Complaints Committee

The Company has constituted an Internal Complaint Committee (ICC) and complied with all the requirements of provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

32. Details in respect of frauds reported by auditors under Sub-Section (12) of Section 143 of the Companies Act, 2013 'other than those which are reportable to the Central Government'

No matter of actual or alleged fraud has been reported by the auditors under Sub-Section (12) of Section 143 of the Companies Act, 2013.

33. Acknowledgement

The Board of Directors wish to place on record its sincere appreciation for the support received from its stakeholders including shareholders, bankers, distributors, suppliers and business associates. The Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees that ensured sustained performance in a challenging business environment.

For and on behalf of the Board of Directors

Ravi Kapoor
Chairman
DIN (01761752)

Bharath R. Sessa
Managing Director
DIN (01983066)

Place: Navi Mumbai
Date: August 31, 2024

Annexure A

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy:

- Water consumptions optimized by:
 - Closely monitoring daily water consumption report.
 - Closely monitoring and controlling of each individual filter press wash water parameter and thereby in wash water time and quantity.
 - Recycling of alkaline wash water collected from filter press, in acidic filter press washing purpose.
 - Continuous usage of WWTP treated wastewater for various applications such as - Plant floor washing, Scrubber system, Drum washings, Lime solution preparation etc
 - Continuous usage of Rainwater harvesting pond water for gardening purpose
 - Monitoring and controlling of cooling towers loss
 - Closed loop of water used for water ring vacuum pumps to avoid wastage of water.
 - Sensor based water tap in washroom is initiated.
 - Conducted a campaign to close water leakages across the site under TPM.
 - A 100 KLD sewage water treatment plant is currently being commissioned. Its treated water will be recycled for use in the cooling tower and for gardening by July-24.
- Steam consumption optimized by:
 - Weekly monitoring of the steam network, including the initiation of replacing defective steam traps using a leak tag system, as well as the regular monitoring and repairing of steam traps.
 - High pressure filtrations.
 - Set revised target to reduce the steam consumption per ton of product.
 - Regular Steam and Air Audits.
 - Conducted a campaign under TPM to close steam and air leakages across the site.
- Utilities consumptions optimized by increasing various batch sizes
 - Consumption of Electrical units reduced per ton of production.
- Electricity consumptions optimized by:
 - Reduction of frequency with VFD for higher HP motor to get desired result without compromising quality and quantity.
 - Replaced conventional lights by energy efficient LED lights across site- Plants & offices when replacement of defective lights.
 - Old AC's being replaced by latest energy efficient AC and usage at optimized temperatures and set on & off system based on timer.
 - "Compressed Air audit" Conducted on weekly basis.
 - Replacing of old motors by energy efficient motors.
 - Roof sheets damaged by cyclone replaced along with adequate transparent sheets to achieve abundant natural light.
 - Timer logic for stirrer operations for non-critical equipment.
 - VFD Based Air compressor to save electricity during load variation.
 - Use of Gravity flow for effluent handling instead of pumping.
 - Rearranged lighting switches from centralized to localized to switch off lights where not required.
 - Disposal of bi product as such instead of treating at site. This has reduced the energy consumption.
 - Installed Solar water heater for plant wash rooms and removed electric geysers.
 - Installed VFD for WWTP stirrer motors.
 - Installed energy efficient pump for effluent transfer.
 - To conserve water, implemented conductivity based auto-wash system for filter press.
 - Installed zero leak type filter press for certain products.

- Installed membrane filter press to increase cake dryness and reduce further energy for drying the product.
- 7.5 MWp Offsite Solar Power Plant – installed for Roha site and site is on 57% renewable electricity source from Apr- 23. Achieved Annual saving of INR 3.36 Cr in FY 23-24.
- Cuddalore site is on renewable electricity source of Wind + Solar, from Sep 23. Site is on 40% renewable source of electricity. Achieved savings of INR 35 Lacs in FY 23-24.
- All 5nos. Spin Flash Dryers in Cuddalore was initially operated on Diesel as fuel and now all 5nos. Spin Flash Dryers has been converted on LPG fuel as green energy initiative, which has successfully reduced the CO2 emission.
- Steam condensate recovery and reuse is done.
- TPM Gemba teams conduct utility leakage tracking and take corrective action.
- Installed an additional spin flash dryer and membrane filter presses at Roha. This setup eliminated the need for steam consumption typically required by dryers and removed the need for compressed air for milling products dried in drying chambers, thereby further reducing steam consumption.
- Installed a valve bag auto packing machine at Roha, which optimized container loading for export and minimized energy consumption during the overseas transport of products.
- Installed Energy Monitoring system at Roha site. Improved productivity resulting in energy saving:
- Higher batch size wherever possible
- Reduction in drying time at tray dryers and RVDs by optimizing drying temperature.
- Water batching system modification for consistent water supply, this has reduced the batch cycle time.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- Use of higher calorific value LPG in place of Bio Diesel for hot air generator, which resulted in environment benefit and also cost savings.
- Installation of solar water heater for bathrooms on Site.
- Use of LSHS oil as fuel instead of furnace oil.
- Implemented renewable solar power supply at the Roha site starting in April 2023.
- Implemented renewable hybrid (solar and wind) power supply at the Cuddalore site starting in September 2023.

(iii) Capital investment on energy conservation equipment: ₹ 290 Lakhs

B. Technology Absorption

(i) The efforts made towards technology absorption:

- Polyelectrolyte was used at WWTP water at primary treatment and secondary treatment side to get maximum solid content on disposal of solid waste.
- Use of bag compactor machine to pack the waste bags to minimize the space occupation.
- Instrument control for consistent quantity of water to the reactor based on Chlorine consumption to complete the reaction in time with quality.
- Auto changeover of LPG header manifold without manual intervention and also triggering of SMS to concerned person on leakage of LPG and Manifold empty.
- Installed HDPE drum shredding machine at Roha for enabling plastic recycle.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Batch cycle and quality was improved by maintaining the chlorine gas pressure consistent by introducing control valve based pressure transmitter.
- Use of double blow leg in the reactor for more absorption of chlorine gas to reduce the cycle time.
- Recovery and reuse of Methanol and MTT from crude generated during process.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

(iv) The expenditure incurred on Research and Development: Nil

C. Foreign exchange earnings and outgo:

The particulars of foreign exchange earned and used during the year is given below:

The Foreign Exchange earned ₹ **25,003.10 lakhs** (Previous period ₹ **26,997.97 lakhs**)

Foreign exchange used ₹ **12,226.64 lakhs** (Previous period ₹ **14,352.3 lakhs**)

For and on behalf of the Board of Directors

Ravi Kapoor

Chairman
DIN (01761752)

Place: Navi Mumbai
Date: August 31, 2024

Bharath R. Sesha

Managing Director
DIN (01983066)

Annexure B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

(Particulars required as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

1. Overview of Corporate Social Responsibility

a. Brief outline on CSR Policy of the Company

The CSR Policy of the Company has been framed in accordance with Section 135 of Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time The Policy is applicable to all our sites and offices in India and the emphasis is towards allocation of resources and employee engagement to the marginalized groups in the society.

The Company's CSR Vision is based on tenets of trust, fairness, and care. Following are the keystones to Company's CSR Philosophy.

- To actively initiate projects and/ or participate in projects that together make us the local lighthouse of the region which significantly improves the lives of the people where we operate and are present.
- Provide vocational training and impart skilling to enhance the livelihood and skills of people who are primarily from the unorganized sector.
- Commit to creating social and economic value as a corporate citizen and encourage employees to participate and contribute to various CSR programmes.
- Manage our operations using principles of sustainable development to minimize resource footprint and protect health and safety of all the stakeholders.

Heubach believes in responsible growth and thus undertakes CSR initiatives that will be effective to the communities and the environment in which we operate.

b. Activities

Areas around which the Company focuses its CSR initiatives and channelizes the resources on a sustained basis is as follows:

- **Health and Hygiene:** Primary health care support through infrastructure support, building awareness about hygiene, sanitation, clean habits etc.

- **Disaster Management:** Relief, rehabilitation and reconstruction activities, mitigating the effects of crisis created by natural disasters, pandemic or likewise and partnering with government authorities and local partners to support the communities.

- **Enhancing Vocational Skills:** Specialized vocational training and skill-based training to women enabling them to secure better employment opportunities.

- **Education:** Enabling initiatives that support in providing education to the children in the communities that we operate in. The interventions include infrastructure building, support with tutoring for children etc.

The CSR areas is monitored and reviewed by the Management, CSR committee and the Board of Directors, from time to time. All CSR initiatives/ projects/ programs/ activities fall under the purview of Schedule VII of the Companies Act, 2013 and Sustainable Development Goals (SDG).

c. Governance

We have a dynamic structure in place for effective implementation of CSR projects and activities. The implementation of all activities is taken under guidance of the Board of Directors. The Board has empowered the CSR Committee to closely monitor and report its progress. The Company adopts a comprehensive approach while initiating, implementing, monitoring, and utilizing the CSR budgets. The commitment is ensured at the beginning of the year and the budgets are allocated as per the long term and short-term projects of each site, under the supervision of CSR Committee and the Board.

The Company undertakes the CSR either itself or jointly along with any other companies, and/ or in collaboration with its stakeholder which includes the NGOs, local communities, and district authorities.

2. Composition of CSR Committee

The composition of the CSR Committee is in compliance with the Act and the CSR Rules.

The Composition of the Committee and attendance of the Members at meetings held during the year is as below:

Sr. No.	Name of Member	Position held	Number of Meetings of CSR Committee	
			Held	Attended
1.	Dr. (Mrs.) Indu Shahani (till March 31, 2024)	Chairperson	2	2
2.	Mrs. Diana Dhote (with effect from April 1, 2024)	Chairperson	NA	NA
3.	Mr. Bharath R. Sessa (till August 31, 2024)	Member	2	2
4.	Mr. Kewal Handa	Member	2	2

3. Web-links where CSR related information of the Company is available:

- a) Composition of the CSR Committee: <https://www.heubach.com/heubach-india/investor-relations-india-overview/committee-information/>
- b) CSR Policy: <https://admin.heubach.com/wp-content/uploads/2024/04/CSR-Policy.pdf>
- c) CSR projects (approved by the Board of Directors): <https://admin.heubach.com/wp-content/uploads/2023/08/CSR-Annual-action-plan.pdf>

4. Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **Not Applicable**

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year: **Not Applicable**

6. Average Net Profit of the Company as per Section 135(5): ₹ **4,892.73 Lakhs**

7. Prescribed CSR Expenditure (2% of the amount as in item 6 above): ₹ **97.85 Lakhs**

8. Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: **Nil**

9. Amount required to be set off for the Financial year: ₹ **4.46 Lakhs**

10. Total CSR obligation for the Financial year (7+8-9): ₹ **93.39 Lakhs**

11. CSR expenditure

(a) CSR amount spent or unspent for the Financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
1,16,15,092	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the Financial year: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the Financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in INR.)	Mode of implementation (Direct / Indirect)	Mode of implementation Direct - Through implementing agency	CSR registration number
				State	District			
1	Promoting Education & Providing Healthy Sanitation i. Provided following to NMMC SCHOOL NO. 42 (Marathi), GHANSOLI: <ul style="list-style-type: none"> • RO Filter water 100 lit/hrs. • MS Platform for water tank 500 Liters. • Providing and fixing stone basin. wall mounted washbasin. Providing and fixing wall & Flooring tiles, painting, and civil work. • Setup Dustbin area with one door. • Wooden chairs for teachers. • MS cabinet/Storage units. 	(i)	Yes	Maharashtra Juinagar, Navi Mumbai	16,90,617	Direct	None	NA
	ii. Provided to Turbhe NMMC SCHOOL NO.25(Marathi) AND 71 (Hindi), Indira Nagar, MIDC Industrial Area following school requirements: <ul style="list-style-type: none"> • Science Lab Setup • Ceiling Fan & Tube lights • Tree Plantation setup. 							
2	Women Empowerment and Promoting Education <ul style="list-style-type: none"> • Provided Books for Books for Medical student • Provided HP Slim desktop PC Intel • Provided Computer table size 3X2X2.5 FT • Provided Voltas water cooler 40/40Full SS • 50-Sanitary Napkin Vending automatic Mc. • NAPKIN (Minimum order) • Constructed Girls & Boys new toilet RCC toilet • Revamping of classrooms and office in Gov school, Banbani village • Science lab development 	(ii)	Yes	Madhya Pradesh Nagda	16,51,941	Direct	None	NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in INR.)	Mode of implementation (Direct / Indirect)	Mode of implementation Direct - Through implementing agency	
				State District			Name	CSR registration number
3	Promoting Education & Providing Healthy Sanitation	(ii)	Yes	Tamil Nadu Cuddalore	31,59,552	Direct	None	NA
	<ul style="list-style-type: none"> Constructed a toilet for Kudikadu village school, Middle School Provided lab equipment for Saraswathi College Provided Chemical Engineering equipment and infrastructure to Annamalai University Built an evening Learning Centre in Sothikuppam and provided Notebooks for Students (Running project) Constructed building for evening tuition centre with shutter work for teaching students in Sothikkuppam village. Constructed a Toilet for Govt. Primary school Building in Kudikadu Village for 65 Children studying at School Constructed a Toilet Block at Sothikuppam Govt. School for 150 students (Health and Hygiene) 							
4	Healthcare support	(i)	Yes	Tamil Nadu Cuddalore	3,40,730	Direct	None	NA
	<ul style="list-style-type: none"> Conducted Health Promotion Camp for Blood Donation to Govt Hospital in Cuddalore Conducted Health Promotion activity at Govt. Hospital in Kannarapettai 							
5	Women Empowerment	(ii)	Yes	Tamil Nadu Cuddalore	1,19,054	Direct	None	NA
	<ul style="list-style-type: none"> Organized and conducted a class focused on teaching tailoring skills in Cuddalore and paid for the Incurred expenses for electricity bills. 							
6	Community Development	(iii)	Yes	Maharashtra Roha	4,20,113	Direct	None	NA
	<ul style="list-style-type: none"> Furnished and electrified the feeding section at the Tahasil Office. Provided a Waste Collection Vehicle in Roth Budruk. 							

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in INR.)	Mode of implementation (Direct / Indirect)	Mode of implementation Direct - Through implementing agency	
				State District			Name	CSR registration number
	Promoting Education & Providing Healthy Sanitation	(iv)	Yes	Maharashtra Roha	36,10,349	Direct	None	NA
	<ul style="list-style-type: none"> Provided a Water Purifier at Vashi School. Constructed a Classroom in Roth Khurd. Provided Chemicals and Equipment to Dnyanankur School. Provided Chemicals and Equipment to Dhamansai School. Provided Chemicals, Equipment, and Gas Cylinder Safety Barricades to M B More Women College. Electrified the Science Hall at Dhatav. Provided Benches for J M Rathi Primary School. Provided Benches for SND Arts Science College. Developed the Lab at Sutawadi High School. Developed the Lab at Kolad High School by revamping the platform and building chemical storage shelves. Constructed a Girls' Washroom at New English School, Chanera. 							
	Women Empowerment				1,24,612			
	<ul style="list-style-type: none"> Provided Domestic Flour Mill to local women in need Menstruation Hygiene Awareness Session for M B More Women College, Dhatav 							
					Total			1,11,16,968

- (d) Amount spent in Administrative Overheads: ₹ **4,98,124**
- (e) Amount spent on Impact Assessment: **Not applicable**
- (f) Total amount spent for the Financial Year: ₹ **1,16,15,092**
- (g) Excess amount for set off: ₹ **22,76,364**

i. Unspent CSR

(a) Details of Unspent CSR amount for the preceding three Financial years:

Sr. No.	Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	-	40,00,000	CM's State Disaster Management Fund – Tamil Nadu (to combat COVID-19)	20,00,000	August 19, 2021	NIL
				CM's State Disaster Management Fund – Maharashtra (to combat COVID-19)	20,00,000	August 9, 2021	
2	2021-22	-	-	-	-	-	-
3	2022-23	-	-	-	-	-	-

 (b) Details of CSR amount spent in the Financial year for **ongoing projects** of the preceding Financial year(s): **Nil**

- ii. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial year: **Not applicable**
- iii. Reason(s) for not spending the amount at 7: **Not applicable**

For and on behalf of the Board of Directors
Mrs. Diana Dhote

 Chairperson
 DIN (10558367)

 Place: Navi Mumbai
 Date: August 31, 2024

Bharath R. Sessa

 Managing Director
 DIN (01983066)

Annexure C

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
i. The ratio of the remuneration of each executive director to the median remuneration of the employees of the Company for the financial year:

(₹ in Lakhs)

Sr. No.	Particulars	Remuneration for the 12 months ended March 31, 2024	Ratio of Remuneration to median remuneration of employees
1.	Mr. Bharath Sessa Managing Director	270.19	30.50
2.	Mr. Jugal Sahu Executive Director & Chief Financial Officer	93.37	10.50

Note: The Non-Executive Non-Independent Directors of the Company are not paid any remuneration by the Company. The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

ii. The percentage increase in remuneration of each Executive Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Executive Director, Chief Financial Officer and Company Secretary	% increase/(decrease) in remuneration in the Financial year
Mr. Bharath Sessa Managing Director	4.5%
Mr. Jugal Sahu Executive Director & Chief Financial Officer	9.7%
Ms. Ameet Joshi Company Secretary	18.6%

iii. The percentage increase in the median remuneration of employees in the financial year: 10.6%
iv. The number of permanent employees on the rolls of Company as on March 31, 2024: 504
v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

 Average Percentile Increase for other than managerial personnel: **10%**

 Average Percentile Increase for managerial personnel: **7.97%**
vi. It is affirmed that the remuneration paid during the year under review is as per the remuneration policy of the Company.
For and on behalf of the Board of Directors
Ravi Kapoor

 Chairman
 DIN (01761752)

 Place: Navi Mumbai
 Date: August 31, 2024

Bharath R. Sessa

 Managing Director
 DIN (01983066)

Annexure D

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**

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

To,
The Members,
Heubach Colorants India Limited
(Formerly Clariant Chemicals (India) Limited)
Rupa Renaissance, B Wing, 25th Floor, D-33,
MIDC Road, TTC Industrial Area, Juinagar,
Navi Mumbai 400705 India

CIN: L24110MH1956PLC010806

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Heubach Colorants India Limited, (hereinafter called as the 'Company'). This Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 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;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Amendments;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(no event to report)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (no event to report)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 read with Amendments, regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (no event to report)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (no event to report)
- (vi) The other laws that are applicable specifically to the Company are as follows:
 - a) Factories Act, 1948;
 - b) Environment Protection Act, 1986 and other applicable environmental laws;
 - c) Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003;
 - d) All applicable labour laws including Industrial Disputes Act, 1947, Minimum Wages Act, 1948, Employees' Provident Fund & Miscellaneous Provisions Act, 1952, etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I 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 period under review were carried out in compliance with the provisions of the Act.

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

Majority decisions are carried through, with no dissenting members for any agenda item at the Board Meetings held during the period under review.

I further report that 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.

This Report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this Report.

For **J.R. Ahuja & Co.**
Company Secretary

Jagdish Ahuja
Proprietor

FCS No. 9079; C.P. No. 10563

Peer Review Certificate No. 1877/2022

UDIN: F009079F000413626

May 21, 2024
Place: Mumbai

To
The Members,
Heubach Colorants India Limited
(Formerly Clariant Chemicals (India) Limited)
Reliable Tech Park, Gut No. 31, Village Elthan,
Off Thane Belapur Road, Airoli, Navi Mumbai,
Maharashtra, 400708
CIN: L24110MH1956PLC010806

My report of even date is to be read along with this letter:

- Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and books of account of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
- Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
- The compliance of the provisions of the corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- The secretarial audit report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **J R Ahuja & Co,**
Company Secretary

Date: May 21, 2024
Place: Mumbai

Jagdish Ahuja,
Proprietor, FCS No. 9079; C.P. No. 10563
Peer Review Certificate No. 1877/2022

Annexure E

FORM AOC-2

Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

- Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
- Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2024:

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Value
Heubach Colorants Singapore Pte. Ltd.	Sale of finished goods as per the purchase order raised from time to time.	On Going	Ordinary course of business and at arm's length price	-	-	22,398.12

For and on behalf of the Board of Directors

Ravi Kapoor
Chairman
DIN (01761752)

Bharath R. Sessa
Managing Director
DIN (01983066)

Place: Navi Mumbai
Date: August 31, 2024

Management Discussion and Analysis

Economic Overview

The global economy displayed strong resilience in 2023, despite central banks raising interest rates to combat inflation. Steady economic activity, job creation, and strong consumer spending due to higher income levels contributed to the global economic growth. According to the International Monetary Fund (IMF), the global economy grew by 3.2% in 2023 and is expected to maintain the same growth rate in 2024 and 2025. Also, the global economic resilience was positively impacted by the growth in the Indian economy.

The Indian economy grew in FY2024, driven by strong macroeconomic indicators, improved labor market conditions, heightened urban demand, and increased government focus on capital expenditure. India surpassed the United Kingdom to become the fifth-largest economy in the world during FY2024. According to the National Statistical Office (NSO), India's GDP grew by 8.2% in FY2024, surpassing the 7.0% growth recorded in FY2023. The Interim Budget for FY2025 emphasized self-reliance, aiming to reduce import dependency and promote domestic industry while ensuring stability in taxes. Furthermore, the Reserve Bank of India (RBI) has projected a GDP growth of 7.2% and an inflation rate of 4.5% for FY2025, optimistically reflecting India's potential to become the world's third-largest economy by 2030. These positive trends highlight India's growing economic strength and its promising potential on the global level.

Indian Specialty Chemical Industry

Specialty chemicals are becoming a key growth area in the Indian chemical industry, offering significant opportunities. With an increasing emphasis on sustainable and eco-friendly products, this segment is expected to deliver better outcomes for users and the environment. In addition, increased demand from end-user industries like food processing, personal care, and home care has been fueling growth across various segments within India's specialty chemicals market.

Specialty chemicals account for 20% of the global chemicals industry's \$4 Trillion, with India's overall specialty chemical market expected to increase at a CAGR of 12% to \$64 Billion by 2025. Indian specialty chemicals companies are expanding their capacities to meet the rising demand both domestically and internationally. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has a significant growth opportunity. The specialty chemicals market in India is currently undergoing substantial transformation, driven by the rising demand for advanced materials and polymers. These cutting-edge products play a pivotal role in driving innovation across various sectors.

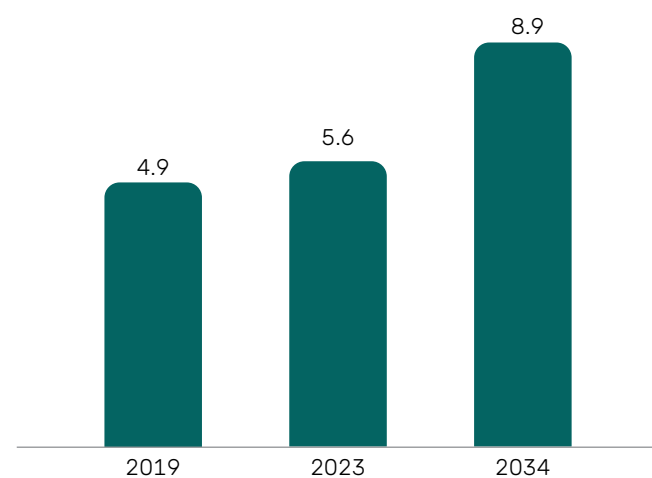
Further, the industry benefits from a large pool of skilled professionals and engineers, ensuring high standards of production and innovation. However, fluctuations in global economic conditions and stringent environmental regulations in India and abroad can impact demand and export opportunities for Indian chemical products. Additionally, dependency on imported raw materials with fluctuating prices can affect production costs and profitability.

Pigment Industry Overview¹

The global organic pigments market has been valued at \$5.6 Billion in 2023. The global demand for organic pigments is expected to grow at a CAGR of 4.4% from 2024 to 2034, reaching a market value of \$8.9 Billion by the end of 2034. The market features a wide variety of organic pigment materials, most of which are synthetic and valued for their unique qualities and cost-effectiveness in production.

India, with its favorable ecosystem and localized value chain, has emerged as a promising destination for pigment manufacturing. India's organic pigment market value is expected to rise to \$0.6 Billion by 2034 from \$0.3 Billion in 2023, growing at a CAGR of 5.7%. Organic pigments account for 58% of the total pigment production in India.

Global Organic Pigment Market Value (in \$ Billion)



Source: Fact.MR report

The paints and ink industries are the major consumers of organic pigments, accounting for 31.5% of the market. These pigments are utilized in architectural, automotive, and industrial coatings, providing color, hiding power, and durability. Additionally, organic pigments are extensively used in the production of printing inks, including flexographic, gravure, and offset inks. The global paints and coatings market is estimated to be valued at \$160 Billion in 2023 and is expected to grow at a CAGR of 5.1%, reaching \$263 Billion by the end of 2033. Region-wise, China accounts for nearly 60% of the total coatings volume from the Asia Pacific region.

Furthermore, environmental concerns and stricter regulations are pushing industries towards sustainable organic pigments. This shift towards sustainability is boosting the market for pigments adhering to stricter environmental regulations. Moreover, the packaging industry, which requires vibrant and appealing colors for foods, beverages, cosmetics, and consumer goods, drives pigment demands. Accordingly, manufacturers are increasingly focusing on product differentiation and branding, thereby further driving growth in this sector.

Company Overview

Heubach Colorants India Limited (hereafter referred to as 'HCIL' or 'the Company') offers an exceptional range of organic and inorganic high-performance pigments and pigment preparations for various applications including paints, plastics, coatings, printing inks, non-impact printing inks, rubber, and other special applications. HCIL, based in Navi Mumbai, India, has been a leader in the colorants industry for over 200 years. The Company has a strong manufacturing presence across India with manufacturing facilities strategically located in Roha

(Maharashtra), Cuddalore (Tamil Nadu), and Nagda (Madhya Pradesh). Pigment preparations are blends of pigments with additives, binders, or carriers, enhancing their performance in various applications like coatings, inks, plastics, and special applications. The Company exports via associated entities to over 75 countries, serves more than 100 domestic customers, and offers over 500 products.

HCIL has a rich history of shaping the world of colors and has established a legacy of excellence. The Company is committed to pioneering sustainable color technologies to create a brighter future. HCIL helps its customers achieve their business and sustainability goals beyond offering innovative solutions. The Company is dedicated to driving positive change in the pigments industry through industry-leading Environmental, Social, and Governance (ESG) measures. These measures ensure that HCIL's operations meet the highest standards in quality and sustainability while maintaining ethical business practices. HCIL enables sustainable growth and provides peace of mind to its customers, employees, and stakeholders by focusing on responsible growth.

Product Portfolio

- **Organic Pigments:** Offer vibrant colors across a broad range of colorful compounds derived from organic sources.
- **Inorganic Pigments:** Known for excellent opacity and durability, though colors are less intense, and the range is narrower.
- **Pigment Preparations:** Carefully formulated liquid or solid pigment mixes tailored for customized colors and specific uses.
- **Dyes:** Sustainable specialty and aluminum dyes providing eco-friendly coloring solutions.

Product Features

Organic Pigments	Inorganic Pigments	Pigment Preparations	Dyes
<ul style="list-style-type: none"> ▪ High chroma ▪ High color strength ▪ Large coverage of color space ▪ Limited resistance 	<ul style="list-style-type: none"> ▪ Lower chroma ▪ Lower color strength ▪ Limited color space ▪ High opacity ▪ High resistance/ fastness properties 	<ul style="list-style-type: none"> ▪ Pre-dispersed pigment in liquid & solid form ▪ Custom color blends ▪ Specialized properties for specific use case 	<ul style="list-style-type: none"> ▪ Specialty Dyes ▪ Aluminum Dyes

HCIL's Colorants Portfolio Composition

Organic Pigments	Inorganic Pigments	Pigment Preparations	Dyes
<ul style="list-style-type: none"> ▪ Quinacridone ▪ Dioxazine ▪ Benzimidazolone ▪ DPP ▪ Isoindolinone ▪ Perylene ▪ Phthalos 	<ul style="list-style-type: none"> ▪ Bismuth Vanadate ▪ Rutile pigments ▪ Cobalt blue ▪ Spinel pigments 	<ul style="list-style-type: none"> ▪ Based on high performance pigments ▪ Customized solutions 	<ul style="list-style-type: none"> ▪ Polymer soluble dyes ▪ Solvent dyes ▪ Water soluble dyes

Applications

The Company's products are used in various industries, including coatings, plastics, printing, and special applications. Coatings is the largest segment by revenue, followed by plastics, special applications and printing amongst others.

Coatings

HCIL's wide range of high-performance organic and inorganic pigments, as well as pigment preparations, are known for their brilliance and durability, especially in paints and coatings. They are highly effective in various applications such as follows:

- Automotive coatings
- Coil coatings
- Corrosion protection
- Exterior paints and plasters
- Floor coatings
- Industrial coatings
- Interior decorative paints
- Powder coatings
- Road marking and traffic paints
- Wood coatings

Plastics

HCIL's products for plastics meet strict global standards for environmental, health, and safety, aiming to conserve energy and reduce carbon footprint. They are used in diverse applications such as:

- Automotive plastics
- Construction and electrical components
- Consumer goods
- Fiber production
- Packaging

Printing & Digital Printing

Modern printing demands versatile and high-quality solutions. HCIL's pigments and pigment preparations are tailored to meet the needs of inkjet, toner, offset, flexographic, and gravure printing, performing exceptionally well with UV, solvent, and water-based inks.

HCIL's printing solutions serve various industries:

- Inkjet printing
- Packaging printing
- Publication printing
- Specialty printing
- Toner

Special Applications

The Company's wide range of pigment dispersions and pigments is suitable for a variety of applications, from vibrant textiles to high-quality handbags, lightweight aluminum casings to colorful balloons.

HCIL's solutions are versatile and cater to:

- Home & fabric care
- Personal care products
- Seed coloration & crop protection
- Aluminum anodizing dyes and chemicals
- Stationery
- Viscose coloration
- Latex coloration
- Leather and paper coloration
- Concrete & plaster

Innovations in Eco-Friendly Pigments and Colorants

The Company has introduced significant innovative products across the business segments that cater to its diverse customer base. The innovations include the following:

- **Coatings:**
 - **Shift to vibrant shades in automotive**, especially EVs leading to increased pigment consumption and development of new shades in our portfolio
 - **Introduced Low VOC colorants** for odorless paints along with water-borne systems (eco-friendly)
 - Created **lead-free pigments for eco-friendly paints**
 - Delivered **high-quality pigments with strong color intensity for resource-efficient** solutions, enhancing material longevity in paints and coatings
- **Plastics and Printing:**
 - Enabled **black polymer identification through Heubach's Near Infrared (NIR) technology**, facilitating the recycling of black plastics
 - **Ensured biodegradability** through selected products like **PV Fast and Graphtol**
 - HCIL's organic pigments comply with strict environmental standards and are **suitable for coloring biodegradable polymers** such as polylactic acid (PLA), polyhydroxyalkanoate (PHA), polybutylene succinate (PBS), and polybutylene adipate terephthalate (PBAT)
 - **Innovated pigments for NTNK packaging inks**, replacing hazardous solvents like toluene and methyl ethyl ketone
 - Promoted sustainability with **biodegradable, OK Compost, and recyclable colorant** options, prioritizing environmental protection

Others

- Developed **water-based pigment preparations for three decades**, catering to various applications without solvents for eco-friendliness
- **Pioneering in zinc-free alternatives for a decade**, HCIL's exclusive access to the range of orthophosphates and polyphosphates offers effective protection in various applications
- **Prioritized the safe handling of pigments**, adhering to and often surpassing global regulations
- **Easy to disperse pigments** that make **production efficient and optimize energy costs**

Four Pillars of Our Core Strategy:

- **Growth**
 - Protect the core and grow the domestic business
 - Commercialize the innovation pipeline to enhance value creation
 - Further expand our global footprint
 - Enhance product portfolio across Organics
- **Green Innovation**
 - Keep sustainability as the central driver for business and innovation
 - Responsible use of natural resources
 - Shifting the plants energy source to renewable and enhanced focus on green chemistry
- **Efficiency**
 - Increase demand planning accuracy
 - Focus on improving the production yield and implement cost savings plan across sites

- Ensure sales as per the set pricing guidance
- Optimize the net working capital and avoid any unnecessary cash blockages
- **Peace of Mind**
 - Focus on customer satisfaction by ensuring on time and in full delivery
 - Focus on quality and high complaints closure rate
 - Product stewardship, safety and regulatory compliance are core differentiators
 - Educate customers and the market on potential harmful byproducts and regulatory issues

Financial Performance

The Company remains dedicated to achieving sustainable growth to meet stakeholder expectations. This commitment is driven by a strategic approach, efficient cost management, and the introduction of innovative products. The Company aims to capitalize on market opportunities, enhance its competitive position, and drive continued success by aligning these factors.

The Company ensures compliance with Indian Accounting Standards (Ind AS) for its financial statements in accordance with the Companies Act, 2013. In FY2024, the Company recorded net revenue of ₹79,070 Lakhs, compared to ₹76,642 Lakhs in FY2023 growing by 3.2%. Exports accounted for 31.7% of the total revenue from contracts with customers in FY2024, demonstrating its strong global reach and market presence. EBITDA grew by 20.8% from ₹6,690 Lakhs in FY2023 to ₹8,080 Lakhs in FY2024. EBITDA Margin also grew from 8.7% in FY2023 to 10.2% in FY2024. PAT registered 145% growth in FY2024, by growing from ₹1,918 Lakhs to ₹4,114 Lakhs in FY2023.

Financial Highlights FY2024 (in ₹Lakhs)

Particulars	Year ended on March 31, 2024	Year ended on March 31, 2023
Income from Operations	79,070	76,642
Operational Profit (EBITDA)	7,208	6,147
Other Income	872	542
Profit Before Tax and Exceptional Items	5,600	4,627
Exceptional Item	-	(630)
Profit Before Tax	5,600	3,997
Profit After Tax	4,114	1,918
EPS (₹)	17.82	8.31

Key Ratio Analysis FY2024

Particulars	Year ended on March 31, 2024	Year ended on March 31, 2023
Debtors' Turnover ratio (x)	3.8	3.9
Inventory Turnover Ratio (x)	3.8	3.4
Debt to Equity Ratio (x)	No borrowings	No borrowings
Current Ratio (x)	2.2	2.1
Interest Coverage Ratio (x)	21.3	188.2
Return on Net Worth (%)	9%	5%
Return on Capital Employed (ROCE) (%)	11%	9%
Operating Profit Margin (%)	9%	8%
Net Profit Margin (%)	5%	3%

Outlook and Opportunities²

Growing Domestic Demand: As a pigment manufacturing company, HCIL can benefit from the rising chemical consumption in sectors such as HPPC, textiles, and consumer goods, tapping into substantial growth opportunities. With projections indicating that 80% of Indian households will move into the middle-income bracket by 2030, a substantial rise in demand is anticipated for paints and coatings. The demand will also be driven by infrastructure development, residential & commercial construction, and industrial expansion. Government initiatives like the 'Smart Cities Mission' and 'Housing for All' will further amplify these construction activities.

Strong Export Potential: With global companies diversifying supply chains away from China, India's chemical sector has significant growth opportunities. Competitive manufacturing costs, high-quality products, and adherence to global standards position the Indian pigment chemicals industry for strong international expansion. India's status as a major chemical exporter is enhanced by cost-effective manufacturing and strategic location, facilitating trade and export opportunities. The Company can leverage these advantages to expand internationally and capitalize on the shift towards alternative sourcing markets.

Sustainability Initiatives: The growing global demand for eco-friendly and sustainable chemicals presents opportunities for Indian companies to innovate and capture new markets. Companies that adopt eco-friendly practices and offer green alternatives can gain a competitive advantage. For instance, the Company's water-based pigment preparations, which are solvent-free, highlight its commitment to environmental responsibility. Moreover, the Company has invested in renewable energy sources to fulfill a significant portion of its energy requirements across its production facilities. Using biofuels for boilers and steam generation further mirrors HCIL's dedication to sustainable practices.

Technological Advancements: Focusing on research and development for new products, improving existing ones, and adopting sustainable practices will strengthen the Company's product portfolio. A key factor that sets the Company apart is its strong focus on innovation and differentiation. The Company

develops innovative solutions by combining external insights with its core technical expertise. For example, its products address stringent regulatory requirements such as LVOC colorants, lead-free pigments, and pigments tailored for NTNK packaging ink.

Highly Fragmented Industry: The pigment chemicals industry is fragmented, presenting challenges like intense competition but also opportunities for companies to stand out and consolidate their position.

Customer-Centric Solutions through Product Innovation: HCIL uses its products to deliver meaningful solutions to customers. The Company regularly partners with customers to understand their most pressing challenges and develops solutions to address them. For example, in response to feedback to improve plastic recyclability, the Company introduced a black colorant. These colorant aids polymer identification using near-infrared technology sorting devices, offering a solution for enhancing plastic recycling processes.

Challenges

Economic Fluctuations: The expansion of domestic production capacities aimed at exports, combined with declining demand in global markets, may affect the Company's business. Last year, downstream industrial demands from construction, paints, adhesives, and other fabric and packaging sectors were dwelled at lower levels with stock piling seen at customers, end, especially in Europe.

Raw Material Dependency: The rising costs of essential raw materials due to inflation present further challenges to the Company. Reliance on imported raw materials with fluctuating prices can impact production costs and profitability. Exchange rate fluctuations can also affect profitability, especially for export-oriented businesses.

Geopolitical Events: Several geo-political disruptions adversely affected the overall pigments industry both on the demand and supply side that continue to remain an overhang on the industry. For instance, rising energy costs across EU due to the Russia-Ukrainian conflict (i.e. cut off from cheap power supply) continue to affect RM prices and the Red Sea blockage have led to increased lead times and rising freight costs globally.

Environment, Corporate Sustainability, and Social Responsibility

The Company is deeply committed to ethical and sustainable business practices, guided by principles such as ESG, Responsible Care, and its own Code of Conduct. HCIL has set ambitious goals to reduce carbon emissions, supported by a clear roadmap for achieving them. Sustainability forms the foundation of HCIL's growth strategy, shaping its goals, market positioning, differentiation strategy, and risk management practices. The Company innovates constantly to offer sustainable solutions, enhancing its role as a trusted solution provider.

Corporate Social Responsibility (CSR) is integral to the Company's philosophy, aligning closely with the Companies (Corporate Social Responsibility Policy) Rules, 2014. HCIL focuses on significant contributions to areas like education, safety, healthcare, and community support to make a positive impact on society. The CSR strategy places a strong

emphasis on integrating sustainable practices, with a focus on achieving measurable impacts and promoting partnerships with government agencies and other stakeholders. Employee engagement programs are designed to cultivate a culture of volunteerism and active participation in CSR initiatives, which serves to uphold the Company's ethical standards and enhance its credibility within the community. The CSR committee plays a pivotal role in overseeing and conducting these CSR activities effectively.

Risk Mitigation and Strategies

The Company emphasizes effective risk management to safeguard its business operations and ensure sustainable growth. It has established a comprehensive risk management framework that includes identifying, assessing, mitigating, and continuously monitoring potential risks across all operational aspects.

Risk Theme	Risks	Mitigation Approach
Business Related Risk	Industry structure changes have led to oversupply and increased competition from small players with varying costs and quality standards.	The Company focuses on product innovation, operational efficiency, and maintaining a strong reputation for consistent quality.
	Challenges in tapping business opportunities arise due to a lack of innovation and insufficient customer engagement and partnerships.	The Company prioritizes innovation and promotes active customer engagement and strategic partnerships to overcome these challenges and seize business opportunities.
	Failure to plan for fluctuating costs can affect profitable growth.	The Company implements a dynamic cost management strategy, which includes regular cost analysis, strategic sourcing, and contingency planning.
Environmental Risk	Difficulty in creating environmentally friendly products through research & development.	HCIL utilizes a specialized research & development team focused on innovation and environmentally friendly practices to address challenges in developing green and sustainable products.
Operational Risk	Lower production capacity utilization impacting efficiency.	HCIL implements a detailed production optimization plan to improve capacity utilization and operational efficiency.
	Inadequate planning for demand, supply, and logistics is resulting in higher costs.	The Company implements strategies such as demand forecasting, optimizing supply chain operations, and improving logistics coordination to reduce costs and enhance overall efficiency.
Attrition Risk	Facing challenges in attracting and retaining talent across the organization.	HCIL promotes a dynamic and inclusive workplace with competitive compensation, professional growth opportunities, and clear career paths.
	Lack of a robust leadership succession plan at critical levels.	The Company identifies high-potential individuals, offering targeted development opportunities, and promoting a culture of mentorship to ensure smooth leadership transitions and continuity.

Internal Control Systems

The Company has established robust internal control systems tailored to its size and business scope, including corporate policies, management information, and reporting systems crucial for overseeing key operational areas. Adhering to stringent internal financial controls mandated by the Companies Act, 2013, and SEBI Regulations, 2015, is essential for ensuring accurate financial reporting, maintaining

policy compliance, safeguarding assets, preventing fraud, and ensuring timely disclosure of both financial and non-financial information. These measures contribute to the Company's transparency, integrity, and overall operational efficiency.

Independent auditors, authorized by the Audit Committee, assess the adequacy and compliance of these controls, providing detailed reports with observations and recommendations. The Audit Committee oversees these

controls, approving the annual audit plan covering all business operations and functions, and reviewing quarterly audit results and recommendations for management actions.

An independent chartered accountant conducted a thorough review of these controls and governance processes, confirming their adequacy and effectiveness. The Audit Committee affirmed that as of March 31, 2024, the internal financial controls were operating effectively and met required standards.

Human Resources (HR)

Communication and Engagement

Effective communication remains at the core of our HR strategy. Regular town halls and HR forums have helped maintain transparency and engagement across all levels of the organization.

HR Listening sessions, or open house sessions, were conducted across all sites to gauge employee sentiments and gather pointed feedback. Detailed action plans have been implemented based on the insights gained from these sessions, with progress being closely monitored to ensure continuous improvement.

By creating a supportive and growth-focused work environment, the Company aims to retain employee confidence and inspire them to reach their full potential. Through our commitment to innovation, continuous learning, and open communication, we are dedicated to fostering a workplace where every employee can thrive.

Training and Performance Management

Employee engagement and development are key priorities. Our workforce, comprising 504 employees—467 male and 37 females, as of March 31, 2024—is supported through a variety of training programs on topics of safety, behavioral skills, and technical knowledge.

Online sessions conducted covered topics such as Leading Self, Communicating with Impact, Planning, Decision Making, Time Management and Execution, and Customer Centricity. Additionally, group learning opportunities like the Explorer Series and the Fireside Chats with senior organizational

leaders provided employees with valuable insights and personal reflections. We also implemented our **'Performance Management Cycle'** in a timely and meaningful manner. This helped drive insightful performance conversations, laid the foundation for fair remuneration and ensured we retain the culture of transparency and meritocracy in the organization.

Recognition and Rewards

To honor long-standing employees, various Long Service Awards were organized at our HQ, Roha, and Cuddalore locations, recognizing their loyalty and commitment to the organization.

We also launched a formal Reward and Recognition (R&R) program to acknowledge exceptional performance and promote the Company's work culture. This program included initiatives such as 'On the Spot Appreciation Cards' for immediate recognition and special rewards for employees who embody the Company's values in action.

Job Evaluation and Grading Roles

Grade harmonization across all levels and roles was completed this year which includes evaluation of jobs to build a robust grading framework. This has enabled us to also benchmark remunerations for the roles with the market which will be a useful insight to develop reward programs and organizational structures and design for the near future.

Cautionary Statement

Certain statements under 'Management Discussion & Analysis' that describe the Company's objectives, projections, estimates, expectations, or predictions may constitute as 'forward-looking' statements within the meaning of applicable securities laws and regulations. While these expectations are based on reasonable assumptions, actual results may materially differ from those expressed or implied due to various external and internal factors beyond the Company's control. The Company does not assume any obligation to publicly amend, modify, or revise any 'forward-looking' statements based on subsequent developments, information, or events.

Report on Corporate Governance

Principles of Corporate Governance

The Corporate Governance policy in the Company encompasses the simple tenets of integrity, transparency, accountability and fairness in whatever the Company does. Heubach is ordained to set the highest standards of corporate governance right from its inception, benchmarked with the best-in-class practices across the globe. The corporate governance principles, that the Company adheres to, aims to provide shareholder value and transparency to ensure sustainable and long-term growth. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

1. Group Structure

Heubach Colorants India Limited part of the new Heubach group is headquartered in Navi Mumbai, Maharashtra. With a tradition of delivering excellence that stretches back over 200 years, the Heubach name is synonymous with innovation, attention to customer needs and reliability in creating colors. Today's Heubach is a global industry leader in the field of organic, inorganic and anti-corrosive pigments, pigment preparations, dyes and specialty materials. With a global manufacturing footprint including 19 facilities around the globe, Heubach is committed to a reliable supply of high-quality materials to meet customers demanding production environments.

2. Board of Directors

2.1 Composition and Changes:

The Board has an optimum combination of Executive and Non-Executive Directors, which is in conformity with the requirement of Regulation 17 of the SEBI (Listing

Obligations & Disclosure Requirements) Regulations, 2015.

The Company has 6 Directors out of which 3 are Independent Directors, 1 is a Non-Executive Director and 2 are in whole time employment of the Company, one being the Managing Director and another Executive Director. The Company has an active and independent Board of Directors that provide supervisory and strategic advice and direction.

Mr. Ravi Kapoor is the Chairman of the Board who is a Non-Executive Director. The Directors on the Board are eminent professionals in business, finance, academic and corporate management and have vast experience in their respective fields which enable them to contribute effectively to the Company in their capacity as members of the Board.

The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

None of the Independent Directors has any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Associates which, in their judgment, would affect their independence. There is no relationship between the Directors inter-se.

The Board does not have any Nominee Director representing any institution.

The composition and category of the Board of Directors, as on March 31, 2024 the number of other Directorships/ Committee memberships held by them and also their attendance at the Board meetings of the Company is as under:

Name of the Director	Category	Particulars of Attendance			No. of other Directorships* and Committee Memberships / Chairmanships# in Indian Public Companies **		
		Number of Board Meetings held during the year wherein Director was entitled for attendance	Last AGM held on September 26, 2023	Other Directorships	Committee Memberships	Committee Chairmanships	
							Held
Mr. Ravi Kapoor DIN 01761752 Chairman	Non-Executive	6	5	Attended	3	1	1
Mr. Bharath R. Sessa DIN 01983066 Managing Director	Executive	6	6	Attended	1	2	1
Mr. Kewal Handa DIN 00056826	Non-Executive Independent	6	6	Attended	3	3	0

¹ <https://www.ibef.org/industry/chemical-industry-india>

¹ <https://www.techsciresearch.com/report/india-specialty-chemicals-market/4129.html>

¹ <https://prsindia.org/budgets/parliament/interim-union-budget-2024-25-analysis>

¹ <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2010924>

² <https://www.deccanherald.com/opinion/the-urbanisation-challenge-2796855>

Name of the Director	Category	Particulars of Attendance		No. of other Directorships* and Committee Memberships / Chairmanships# in Indian Public Companies **				
		Number of Board Meetings held during the year wherein Director was entitled for attendance	Last AGM held on September 26, 2023	Other Directorships	Committee Memberships	Committee Chairmanships		
							Held	Attended
Mr. Sunirmal Talukdar DIN 00920608	Non-Executive Independent	6	6	Attended	5	1	4	
Dr. (Mrs.) Indu Shahani DIN 00112289 (Independent Director) (Retired effective March 31, 2024, upon completing a second term as an Independent Director)	Non-Executive Independent	6	6	Attended	4	5	1	
Mr. Jugal Sahu DIN: 02629782 Executive Director & Chief Financial Officer	Executive	6	6	Attended	1	0	0	

* Directorship held in Heubach Colorants India Limited is included and Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies of the Companies Act, 2013 are not included.

It excludes committees other than Audit Committee & Stakeholders' Relationship Committee, Companies other than Public Limited Company and includes Committee membership/chairmanship held in Heubach Colorants India Limited.

** the particulars of Directorship of Companies, Membership and / or Chairmanship in the Committees, as the case maybe, are as on March 31, 2024;

2.2 Names of the listed entities where the Director holds Directorship:

Sr. No.	Name of the Director	Name of other listed entity(s)	Category of Directorship
1.	Mr. Ravi Kapoor (Chairman & Non- Executive Director)	Hikal Limited Alkyl Amines Chemicals Limited	Independent Directors Independent Directors
2.	Mr. Kewal Handa (Independent Director)	Mukta Arts Ltd Borosil Limited	Independent Director Independent Director
3.	Mr. Bharath Sesa (Managing Director) (Till August 31, 2024)	None	NA
4.	Dr. (Mrs.) Indu Shahani (Independent Director) (Retired effective March 31, 2024, upon completing a second term as an Independent Director)	United Spirits Ltd Colgate-Palmolive (India) Ltd Bajaj Electricals Ltd	Independent Director Independent Director Independent Director
5.	Mr. Sunirmal Talukdar (Independent Director)	India Carbon Ltd Sasken Technologies Ltd Aditya Birla Fashion and Retail Limited	Independent Director Independent Director Independent Director
6.	Mr. Jugal Sahu (Executive Director and Chief Financial Officer)	None	NA
7.	Mrs. Diana Dhote (Independent Director effective April 1, 2024)	None	NA

2.3 Matrix setting out the skills / expertise / competence of Board:

The Board of Company comprises of qualified individuals who bring the required skills, competencies, expertise and diversity to the Board that allows them to contribute efficiently. The Board and Committees thereof, are committed to ensure that Company is compliant with the highest standard of Corporate Governance. The Board has identified and briefly summarized following key qualifications, skills and competence which are currently available with the Board:

Sr. No.	Skill / Qualification / Expertise
1.	Strategic thinking & Vision
2.	Leadership
3.	Drive for Innovation & Improvement
4.	Driving a culture of Safety
5.	Stakeholders' Relationship
6.	Global Business
7.	Commercial Management
8.	Social Responsibility
9.	Risk Management
10.	Corporate Governance, Finance & Taxation

The Independent Directors of the Company fulfils the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended and are independent from the Management of the Company.

2.4 Profile of the Directors proposed to be appointed/ re-appointed:

The brief profile and information pertaining to directorship held in other Companies, Shareholding, etc. of the Director proposed to be re-appointed at the ensuing Annual General Meeting of the Company forms part of the Notice of Annual General Meeting. Further there was no resignation of any Independent Director of the Company before the expiry of his/her tenure, during the year.

2.5 Board Meetings and Agenda:

The Board provides the strategic directions to the Company and evaluates management policies and their effectiveness to ensure that the long-term interests of the shareholders are being served.

In accordance with the law and the Articles of Association of the Company, the Board of Directors is the ultimate decision-making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review, among other things, quarterly performance of the Company and Financial results. The Company provides video/teleconferencing facilities to facilitate Directors travelling or present at other locations, to participate in meetings. During the year under review, the Board of

Directors held six meetings May 16, 2023, July 25, 2023, October 27, 2023, December 28, 2023, January 24, 2024 and March 27, 2024.

Only in case of urgent business, if the need arises, the Board's/ Committee's approval is taken by passing resolutions through circulation or by calling Board/ Committee meetings at shorter notice, as permitted under the Act and Secretarial Standard ('SS') issued by the Institute of Company Secretaries of India.

Paperless Board Meetings: The Board/Committee Meetings agenda and notes are hosted on the Digital Meeting portal. The Directors receive the agenda notes in electronic form through this portal, which is accessible through iPad/laptop. The application meets high standards of security that are essential for storage and transmission of sensitive information in electronic form.

The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and/or the presentations are made in respect thereof. The information as specified in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

2.6 Familiarization Programme:

The Company has put in place a well-structured induction and familiarization programme for its Independent Directors. The details of familiarization programme are available on Company's website (www.heubach.com) at below path: <https://heubach.com/heubach-india/investor-relations-india-overview/policies/>

2.7 Independent Directors' Meeting:

In accordance with the provisions of Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on December 28, 2023 and attended by all the Independent Directors of the Company. The Independent Directors, *inter-alia*, reviewed the following:

- the performance of Non-Independent Directors and the Board as a whole;
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2.8 Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements)

Regulation, 2015, the Board has carried out the annual evaluation of its own performance and Board Committees by seeking the inputs of Directors on various aspects of the Board/Committee Governance. The Board have reviewed the performance of the individual Directors and the Chairperson.

The performance evaluation of the Directors was done based on criteria which included leadership qualities, contribution in strategic planning, balanced decision making, safeguard of confidential information, adherence to code of conduct, transparency, attendance, etc. In a separate meeting of Independent Directors, performance evaluation of Non-Independent Directors and the Board as a whole was evaluated. The performance evaluation of Independent Directors was done by the entire Board except the Independent Director subjected to evaluation at the Board Meeting held on December 28, 2023.

3. Board Committees

The Board of Directors has constituted/reconstituted five committees viz., Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The roles and responsibilities assigned to these Committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of these Committees are reviewed and taken note by the Board. The details as to the composition, terms of reference, number of meetings and related attendance etc. of these committees are provided below:

3.1 Audit Committee

3.1.1 Composition and Meetings:

The composition of the Audit Committee is in conformity with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. During the year under review, six meetings were held on May 16, 2023, July 25, 2023, October 27, 2023, December 13, 2023, December 28, 2023 and January 24, 2024. The detail of composition and the number of meetings attended by the members is given below:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairman	6	6
Mr. Kewal Handa	Member	6	6
Dr. (Mrs.) Indu Shahani (Till March 31, 2024)	Member	6	6
Mr. Bharath R. Sessa (Till August 31, 2024)	Member	6	6
Mrs. Diana Dhote (Effective April 1, 2024)	Member	NA	NA

All the members of the Audit Committee are financially literate and considering their professional background and experience, have acquired respective management, financial, accounting and legal expertise. The Chairman of the Audit Committee is a Non-Executive Independent Director. Mr. Sunirmal Talukdar, Chairman of the Committee was present at the Annual General Meeting held on September 26, 2023.

The Chief Financial Officer and Auditors are invitees to the meetings of the Audit Committee.

3.1.2 Terms of reference:

The Terms of reference for the Audit Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and the rules framed thereunder and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The terms of reference are briefly described as under:

- Overseeing the Company's financial reporting process to ensure disclosure of financial information as per the requirements of Stock Exchange and the Company Law and to ensure that the financial statements are correct, sufficient and credible;
- Review and examination of quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
- Review of Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions;
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and Cost Auditor and the fixation of audit fees and terms of appointment.
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval and subsequent modification of transactions of the Company with related parties;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review the appointment, removal and terms of remuneration of Internal Auditors;
- Review with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Review of reports of Statutory and Internal Auditors and replies of the management thereon;
- Review of the findings of any internal investigations by the Internal Auditors into matters 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;
- 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 documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement, forming part of the Board's report in terms of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on exercise of judgment of management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosures of any related party transactions;
 - Qualifications in the draft audit report;
- 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 and review of management representation letters to be issued to the Statutory Auditors;
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing compliances as regards the Company's Whistle Blower Policy;

- Approval of the appointment of the Chief Financial Officer (CFO) of the Company after assessing the qualifications, experience & background, etc. of the Candidate;
- Carrying out any other function as may be referred by the Board, from time to time;
- 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 including existing loans/advances/investments existing as on the date of coming into force of this provision.

3.2 Nomination and Remuneration Committee

3.2.1 Composition and Meetings:

The composition of the Nomination and Remuneration Committee is in conformity Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the year under review, three meetings were held on June 7, 2023, July 25, 2023 and March 27, 2024.

The details of composition and the number of meetings attended by the members is given below:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunirmal Talukdar	Chairperson	3	3
Mr. Kewal Handa	Member	3	3
Mr. Ravi Kapoor (Till September 26, 2023)	Member	2	1
Dr. (Mrs.) Indu Shahani (appointed w.e.f October 15, 2023) (Till March 31, 2024)	Member	1	1
Mrs. Diana Dhote (Effective April 1, 2024)	Member	NA	NA

3.2.2 Terms of reference:

The brief terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation 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;
- Formulation of criteria for evaluation of performance of Independent Directors, other Directors and Key Managerial Personnel;

- (c) Devising a policy on diversity of Board of Directors;
- (d) Identifying persons who are qualified to become Directors in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (e) Identifying persons who are qualified to become Key Managerial Personnel (KMP) in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (f) Identifying persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (g) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

- (h) To recommend to the Board on Remuneration payable to the Whole Time Directors, Key Managerial Personnel and Senior Executives.

3.2.3 Remuneration Policy:

The Nomination & Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

The Criteria for payment to Non-Executive Directors forms part of Company's nomination and remuneration policy.

The Nomination & Remuneration Policy is available on the website of the Company at www.heubach.com

3.2.4 Remuneration paid to the Directors:

The Independent Directors are remunerated by way of sitting fees for attending each meeting of the Board and Committee thereof. They are also paid commission on an annual basis, as and when declared, in accordance with the provisions of the Companies Act, 2013, read with Rules framed thereunder.

The details of remuneration paid/payable to the Directors for the year ended March 31, 2024 is given as under:

(₹ in Lakhs)

Name of Director	Sitting fees ¹	Salary, benefits & perquisites, performance bonus, Pension & Other Funds etc.	Commission	Total	No. of shares held as on March 31, 2024
Mr. Kewal Handa	12.80	-	10.00	22.80	Nil
Mr. Sunirmal Talukdar	13.70	-	12.00	25.70	Nil
Dr. (Mrs.) Indu Shahani	14.90	-	8.00	22.90	Nil
Mr. Bharath Sessa	-	344.56	-	344.56	Nil
Mr. Jugal Sahu	-	93.37	-	93.37	1960*

* 1,960 Equity Shares of the Company are being held in the name of Jugal Kishore Sahu HUF of which Mr. Jugal Sahu is the Karta.

Other than this, none of the Directors, on the Board as on March 31, 2024, have any other pecuniary interest in the Company.

The Company has not framed any scheme/plan to grant stock option to its employees. However, few of the employees under senior management level including Mr. Bharath R. Sessa, Managing Director, have right to participate in Management Equity Plan of Heubach Group.

3.2.5 Service Contracts, Notice Period and Severance Fees:

The appointment and remuneration of the Managing Director and Executive Directors are subject to the provisions of the Act and the resolutions passed by the Board of Directors and Members of the Company which cover the terms and conditions of such appointment. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Managing Director and other Executive Directors.

3.3 Stakeholders' Relationship Committee

3.3.1 Composition and Meetings:

During the year under review, four meetings were held on May 16, 2023, July 25, 2023, October 27, 2023 and January 24, 2024. The composition and details of the meetings attended by the members are given below:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani (Till March 31, 2024)	Chairperson	4	4
Mrs. Diana Dhote (Effective April 1, 2024)	Chairperson	NA	NA
Mr. Sunirmal Talukdar	Member	4	4
Mr. Bharath R. Sessa (Till August 31,2024)	Member	4	4

3.3.2 Terms of reference:

The brief terms of reference of Stakeholders Relationship Committee of the Board of Directors includes the following:

- a. Resolving the grievances of the security holders of the Company 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.;
- b. Review of measures taken for effective exercise of voting rights by shareholders;
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Details of Investors' Complaints

The Company and Link Intime India Private Limited (the Share Transfer Agent) attend to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company has retained the services of a Practising Company Secretary to perform audit of reconciliation of share capital and provide the report on quarterly basis. No non-compliance from established procedures is reported.

During the year under review, Ms. Ameer Joshi served as the Company Secretary and Compliance officer in accordance with the SEBI (Listing Obligations and Disclosures requirements) regulations, 2015. However she resigned from her position effective July 1, 2024.

Pursuant to Regulation 13 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, investors' grievance redressal status and the number of pending complaints are reported every quarter to the stock exchanges. There were no investor complaint pending as on March 31, 2024.

Detail of Investors' Complaint received and resolved during the year ended March 31, 2024 is given below:

Nature of Complaints	Number of Complaints	
	Received	Resolved
Non-Receipt of Dividend	2	2
TDS Deduction	0	0
Non-Receipt of Share Certificates after Demat Rejection	2	2
Others	0	0
Total	4	4

3.4 Corporate Social Responsibility (CSR) Committee

3.4.1 Composition & Meetings:

The composition of the Corporate Social Responsibility Committee is in conformity with the provisions of Section 135 of the Companies Act, 2013.

During the year under review, two meetings were held on May 16, 2023 and July 25, 2023. The composition and details of the meeting attended by the members are given below:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Dr. (Mrs.) Indu Shahani (Till March 31, 2024)	Chairperson	2	2
Mrs. Diana Dhote (Effective April 1, 2024)	Chairperson	NA	NA
Mr. Kewal Handa	Member	2	2
Mr. Bharath R. Sessa (Till August 31, 2024)	Member	2	2

3.4.2 Terms of reference:

The brief terms of reference of the CSR Committee are as under:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

3.5. Risk Management Committee

3.5.1 Composition and Meetings:

Pursuant to the recent amendments in the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, the Board of Directors of the Company have constituted the Risk Management Committee on May 19, 2021. During the year under review, the Risk Management Committee met 2 times on May 16, 2023 and October 27 2023. The composition of the Committee is given below:

Name	Position held	No. of Meetings held during the tenure of member	
		Held	Attended
Mr. Sunimal Talukdar	Chairperson	2	2
Mr. Bharath R. Sessa (Till August 31, 2024)	Member	2	2
Mr. Jugal Sahu	Member	2	2
Mr. Abhijit Doshi	Member	2	2

3.5.2 Terms of reference:

The brief terms of reference of Risk Management Committee of the Board of Directors includes the following:

- To formulate a detailed Risk Management Policy which shall include:
 - 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;

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
- To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- 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.

4. Senior Management

The particulars of senior management including the changes therein since the close of the previous financial year:

Name of Senior Management Personnel	Designation	Reason(s) for change
Mr. Jugal Sahu	Executive Director and Chief Financial Officer	Not Applicable
Ms. Ameer Joshi	Company Secretary	Resigned effective July 1, 2024
Mr. Sambit Roy	Head of Marketing	Not Applicable
Mr. Abhijit Naik	Head of Operations	Not Applicable
Mr. Jim Easow	Vice President, Legal & Compliance	Not Applicable

5. Subsidiary Company.

The Company did not have any Subsidiary Company during the year under review.

6. General Body Meetings

The details of Annual General Meetings of the Company held during preceding 3 years are as follows:

AGM	Date and Time	Venue	Special Resolutions Passed
64 th	August 12, 2021 4:00 p.m.	Through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')	None
65 th	August 25, 2022 4:00 p.m.	Through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')	None
66 th	September 26, 2023 4:00 p.m.	Through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM')	None

During the year under review, the members have passed one Resolutions through Postal Ballot in accordance with Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, details of which are as below:

- Appointment of Mr. Ravi Kapoor (DIN: 01761752) as a Non- Executive Director of the Company.

Resolution Required:		Ordinary						
Category	Mode of Voting	No. of shares held	No. of votes polled	O/o of Votes Polled on outstanding shares	No. of Votes- in favour	No. of Votes- Against	O/o of Votes in favour on votes polled	O/o of Votes against on votes polled
		[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=([4]/[2])*100	[7]=([5]/[2])* 100
Promoter and Promoter Group#	E-Voting	1,25,48,811	-	0.0000	-	-	0.0000	0.0000
	Postal Ballot		-	0.0000	-	-	0.0000	0.0000
	Total		-	0.0000	-	-	0.0000	0.0000
Public Institutions	E-Voting	1,91,783	53,744	28.0233	-	53,744	0.0000	100.0000
	Postal Ballot		-	0.0000	-	-	0.0000	0.0000
	Total		53,744	28.0233	-	53,744	0.0000	100.0000
Public Non Institutions	E-Voting	1,03,41,204	1,98,866	1.9230	1,93,748	5,118	97.4264	2.5736
	Postal Ballot		4,174	0.0404	4,174	-	100.0000	0.0000
	Total		2,03,040	1.9634	1,97,922	5,118	97.4793	2.5207
Total		2,30,81,798	2,56,784	1.1125	1,97,922	58,862	77.0772	22.9228

Promoter being interested, votes casted by Promoter and Promoter Group have not been counted for the resolution.

7. Disclosures

7.1 Related party transactions:

Related party transactions have been disclosed under Note 40 of Significant accounting policies & notes forming part of the financial statements of Audited Accounts in accordance with 'Indian Accounting Standard 24' and pursuant to Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval.

The Company has formulated a policy on dealing with Material Related Party Transactions. The Policy is available on the website of the Company i.e. <https://www.heubach.com/heubachindia/investor-relations-india-overview/policies/>

None of the transactions with related parties were in conflict with the interest of the Company. Company's major related party transactions, during the year under review, are with the affiliates of group company operating worldwide. All these transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

7.2 Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the

compliance of the same is affirmed by them annually. In addition, code of business conduct formulated by Heubach group is applicable to all employees of the Company. The Code of Conduct is available on Company's website https://www.heubach.com/heubach_india/investor-relations-india-overview/policies/

The Managing Director has confirmed the compliance of code of conduct as required under Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and provided a declaration as under:

I, Mr. Bharath R. Sessa, Managing Director of the Company, do hereby give this declaration pursuant to Regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

The Board has laid down code of conduct for all Board Members and Senior Management of the Company and the same is posted on the website of the Company i.e., www.heubach.com. All the Board Members and Senior Management personnel have affirmed compliances with the code for the year ended March 31, 2024.

7.3 Prohibition of Insider Trading:

The Company has framed a Code of Conduct for Prohibition of Insider Trading as per the amended SEBI (Prohibition of Insider Trading) Regulations, 2015. The code is applicable to all Directors and such employees of the Company who have access to unpublished price sensitive information relating to the Company. Transaction for dealing or trading in the prescribed volume of the security of the Company during the prescribed time requires prior approval from the Company.

7.4 Disclosure of Accounting Treatment:

The Financial statements of the Company for the year ended March 31, 2024 are prepared in conformity with the Indian Accounting Standards (Ind AS).

7.5 Proceeds from public issues, rights issues, preferential issues, etc.:

During the year under review, the Company has not raised any proceeds through public issues, rights issues, preferential issues, etc.

7.6 Management:

- a) Management Discussion & Analysis report forms part of Directors' Report.
- b) There were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interests of the Company at large.

7.7 Compliance:

The Company has complied with all regulatory requirements. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during last three years.

7.8 Whistle Blower Policy:

The Company has adopted to Whistle Blower Policy for employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguard to the victimized employees and spreads the way to curb those practices being followed in the office premises. None of the personnel of the Company has been denied access to the Audit Committee.

7.9 Commodity Risk and Hedging Activities:

Specialty Chemical industry is exposed to high risk of volatile prices, stringent government regulations and availability of raw materials/traded goods. Company mitigates / hedges the said risks by its sustainable strategy consisting of structured approach to reduce cost and controls price fluctuation by quarterly price contracts, volume bundling and deployment of new vendors.

7.10 Agreements binding under clause 5A of para A of part A of schedule III

None of the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its

holding and associate company, have entered into agreements as specified in clause 5A of para A of part A of schedule III to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

8. Means of Communication

All important information relating to the Company, its performance, shareholding pattern, quarterly results, press releases and other information as per the SEBI Regulations are regularly posted on Company's website and also forwarded to the Stock Exchanges. The quarterly, half-yearly and annual Financial results of the Company are published in newspapers like Business Standard and Mumbai Lakshadeep, circulating in the local area. These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited.

9. General Shareholder Information

9.1 Annual General Meeting:

Day, Date and Time: Wednesday, September 25, 2025 at 4 p.m.

Mode: The 67th Annual General Meeting (AGM) of the Company will be held through Video Conference (VC)/ Other Audio-Visual Means (OAVM).

9.2 Financial Calendar:

Financial Year April 1 to March 31.

Proposed Calendar for FY 2024-2025

1 st Quarter Results	July 24, 2024
2 nd Quarter Results	October 16, 2024
3 rd Quarter Results	January 23, 2025
Annual Results	May 29, 2025
Annual General Meeting	September 25, 2025

9.3 Dates of Book Closure:

Book Closure dates	September 18, 2024 to September 25, 2024
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9.4 Listing of Shares:

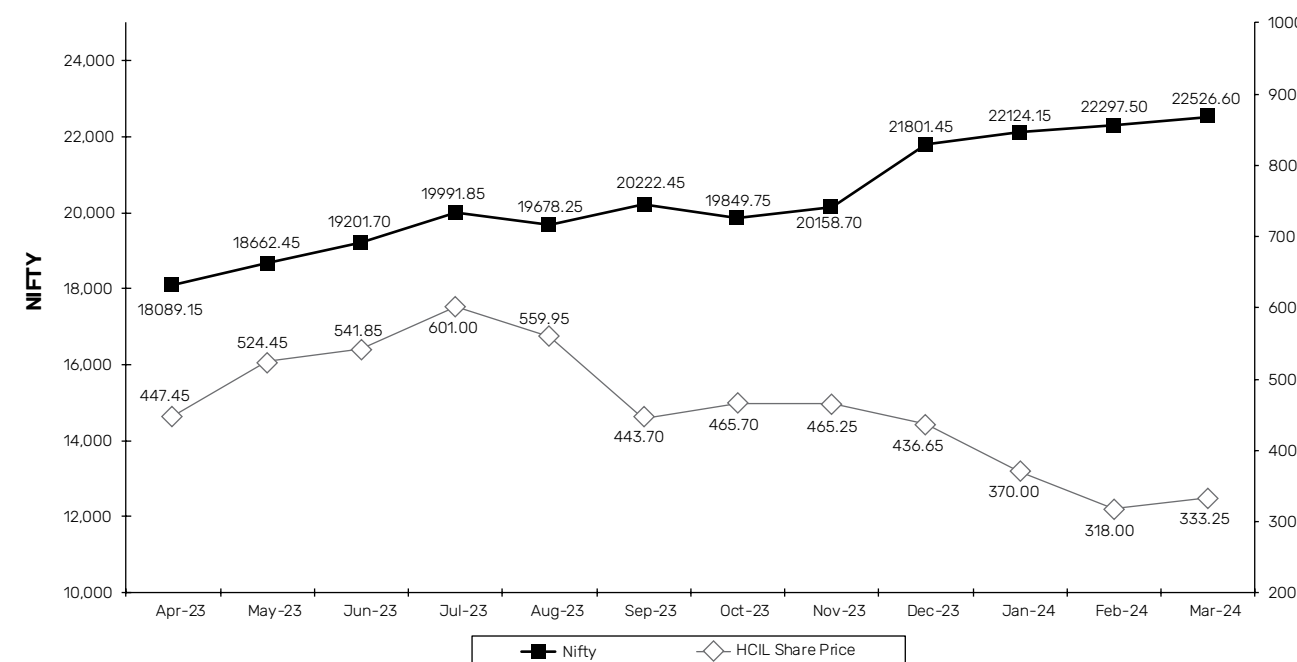
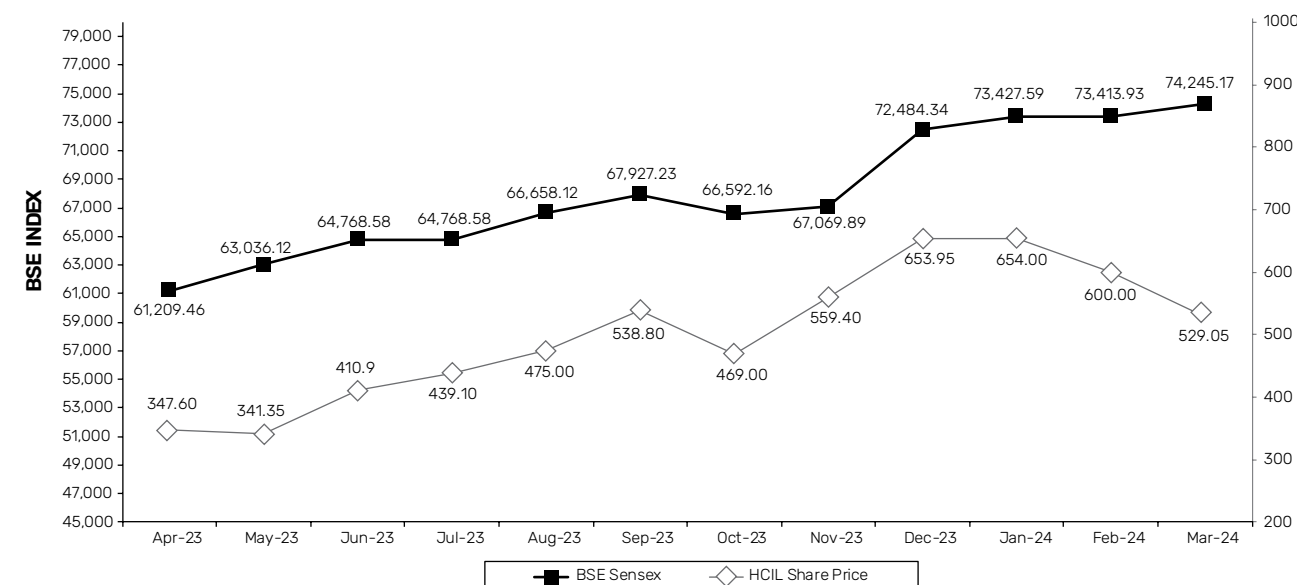
Shares of the Company are listed on BSE Ltd. (BSE) under Stock ID '506390' and National Stock Exchange of India Limited (NSE) under the code 'HEUBACHIND. The Company has paid the listing fees up to March 31, 2024, to both the Stock Exchanges.

9.5 Corporate Identification Number (CIN) of the Company: L24110MH1956PLC010806

9.6 Stock Market Data - Price per share:

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Volume	High	Low	Volume
2023-24						
April 23	347.60	267.95	43704	447.45	429.00	1,36,969
May 23	341.35	304.95	36958	524.45	501.00	29,208
June 23	410.90	310.00	166706	541.85	533.70	34,177
July 23	439.10	300.90	451354	601.00	588.00	30,487
August 23	475.00	405.65	291042	559.95	506.60	2,39,252
September 23	538.80	456.50	230261	443.70	429.85	48,303
October 23	469.00	405.00	130468	465.70	457.00	49,125
November 23	559.40	440.00	148969	465.25	452.00	61,498
December 23	653.95	545.00	286462	436.65	420.05	1,37,128
January 24	654.00	524.00	202249	370.00	353.15	27,802
February 24	600.00	501.30	102653	318.00	311.55	10,590
March 24	529.05	414.85	114036	333.25	321.10	16,098

9.7 Performance in comparison to broad based indices (Taken BSE Index):



9.8 Address for correspondence:
A) Share Transfer Agents:

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai - 400 083, Maharashtra
Tel: 022 - 49186000
E-mail id.: rnt.helpdesk@linkintime.co.in
Contact Person: Mr. Devang Mehta
E-mail ID for Investor Services:
investor.relations_india@heubach.com

B) Company's Registered Office:

Heubach Colorants India Limited
Rupa Renaissance, B Wing, 25th Floor
D-33, MIDC Road, TTC Industrial Area
Juinagar, Navi Mumbai - 400 705 India.
Tel: 022 20874405

The shareholders having physical shares are requested to ensure that any correspondence for change of address, change of bank mandates etc. should be signed by the first named shareholder and supported by the

documents such as Aadhar Card, Telephone or Electricity Bill in the name of shareholder or a family member along with a copy of PAN card.

In case shares of the Company are held in electronic form (i.e., in dematerialized form), all communications concerning rematerialization of shares, transfer and transmission, dividends, change of address, furnishing of alterations in bank account details, nominations, ECS credit of dividend amount to shareholders' bank account or other inquiries should be addressed only to the Depository Participant (DP) with whom demat account is maintained, quoting client ID number and not to the Company or the R&T Agent. This is because once the shares are dematerialized the data is maintained by the DPs and the Company cannot alter the details and has to act on the basis of the details downloaded from NSDL or CDSL as the case may be.

For any assistance from the Company, members may write to us at investor.relations_india@heubach.com.

9.9 Shareholding pattern as on March 31, 2024:

Sr. No.	Category	No. of Shares held	% of holding
A	Promoters' Holding		
	Foreign Promoters		
(a)	Heubach Holding Switzerland AG (formerly Colorants International AG)	8439385	36.56
(b)	Heubach EBITO Chemiebeteteiligungen AG (formerly EBITO Chemiebeteteiligungen AG)	4109426	17.80
	Sub-Total (A)	12548811	54.37
B	Institutional Investors		
(a)	Mutual Funds / Alternate Investment Funds	335421	1.45
(b)	Financial Institutions / Banks	11277	0.05
(c)	Insurance Companies	96551	0.42
(d)	Foreign Portfolio Investors (Corporate)	77705	0.34
(e)	Foreign Institutional Investors	0	0.00
(f)	Foreign bank	878	0.00
	Sub-Total (B)	521832	2.26
C	Others		
	Domestic Companies	363189	1.57
	Non-Resident Indians / Trusts	368391	1.60
	Indian Public	8474643	36.7157
	Foreign Nationals	0	0.00
	Government Companies	0	0.00
	Investor Education and Protection Fund	122809	0.53
	NBFCs Registered with RBI	16221	0.07
	Key Managerial Personnel	1960	0.00
	Other	663942	2.88
	Sub-Total (C)	10011155	40.48
D	Total Public Shareholding (B+C)	10532987	45.63
	Total (A+D)	23081798	100.00

2,27,91,524 equity shares of the Company are held in dematerialized form constituting **98.74%** of the paid up capital as on March 31, 2024. The total number of shareholders as on March 31, 2024 is **49915***.

*No. of Shareholders are not clubbed as per their PAN.

9.10 Details of Members holding > 1% of the paid up capital of the Company:

Sr. No.	Name of the Shareholder	As at 31-March-2024		As at 31-March-2023	
		No. of shares	%	No. of shares	%
1	Heubach Holding Switzerland AG (formerly Colorants International AG)	8439385	36.56	8439385	36.56
2	Heubach EBITO Chemiebeteteiligungen AG (formerly EBITO Chemiebeteteiligungen AG)	4109426	17.80	4109426	17.80
3	Bajaj Allianz Life Insurance Company Ltd	-	-	349529	1.51
4	Quant Mutual Fund - Quant Manufacturing Fund	335241	1.45	-	-

9.11 Distribution of shareholdings as of March 31, 2024:

No. of equity shares held	Shareholders		Equity Shares held	
	No. of Shareholders	%	No. of shares	%
1 - 500	46497	93.15	3880481	16.81
501 - 1000	1959	3.92	1495598	6.48
1001 - 2000	820	1.64	1197511	5.19
2001 - 3000	255	0.51	639139	2.77
3001 - 4000	131	0.26	470868	2.04
4001 - 5000	78	0.16	363336	1.57
5001 - 10000	114	0.23	805981	3.49
10001 & above	61	0.12	14228884	61.65
Total	49915	100.00	23081798	100.00

*No. of Shareholders are not clubbed as per their PAN.

9.12 Names of Depositories for dematerialization of equity shares:

Name of the Depository	ISIN No.
National Securities Depositories Limited (NSDL)	INE492A01029
Central Depository Services (India) Limited (CDSL)	INE492A01029

Trading in equity shares of the Company is permitted only in dematerialized form.

9.13 ADRs/GDRs/Warrants:

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

9.14 Plant Locations:

The Company's current manufacturing facilities are located at:

- 113/114, M.I.D.C. Industrial Area, A.V.P.O. Dhatav, Taluka Roha, District Raigad - 402 116 Maharashtra
- Plot/Phase No. 378/2/2, Durgapura Colony Road, Birlagram, Nagda - 456 331 Madhya Pradesh
- Kudikadu, SIPCOT Post, Cuddalore - 607 005 Tamil Nadu

9.15 Credit Ratings:

During the year under review the Company had not subjected itself for any Credit Rating.

9.16 Certificate from Company Secretary:

A Certificate from M/s. J R Ahuja & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI and/or Ministry of Corporate Affairs, or any such statutory authorities, is annexed at the end of this report.

9.17 Fees paid to Statutory Auditors:

The Company had paid the Statutory Auditors, in connection of the work related to Audit carried out by them and other activities as approved by the Audit Committee, for the Financial year 2023-24, as below:

Nature of Engagement	FY 2023-24
As auditors	19.18
Tax Audit	1.36
Reimbursement	0.64
For other services	8.53
Total	29.71

9.18 Recommendation of Committee:

There were no recommendations of any Committee of the Board which is not accepted by the Board during the Financial year 2023-24. All the Committee recommendations have been duly accepted by the Board after deliberations.

9.19 Instances of Sexual Harassment of Women:

The particulars of instances of sexual harassment of women at workplace of Heubach is as follows:

Number of complaints filed during the Financial year	3
Number of complaints disposed of during the Financial year	3
Number of complaints pending as on end of the financial year	Nil

9.20 Utilization of funds raised through Preferential allotment or Qualified Institutions Placement:

The Company has not allotted any specified security to anyone on Preferential basis or to Qualified Institutional Buyers in terms of Regulation 32 (7A) of SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015.

10. Additional Information

10.1 Unpaid/Unclaimed Dividend Shares:

In terms of the provisions of Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’), the Company is obliged to transfer dividends which remain Unpaid or Unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund (‘IEPF’) established by the Central Government.

Further, in addition to the Unpaid or Unclaimed Dividend required to be transferred by the Company to IEPF, equity shares relating to such Unclaimed/Unpaid Dividend and lying unpaid / unclaimed for seven consecutive years, or more are also required to be transferred to the Investor Education and Protection Fund Suspense Account (‘IEPF Suspense Account’).

In accordance with the requirements as set out in the IEPF Rules, the Company has transferred NIL shares to IEPF Suspense Account during the year ended March 31, 2024.

Members are hereby informed that the 7 years period pertaining to Dividends for the various Financial years will expire as below; and thereafter the amount standing to the credit in the said account and the shares in respect of such unclaimed dividend will be transferred to the ‘Investor Education and Protection Fund’ of the Central Government. Members are therefore requested to encash the dividend at the earliest.

Financial Year / period	Date of Declaration	Date of completion of seven years
2016-17 (Final)	11.08.2017	16.09.2024
2017-18 (Final)	09.08.2018	14.09.2025
2018-19 (Interim)	01.11.2018	07.12.2025

Financial Year / period	Date of Declaration	Date of completion of seven years
2018-19 (Final)	08.08.2019	13.09.2026
2020-21 (First Interim)	11.07.2020	17.08.2027
2019-20 (Final)	20.08.2020	26.09.2027
2020-21 (Second Interim)	12.02.2021	20.03.2028
2020-21 (Final)	12.08.2021	17.09.2028

Please note that no claim shall lie against the Company in respect of the unclaimed dividend amount and equity shares transferred to IEPF, pursuant to IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares transferred to IEPF Suspense Account from IEPF Authority by making an Application in Form IEPF-5 online and sending the physical copy of the same duly signed (as per registered signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company at its registered office or to Link Intime for verification of the claim.

10.2 Detail of Demat suspense account / Unclaimed suspense account:

The detail of shares lying in Demat suspense account of the Company / unclaimed suspense account of the Company are given below:

Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	252 Shareholders 35114 Shares
Number of shareholders who approached the issuer for transfer of unclaimed shares during the year	4 Shareholders 1295 Shares
Number of unclaimed shares were transferred during the year	NIL
Number of shareholders involved in IEPF4	NIL
Number of shares involved in IEPF4	NIL
Aggregate number of shareholders and the outstanding unclaimed shares as at end of the year	248 Shareholders 33819 Shares

The voting rights on the outstanding unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

10.3 Bank Mandate:

Electronic Clearing Services (ECS) is a method of payment of dividend whereby the amount due to investors can directly be credited into their bank accounts, without having to issue paper instruments. It is fast and there is no scope for loss of dividend warrants in transit and possible fraudulent encashment.

In case of shares held in physical form the bank details may be sent to the Registrar & Share Transfer Agents.

In case of shares held in demat form, the bank details provided by the Depository Participant (DP) with whom the demat account is maintained will be applicable. All previous instructions given by you to the Company in respect of ECS and bank details will stand superseded by the ECS details recorded with your DP.

10.4 Nomination Facility:

A member can nominate a person who shall have rights to shares and/or amount payable in respect of shares registered in his name in the event of his death. The nomination form can be obtained from the Company’s Share Transfer Agent or downloaded from the website of the Company at www.heubach.com.

10.5 Consolidation of folios and avoidance of multiple folios:

Members having multiple folios are requested to consolidate their folios into single folio and for this purpose send request along with the original certificates to the Share Transfer Agent specifying the folio number under which they desire to hold the shares.

10.6 Communication:

In order to save the environment and in order to initiate e-communication, the Company requests all shareholders to register their email address with the depository, in case of shares held in demat form or with the Share Transfer Agents for shares held in physical form. This will facilitate the Company and Share Transfer Agents to send the communication through electronic mail which is faster and cost effective.

10.7 Non-Mandatory requirements:

The status of compliance with non-mandatory recommendations under Part E, Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided below:

10.7.1 The Board: There is no separate Chairperson’s office maintained by Non-Executive Chairman of the Company.

10.7.2 Shareholders’ Rights: As the quarterly and half yearly financial performances are published in the newspapers and are also posted on the Company’s website, the same are not being sent to the shareholders.

10.7.3 Modified Opinion(s) in the Audit Report and Audit Qualifications: There are no modified opinion in the Audit Report and the Company’s financial statement for the year ended March 31, 2024 does not contain any audit qualification.

10.7.4 Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

10.7.5 Separate position of Chairperson and Managing Director / CEO of the Company: The Company has a separate position of Chairperson and Managing Director and / or CEO.

11. CEO/CFO Certification

The Managing Director have provided annual certificate on financial reporting and internal controls to the Board pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate was placed and taken on record at the Board Meeting held on May 29, 2024. They have also provided quarterly certificates on Financial results while placing the Financial results before the Board.

For and on behalf of the Board of Directors

Ravi Kapoor
Chairman
DIN (01761752)

Bharath R. Sessa
Managing Director
DIN (01983066)

Place: Navi Mumbai
Date: August 31, 2024

Independent Auditors' Certificate on Corporate Governance

To the members of

Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited)

We, the Statutory Auditors of **Heubach Colorants India Limited** (formerly Clariant Chemicals (India) Limited) ('the Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2024 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

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 (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the

Code of Ethics issued by the ICAI.

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

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that 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, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations Et Disclosure Requirements) Regulations 2015, during the year ended March 31, 2024, as applicable.

Independent Auditors' Certificate on Corporate Governance

To the members of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited)

We further state that such compliance 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.

This Certificate is issued in super-session of our earlier certificate with UDIN 24118247BKFOJQ7610 dated August 22, 2024.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar
Partner
Place: Mumbai
Date: August 31, 2024
Membership No. 118247
UDIN: 24118247BKFOJR2556

Certificate from Practising Company Secretary

To

The Members,

Heubach Colorants India Limited

(Formerly Clariant Chemicals (India) Limited)

Rupa Renaissance, B Wing, 25th Floor, D-33,

MIDC Road, TTC Industrial Area, Juinagar,

Navi Mumbai - 400 705 India.

Sub: Certificate from a Company Secretary in Practice pursuant to Regulation 34(3) and Clause 10(i) of Part C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify, on the basis of records maintained by **Heubach Colorants India Limited** (Formerly known as Clariant Chemicals (India) Limited) (the Company) and the data available at the Ministry of Corporate Affairs (MCA) website and also declarations received from the following Directors of the Company, that none of the directors on the Board of the Company, for the Financial Year ended on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/MCA or any such statutory authority:

Sr. No.	DIN	Name of the Director	Remarks, if any
1	00056826	Kewal Kundanlal Handa	-
2	00112289	Indu Ranjit Shahani	Retirement due to completion of second term as Independent Director with effect from close of business hours on March 31, 2024
3	00920608	Sunirmal Talukdar	-
4	01761752	Ravi Brijmohan Kapoor	-
5	01983066	Bharath Ramraman Sessa	-
6	02629782	Jugal Kishore Sahu	-

For **J.R. Ahuja & Co.**

Jagdish Ahuja,

Proprietor

UDIN: F009079F001088784

Peer Review No: 1877/2022

Place: Mumbai

Date: August 31, 2024

Business Responsibility and Sustainability Report (BRSR)

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Section A	General Disclosures
Section B	Management and Process Disclosures
Section C	Principle wise Performance Disclosures
Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Section A: General Disclosures



I. Details of the listed entity

Heubach colorants India Limited (HCIL) is (formerly known as Clariants Chemicals India Limited) established in the year 1956. HCIL is a global leader in color chemistry and material science and committed to drive the change in the pigment industry. Sustainability is a fundamental value and part of our ethos which plays an important role in driving our actions to achieve business resilience in a sustainable manner.

We understand the importance of sustainability due to risks arising from scarcity of resources, demographic change and global warming, we take the responsibility for people, the environment, and we conduct our business responsibly and reliably. With the collaborative effort along with our customers, partners and suppliers, we aim to change the pigment industry towards a greener future. We want to make sure "All colors are green".

1.	Corporate Identity Number (CIN) of the Company	L24110MH1956PLC010806
2.	Name of the Company	Heubach Colorants India Limited, formerly known as Clariant Chemicals (India) Limited
3.	Year of Incorporation	1956
4.	Registered office address	Rupa Renaissance, B Wing, 25 th Floor D-33, MIDC Road, TTC Industrial Area Juinagar, Navi Mumbai 400705 India
5.	Corporate office address	Rupa Renaissance, B Wing, 25 th Floor D-33, MIDC Road, TTC Industrial Area Juinagar, Navi Mumbai 400705 India
6.	E-mail	investor.relations_india@heubach.com

7.	Telephone	022 20874406
8.	Website	www.heubach.com
9.	Financial year for which reporting is being done	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited
11.	Paid-up Capital	INR 23,08,17,980
12.	Name and contact details (telephone, email address) of the person for BRSR Reporting	Mr. Jugal Sahu Executive Director & Chief Financial Officer jugal.sahu@heubach.com 022 - 2087 4406
13.	Reporting boundary	As the Company does not have any subsidiaries, the Business Responsibility & Sustainability Report has been prepared on a standalone basis.
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/Services

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

Sl. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1.	Manufacturing and sale of synthetic organic coloring matter	Manufacture of organic, pigment preparations, dyes and specialty materials for various applications	100%

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

Sl. No.	Product/Services	NIC Code	% of total turnover contributed
1.	Manufacture of organic, pigment preparations, dyes and specialty materials for various applications	20114	87%

III. Operations

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

Sl. No.	Location	Number of plants	Number of offices	Total
1.	National	3	2	5
2.	International	Nil	Nil	Nil

19. Markets served by the entity

a. Number of locations

Sl. No.	Locations	Number
1.	National (Number of states)	27
2.	International (Number of countries)	4

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

Out of total revenue from contract with customers 78,070.58 Lakhs INR on standalone basis for the year 2023-24, the percentage of revenue from exports contribute to 31.67% (24,725.87 Lakhs INR).

c. A brief on types of customers

We have customers from various sectors for our high performance organic and inorganic pigments along with pigment preparations. The Company supplies around 500 products to cater diverse range coating applications. The details of our product categories and applications are provided below:

Sl. No.	Category	Applications
1.	Coatings	Automotive coatings, coil coatings, corrosion protection, exterior paints & plasters, floor coatings, industrial coatings, interior decorative paints, point of sale, powder coatings, road marking & traffic paints and wood coatings.
2.	Corrosion Protection	Anti-corrosive pigments for steel, protective coating alternatives for chrome based anti-corrosives and zinc free anti-corrosive pigments
3.	Plastics	Automotive plastics, construction & electrical, consumer goods, fiber and packaging
4.	Printing & digital printing	Ink jet, printing for packaging, publication, specialty printing and toner
5.	Special applications	Home & fabric care, personal care, seed coloration & crop protection, aluminium anodizing dyes & chemicals, stationery, viscose coloration, latex coloration, leather and paper coloration, concrete & plaster

For more details, please visit the website <https://heubach.com/products-applications/>

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total		Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	
Employees							
1.	Permanent (D)	235	201	85.53%	34	14.47%	
2.	Other than permanent (E)	28	21	75.00%	7	25.00%	
3.	Total employees (D+E)	263	222	84.41%	41	15.59%	
Workers							
4.	Permanent (F)	269	266	98.88%	3	1.12%	
5.	Other than permanent (G)	700	666	95.14%	34	4.86%	
6.	Total workers (F+G)	969	932	96.18%	37	3.82%	

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	1	1	100%	Nil	NA
2.	Other than permanent (E)	Nil	Nil	NA	Nil	NA
3.	Total Differently abled employees (D+E)	1	1	100%	Nil	NA
Differently abled Workers						
4.	Permanent (F)	Nil	Nil	NA	Nil	NA
5.	Other than permanent (G)	Nil	Nil	NA	Nil	NA
6.	Total Differently abled workers (F+G)	Nil	Nil	NA	Nil	NA

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	6	1	16.67%
Key Management Personnel	1	1	100.00%

22. Turnover rate for permanent employees and workers

Category	FY 2024			FY 2023			FY 2022		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	18.78%	28.57%	20%	17.66%	19.05%	17.80%	4.07%	9.30%	4.30%
Permanent workers	6.27%	Nil	6.20%	5.64%	Nil	5.59%	5.19%	Nil	5.15%

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

23. Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Heubach Holding Switzerland AG (formerly Colorants International AG)	Holding	36.56%	No
2.	Heubach EBITO Chemiebeteteiligungen AG (formerly EBITO Chemiebeteteiligungen AG)	Holding	17.80%	No

VI. CSR details

24.

- i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes/No**
- ii. If yes, Turnover - (in ₹) 79,070.15 Lakhs**
- iii. Net worth - (in ₹) 47,244.13 Lakhs**

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024			FY 2023		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	https://heubach.com/heubach-india/investor-relations-india-overview/policies/	Nil	Nil	Nil	Nil	Nil	Nil
Investors		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		4	Nil	Nil	18	Nil	Nil
Employees and workers		3	Nil	Nil	1	Nil	Nil
Customers		26	2	Nil	78	Nil	Nil
Value Chain Partners		36	Nil	Nil	52	Nil	Nil
Other (please specify)		Nil	Nil	Nil	Nil	Nil	Nil

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Environment					
1.	Carbon emission	Risk	<ul style="list-style-type: none"> Higher carbon footprint of the products has negative impact on sales and revenue generation as customers are preferring lesser carbon footprint products. Climate change poses significant physical and transition risks to operations and supply chain of the Company. Global swift towards low carbon economy and sustainable practices leads to change in existing technologies to align with the requirements. 	<ul style="list-style-type: none"> Conduct Life Cycle Assessment (LCA) of products to estimate the carbon footprint. Deploy eco-friendly technologies and processes to reduce the carbon footprint of the products. Switch to renewable energy and replace fossil fuels with cleaner fuels. Conduct energy audit and implement energy conservation measures. Implement risk mitigation plan for the identified risks of physical and transition risks of climate change. 	Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Circular economy (Waste & Water Management)	Opportunity	<p>Waste:</p> <ul style="list-style-type: none"> Promoting sustainable waste management practices (Reduce, Reuse & Recycle) reduces the dependency on natural resources and also conserves energy associated with raw material extraction, processing and transportation. Recycling and reuse of waste reduces waste disposal costs and also mitigates the environmental risks arising due to waste disposal. <p>Water:</p> <ul style="list-style-type: none"> 100% of treatment and reuse of treated wastewater in various industrial applications helps in mitigating water related risks. Conservation of water helps in reducing the water procurement, treatment & disposal costs of wastewater. 	<p>Waste:</p> <ul style="list-style-type: none"> Enhance the recycling of waste by identifying the end use applications. Optimize raw material consumption for resource conservation and to reduce waste generation. <p>Water:</p> <ul style="list-style-type: none"> Improve the treated wastewater parameters to reuse within the operations and reduce the dependency on freshwater resources. Implement water conservation measures through deployment of water efficient technologies and processes etc. Conduct water audits and identify the areas for water conservation. Practice rainwater harvesting. 	Positive
3.	Sustainable Innovation	Opportunity	<ul style="list-style-type: none"> Innovation leads to production of greener and sustainable products which has high market potential due to increase in the environmentally conscious customers. Innovation of new pigment products with improved characteristics such as better color, intensity, durability and resistance to fading shall have high customer acceptance and helps in business growth and expansion. Conservation of resources can be achieved through use of alternative and recycled materials in the product development. 	<ul style="list-style-type: none"> Invest in research and development of products with lesser environmental footprint and more sustainable. Collaborate with research institutes to leverage their expertise, resources and knowledge to develop breakthrough innovations. 	Positive

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Social					
4.	Occupational Health & Safety	Risk	<ul style="list-style-type: none"> ▶ Operations at manufacturing facilities involve working with heavy machinery & equipment and exposure to higher temperatures, chemical & physical hazards which may pose health & safety risks to employees and workers. ▶ Health & safety related incidents may hamper the operations of the company leading to lesser productivity. ▶ Non-compliance to health & safety standards may lead to legal actions by the regulatory agencies as per the local laws. 	<ul style="list-style-type: none"> ▶ Identify and mitigate the health & safety related risks through Risk Assessment and Hazard Identification process. ▶ Conduct safety audits to identify & mitigate health & safety related risks. ▶ Conduct regular training programs to employees and workers on health & safety practices. ▶ Provide necessary treatment to employees and workers by diagnosis of occupational and non-occupational health diseases. ▶ Improvement in ergonomics and implement 5S at workplace to mitigate the health & safety related risks. ▶ Ensure Personal Protective Equipment (PPE) is mandatory to all employees and workers prior to entry into plant premises. 	Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Operations & Supply Chain	Opportunity	<ul style="list-style-type: none"> ▶ Improves operational efficiency by promoting circular economy, energy conservation and conservation of resources. ▶ Responsible and ethical sourcing of raw materials mitigates environmental risks arising from the extraction of raw materials. ▶ Implementation of sustainable supply chain management practices mitigates the business disruption related risks in the value chain of the Company. 	<ul style="list-style-type: none"> ▶ Implement sustainable supply chain management practices to mitigate supply chain related business disruptions and associated risks. ▶ Diversify the suppliers and modes of transportation to mitigate the supply chain risks during adverse conditions. ▶ Assess the suppliers on environmental, social and governance parameters. ▶ Ensure HCIL responsible sourcing policy is adopted by all value chain partners of the Company. 	Positive
6.	Talent management	Opportunity	<ul style="list-style-type: none"> ▶ Enhancing the skills of the employees and workers fosters innovation, improve productivity and operational performance of the company. ▶ Retention of talented employees and workers with required skill set, experience and expertise improves the overall performance of the Company and ensures sustainable growth. 	<ul style="list-style-type: none"> ▶ Identify skill gaps and enhance the skills by conducting necessary technical and leadership training programs. ▶ Implement robust hiring system to hire talented people. ▶ Provide necessary support to employees and workers to motivate, empower and achieve their career aspirations. 	Positive

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Governance					
7.	Business Ethics	Opportunity	<ul style="list-style-type: none"> Implementation of robust governance practices and ensuring utmost integrity, accountability and transparency helps in achieving long-term growth and success of the Company. Operating the business in an ethical and transparent manner in compliance with the local regulatory requirements mitigates business risks and enhance the reputation & brand value for the Company. 	<ul style="list-style-type: none"> Conduct due diligence on ethics and compliance aspects. Ensure compliance with applicable laws and regulations. Ensure strict adherence to Company's Code of Conduct. Implement enterprise level risk management framework mitigating ESG related risks. Implement appropriate systems and practices to prevent non-compliances. 	Positive
8.	Succession Plan	Opportunity	<ul style="list-style-type: none"> Implementation of succession planning helps in smooth transition of leadership roles avoiding disruption of business operations. Upcoming future leaders are aligned with the Company's strategic goals, targets & commitments facilitating long term execution of business strategies. 	<ul style="list-style-type: none"> Implementation of a robust leadership succession plan by identifying the critical roles. Create a succession plan with detailed guidelines on transitioning roles, timelines and procedures. Ensure mitigation plans are in place for business continuity risks during transition phases. 	Positive

Section B: Management and process disclosures



This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles and Core Elements

Sl. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Policy and Management processes

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
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
1(b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1(c) Web Link of the Policies, if available	Heubach Code of Conduct - https://admin.heubach.com/wp-content/uploads/2023/05/New-Heubach-Code-of-Conduct.pdf Policy For Perservation And Archival Of Documents - https://admin.heubach.com/wp-content/uploads/2023/05/Policy-on-Preservation-of-Documents-1.pdf Insider Trading - Code of Conduct - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Insider-Trading-Code_Amended_2022-.pdf Code For Independent Directors - https://admin.heubach.com/wp-content/uploads/2023/05/HCIL_Code-for-Independent-Directors.pdf Risk Management Policy - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Risk-Management-Policy-EN.pdf Related Party Transaction Policy - https://admin.heubach.com/wp-content/uploads/2022/09/Clariant-CCIL-Related-Party-Transaction-Policy-20220803-EN.pdf Familiarization Programme For Independent Directors - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Familiarization-Programme-EN.pdf HCIL CSR Policy - https://admin.heubach.com/wp-content/uploads/2024/04/CSR-Policy.pdf								

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9	
	Dividend Distribution Policy - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Dividend-Distribution-Policy-EN.pdf Vigil Mechanism & Whistle Blower Policy - https://admin.heubach.com/wp-content/uploads/2023/05/HCIL_Vigil-Mechanism-Policy.pdf Draft Letter of Appointment of Independent Director - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL_Letter-of-ApPOINTment-Independent-Director.pdf Code of Conduct for the Members of Board of Directors & Senior Members of Management - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL_Code-of-Conduct-for-BoD-and-Senior-Management_2022_KY.pdf Policy on determining the materiality of events - https://admin.heubach.com/wp-content/uploads/2023/10/HCIL_Policy-for-determining-Materiality-of-Events_2023.pdf Nomination & Remuneration Policy - https://admin.heubach.com/wp-content/uploads/2023/02/HCIL-Nomination-Remuneration-Policy-EN.pdf									
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Principle 2: <ul style="list-style-type: none"> ▶ ISO 9001:2015 (Quality Management Systems) ▶ ISO 14001:2015 (Environmental Management Systems) ▶ ISO 50001:2018 (Energy Management Systems) ▶ UN Global Compact ▶ The Chemical Industry Responsible Care Initiative ▶ Global labelling Mgt GLM Tool Principle 3: <ul style="list-style-type: none"> ▶ ISO 45001:2018 (Occupational Health & Safety Management System) Principle 4: <ul style="list-style-type: none"> ▶ Membership of Bombay Chambers of Commerce ▶ Indian Chemical Council Principle 6: <ul style="list-style-type: none"> ▶ OEKO-TEX ▶ Eco Passport Certification ▶ SDG Initiative Principle 8: <ul style="list-style-type: none"> ▶ As per CSR rules defined under the Companies Act, 2013 Principle 9: <ul style="list-style-type: none"> ▶ ISO 18001 (Occupational Health & Safety Management System) ▶ ISO 172025:2017 (Testing and Calibration Laboratories Standard) 								

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has identified key material issues under Environment, Social & Governance (ESG) by conducting materiality assessment and aligned with the business strategy. The performance on ESG related commitments, goals and targets are assessed by the CSR and Risk Management committee and updated to the board on periodical basis. ESG related commitments, goals and targets for the year 2030 against the baseline year 2019 are provided below: Environment: <ul style="list-style-type: none"> • Reduce water intake by 3% • Reduce wastewater generation by 10% • Reduce specific hazardous waste generation by 10% • Reduce specific energy consumption by 10% • Reduce specific CO2 direct emission by 10% • Reduce specific water discharge by 10% • Implementation of sustainable water management practices at the sites located in Roha, Cuddalore and Nagda. 							
6	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Yes, the performance on ESG goals and other relevant details are disclosed in this Annual Report FY 2023-24.							

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)	Sustainability is embedded in our business strategy driving innovation, resource conservation, circular economy and product life cycle management for reducing environmental footprint of the company. As a responsible corporate towards environmental stewardship, we always strive to improve the energy utilization efficiency and switching to clean fuels to reduce the overall energy consumption and carbon footprint of the company. We promote circular economy through process optimization, innovation and deployment of eco-friendly technologies. We offer our customers innovative and high-quality products that help them save resources and achieve their sustainability goals. More than 90% of our production sites are ISO 9001, 14001 and 45001 certified by adopting highest standards across all operations of the company. Heubach is the signatory of UN Global Compact and committed to upholding the 10 principles in the areas of human and labor rights, anti-corruption, and environmental protection. Further, we are collaborated with Responsible Care, the chemical industry's global, voluntary initiative which aims to improve safe production, handling and use of chemicals across the supply chains. We believe in fostering positive relationships with all our stakeholders where we operate and with whom we interact. We ensure employee wellbeing through prioritization of health & safety measures across all business operations of the company. Our inclusive work environment leverages the diversity leading to a more enjoyable and productive workplace. We create a progressive environment at workplace by conducting training and development programs to nurture the talent and innovation of employees for achieving their career aspirations. We actively engage with local communities through implementation of Corporate Social Responsibility (CSR) projects for uplifting the marginalized and vulnerable groups contributing to the betterment of the society.							
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Our robust governance framework and ethical business practices ensures transparency, accountability and integrity across all business operations of the company. We strictly adhere to the applicable laws and regulations across all business operations of the company. We encourage open dialogue with our stakeholders addressing their concerns and fostering a positive relationship. By upholding the strong governance principles, we build trust in all stakeholders of the company.

8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Bharath R Sesha DIN: 01983066 Designation: Managing Director
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, Corporate Social Responsibility (CSR) and Risk Management Committee of the Company are responsible for decision making and implementation of sustainability related commitments, goals and targets. The CSR and Risk Management Committee updates the status on implementation of sustainability aspects to the board of directors periodically. The Company has an internal frameworks/Committees to monitor the effective implementation of sustainability related policies.

10 Details of Review of NGRBCs by the Company

Subject for Review	a. Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1. Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Subject for Review	b. Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1. Performance against above policies and follow up action	The business responsibility policies are periodically reviewed by the department heads, plant heads and Board of Directors on an annual basis. During these assessments, the adequacy of the policies is reviewed and adequate changes to policies, procedures and internal controls are implemented accordingly.									
2. Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	The Company is compliant will all statutory requirements and applicable laws. There were no instances of non-compliance in the reporting period.									

11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The evaluation and assessment of policies are carried out periodically by an internal audit committee and group company auditors, risk management committee, CSR committee and the respective department heads to identify the improvement areas and updated to the board of directors for necessary amendments. Independent assessment is carried out by an external agency on need basis.
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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)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/ No)					Not Applicable				
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: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

We are committed to the highest standards of integrity and quality towards people, the environment and our shareholders. Our corporate governance policy encompasses integrity, transparency, accountability and fairness across all business operations and activities of the Company. We set highest standards of corporate governance by adopting well established systems, procedures, robust internal controls, and benchmarking industrial best practices in compliance with the regulatory requirements to make informed business decisions. The company adheres to the corporate governance principles and aims to provide shareholder value and transparency to ensure sustainable long-term growth. We ensure regular tracking of compliances and adopted stringent quality assurance practices to operate the business in an ethical and responsible manner.

HCIL has adopted three corporate values which comprises of Safety, Sustainability (People, Planet and Profit) and Compliance in its Code of Conduct. These corporate values have been adopted to meet the stakeholders' ever-increasing expectations with respect to Environment, Social and Governance (ESG) requirements. All employees of the HCIL should strictly follow the Code of Conduct, policies and other guidelines issued by the Company from time to time strengthening its governance system. As sustainability is deeply embedded in the business strategy of the company, we take environmentally conscious decision mitigating the ESG related risks and ensures the collective growth and development protecting the best interests of our stakeholders.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the FY 2024

Segment	Total number of training & 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	As part of our familiarisation programme and meetings, we arrange special sessions for Board Members with the Executive Management Team and Key Managers. These sessions give detailed insights covering important areas such as business operations, innovation, ESG (Environmental, Social, and Governance) activities, CSR (Corporate Social Responsibility), managing employees, company culture, market strategies, technology, compliance and governance, code of conduct, insider trading rules, and anti-harassment policies.	100%
Key Managerial Personnel	4		100%
Employees other than BoD and KMPs	12	Health & Safety, E-Procurement, operations management, statutory requirements, reporting mechanism, resource optimization, skill development, human rights, Prevention of Sexual Harassment (PoSH), Code of Conduct, Corporate Social Responsibility (CSR) and Emergency preparedness.	100%
Workers	12		100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2024

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				
Settlement		Nil		
Compounding fee				

Non – 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)
Imprisonment				
Punishment		Nil		

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

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

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

The Company has adopted the Anti- Bribery and Anti-Corruption policy (ABC policy) which covers all employees and third parties with whom the Company is engaged in business activities. Under ABC policy, the Company is implementing the principles of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act (FCPA), the Prevention of Corruption Act 1988 (as applicable in India) and all equivalent local laws affecting the Company. ABC policy is available in the Company's intranet.

5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

Sl. No.	Segment	FY 2024	FY 2023
1	Directors	Nil	Nil
2	Key Managerial Personnel	Nil	Nil
3	Employees	1	Nil
4	Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

Sl. No.	Segment	FY 2024		FY 2023	
		Number	Remarks	Number	Remarks
1	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
2	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024	FY 2023
Number of days of accounts payables	132	135

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	9.15%	12.62%
	b. Number of trading houses where purchases are made from	76	73
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	51%	48%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	22.39%	18.83%
	b. Sales (Sales to related parties / Total Sales)	30.40%	32.99%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

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
2	Human rights, Child and forced labors, Working conditions, responsible sourcing, Environment & Health Protection, Safety, Occupational Health & Safety, Compliance- Business ethics, fair competition	100%

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 an appropriate system and practices to avoid conflict of interest at board level. A separate code of conduct is available for the Board of Directors and Senior Management to ensure that they do not engage in any business, relationship or activity which might be detrimentally conflict with the interest of the company. In case, there is likely to be a conflict of interest, the concerned director must make full disclosure of all facts and circumstances. The board is collectively responsible for decision making on conflict of interest disclosed to the board on any business decisions, where any of the directors are involved.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe



We are a pioneer in the development of sustainable color technologies, including bio-based materials and the substitution of questionable materials to improve environmental characteristics fulfilling the regulatory compliance requirements. The Company emphasizes the significance of sustainable chemistry, which involves designing products and processes to reduce or eliminate hazardous substances and minimize environmental impacts while promoting economic growth. The Company adheres to the twelve principles of 'Green Chemistry' in its pursuit of sustainable chemistry, which include prevention, atom economy, less hazardous chemical synthesis, designing safer products, employing safer solvents and auxiliaries, promoting energy efficiency in design, utilizing renewable stocks, reducing derivatives, leveraging catalysis, designing for degradation, implementing real time analysis for pollution prevention, adopting inherently safer chemistry practices.

Our utmost importance to product quality and safety ensuring sustainability provides confidence to our customers to take environmentally conscious and informed decisions. All our value chain partners should strictly adhere to responsible sourcing policy of HCIL practicing responsible sourcing of minerals and compliance while they are associated with any business activity with the Company.

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.

Segment	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Disclosed in HCIL's Annual Report for the FY 2023-24
Capex	₹ 2,018.65 Lakhs	₹ 1,688.54 Lakhs	

2.

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

Yes. Our responsible sourcing policy shall be adhered by all suppliers (*suppliers of goods and services, as well as distributors and agents that sell Heubach's products*) which ensure compliance with all legal requirements, and reduce the risk of supply chain disruptions, reputational harm and perform better. All our purchasing decisions are conducted in accordance with the highest ethical and professional standards, as set out in our Code of Conduct. Our selection criteria of suppliers are based on quality, service, price, and sustainability performance etc.

All suppliers shall adhere to the responsible sourcing policy of Heubach which include:

- a. Health and safety standards:** Suppliers shall comply with applicable laws on health & safety.

- b. Human rights:** Suppliers shall comply with human rights related laws and regulations which include non-harassment, avoid child, forced labour & modern slavery, maintain good working conditions, non-discrimination at workplace and provide equal opportunity and right to organize and bargain collectively.
- c. Resource efficiency and environmental protection:** Suppliers shall promote the prevention and minimization of emissions and waste from their operations. Monitor and reduce consumption of natural resources such as energy, raw materials, water, and soil. Waste must be handled, collected, stored, and disposed in a manner that is environmentally sound and in accordance with applicable law.
- d. Sourcing of conflict minerals mica & cobalt:** Prevent sourcing of minerals from conflict-affected or high-risk areas. Heubach shall conduct audits of suppliers in accordance with the Responsible Minerals Assurance Process of Cobalt (RMAP). Supplier must not use or purchase Mica as a raw material for products supplied to Heubach without permission.
- e. Land & property rights:** Suppliers should ensure land and property rights of individuals and communities are respected and not unlawfully taken away.
- f. Environmental & health protection:** Suppliers shall take necessary measures to reduce the environmental impact from their operations. Suppliers must work continuously to improve the environmental compatibility of their products and processes. Products must be monitored, inspected, and assessed by means of a comprehensive HSE (Health, Safety and Environment) and quality management system.
- g. Occupational health and safety:** All suppliers should comply with the occupational health & safety laws and regulations.
- h. Emergency preparedness:** Potential emergency situations must be assessed. Emergency processes and safeguards must be in place to ensure comprehensive emergency management and response.
- i. Business Ethics:** No benefits of any kind, including gifts, invitations for meals or entertainment, may be accepted or offered in the course of interactions with public officials or business partners, which may be seen as intending to influence business decisions to one's own advantage.
- j. Fair competition:** Anti-trust and other competition laws shall be complied.
- k. Business Records and Fraud:** All transactions are documented accurately, and financial books and records are properly maintained in accordance with applicable law and generally accepted accounting practices.
- l. Embargoes and Trade Control:** Applicable trade control regulations, embargoes and other restrictions shall be complied.
- m. Money Laundering:** Suppliers shall abstain from money laundering activities and set appropriate preventive actions.
- n. Conflicts of Interest:** Suppliers shall disclose to Heubach any situation that may appear as a conflict of interest, such as a Heubach employee having professional, private and / or financial advantages or interests in any of the supplier's businesses.
- o. Data Protection:** Personal Data is protected and processed in accordance with applicable Data Protection Legislation.
- p. Confidentiality, Information Security, and Intellectual Property:** Intellectual Property Rights of Heubach or third parties shall be respected. Confidential information provided by Heubach is to be protected.

Any violations of the Supplier Code of Conduct can be reported through Heubach's Digital Whistleblower System that can be accessed through Heubach's Website <https://www.heubach.com/about/compliance/> or by writing to group.compliance@heubach.com. These reports can be made anonymously through the Digital Whistleblower System. Any form of retaliation against a whistleblower who reports a violation or potential violation of the Supplier Code of Conduct in good faith will not be tolerated.

b. If yes, what percentage of inputs were sourced sustainably?

100% of the input materials were sourced sustainably by adopting Heubach's responsible sourcing policy.

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

The Company is implementing sustainable waste management practices in all facilities through prioritizing reduce, reuse and recycle of waste wherever possible and dispose the residual waste fractions in safe manner. Plastic waste, other hazardous waste and other non-hazardous waste is being generated from the plant operations. Plastic waste is either recycled or co-processed, non-hazardous waste is composted, and hazardous waste is either incinerated or landfilled based on the type and composition of the waste.

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.

Yes, Extended Producer Responsibility (EPR) is applicable as per the Plastic Waste Management Rules, 2016 and subsequent amendments. The Company has already obtained Plastic Waste EPR Authorization from the Central Pollution Control Board (CPCB) and the waste collection plan is in line with the EPR targets given by the CPCB.

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?

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.
20114	13 Azo pigments		Refer the weblink for details https://www.heubach.com/sustainability-at-heubach-group/sustainablesolutions/		

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
	Not Applicable	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
Packaging Material (Paper box, HDPE)	0.3%	0.3%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024			FY 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	29	97.35	Nil	25.63	83
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	4181.09	Nil	Nil	3219.27
Other Waste	Nil	Nil	1971.40	Nil	Nil	1343.74

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
Plastic waste	More than 90%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains



We continuously strive for operational excellence by prioritizing the employee engagement fostering collaborative work environment leveraging collective growth and development. Our positive and inclusive culture, offering ample growth opportunities by recognizing the employee efforts cultivates a motivated and productive team for long term sustainable growth and success of the Company. We conduct regular training programs to inculcate the technical and leadership skills in employees to harness their intrinsic potential facilitating professional growth and personal well-being. The Company promotes diversity & inclusion and provides equal opportunity to all employees irrespective gender, ethnicity, age, and background of each and every individual for collective growth of the Company by ensuring harmony, pride and trust among all employees.

Employee health and safety is paramount to our Company as the employees are the valuable asset for the Company. HCL is committed to Safety First Culture by adopting highest health & safety standards and continuous improvement of health & safety practices creating safe & healthy workplace and enhancing employee morale, productivity, and satisfaction.

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	201	201	100%	201	100%	NA	NA	201	100%	NA	NA
Female	34	34	100%	34	100%	34	100%	NA	NA	NA	NA
Total	235	235	100%	235	100%	34	14.47%	201	85.53%	NA	NA
Other than Permanent Employees											
Male	21	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	7	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	28	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	% Of workers covered by										
	Total (A)	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	266	266	100%	266	100%	NA	NA	266	100%	NA	NA
Female	3	3	100%	3	100%	3	100%	NA	NA	NA	NA
Total	269	269	100%	269	100%	3	1.12%	266	98.88%	NA	NA
Other than permanent workers											
Male	666										
Female	34										
Total	700										

Wellbeing measures for contractual workers is taken care by the third party agencies.

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

	FY 2024	FY 2023
Cost incurred on wellbeing measures as a % of total revenue of the company	0.13%	0.16%

2. Details of retirement benefits for Current and Previous Financial Years

Sl. No.	Benefits	FY 2024			FY 2023		
		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.)
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	NA	4.09%	Yes	NA	8.60%	Yes
4	Others - Superannuation	37.87%	Nil	Yes	42.79%	Nil	Yes

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees, 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.

Yes, all offices and plants of the Company are accessible to differently abled employees.

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.

The code of conduct of the Company covers equal opportunity to promote diversity and do not tolerate any form of discrimination based on gender, racial or ethnic origin, religion, belief, disability, age, sexual identity or other differences that make each of us a unique individual. We offer equal opportunities during the recruitment, employment, promotion and development of our employees. Furthermore, we believe in creating a truly inclusive organizational culture where differences are valued and leveraged. The Company's policy is available at <https://admin.heubach.com/wp-content/uploads/2023/05/New-Heubach-Code-of-Conduct.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	100%	100%	NA	NA
Female	NA	NA	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
1 Permanent workers	Yes, The Company's Whistle Blower Policy applicable to all directors, officers, employees and third parties of the Company to report concerns or misconduct on violation of the code of conduct through a vigil mechanism, a secured reporting mechanism administered by the Chairman of the Audit Committee.
2 Other than Permanent Workers	
3 Permanent Employees	
4 Other than Permanent Employees	<ul style="list-style-type: none"> Bringing the violation or concern to the attention of their local supervisor, or any member of local management, as appropriate Informing the Country Compliance Officer, Legal Counsel, or Human Resources (HR) Manager Making a direct report (in a sealed envelope) addressed to Audit Committee.

The Company ensures confidentiality in the entire process of grievance redressal protecting the identity and grievance related information. The grievance will be routed and redressed through site head at plant locations and through human resources department or line manager in the corporate office. The Company's Whistle Blower policy is available at [https:// admin.heubach.com/wp-content/uploads/2023/05/HCIL_VigilMechanism-Policy.pdf](https://admin.heubach.com/wp-content/uploads/2023/05/HCIL_VigilMechanism-Policy.pdf)

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity

Category	FY 2024			FY 2023		
	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	235	Nil	NA	215	Nil	NA
Male	201	Nil	NA	193	Nil	NA
Female	34	Nil	NA	22	Nil	NA
Total Permanent Workers	269	192	71.38%	279	191	68.46%
Male	266	192	72.18%	276	191	69.20%
Female	3	Nil	NA	3	Nil	NA

8. Details of training given to employees and workers

Category	FY 2024					FY 2023				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	201	201	100%	201	100%	193	193	100%	193	100%
Female	34	34	100%	34	100%	22	22	100%	22	100%
Total	235	235	100%	235	100%	215	215	100%	215	100%
Workers										
Male	266	266	100%	Nil	NA	276	276	100%	1	0.4%
Female	3	3	100%	Nil	NA	3	3	100%	Nil	NA
Total	269	269	100%	Nil	NA	279	279	100%	1	0.4%

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

Category	FY 2024			FY 2023		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	201	201	100%	193	193	100%
Female	34	34	100%	22	22	100%
Total	235	235	100%	215	215	100%
Workers						
Male	266	NA	NA	276	NA	NA
Female	3	NA	NA	3	NA	NA
Total	269	NA	NA	279	NA	NA

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 Occupational Health & Safety Management System covering 100% of all sites including both employees and contractors. Safety is a value at the Company, hence it is non-negotiable. The Company is successful because its employees go back from work as healthy and safe as they entered the workplace, every single day. Next to being a value, the Company feel an obligation towards the dear ones of employees, contractor, guest & visitors, in providing a safe workplace. The facilities of the Company have been certified by ISO 45001 and periodic audits are conducted on occupational health and safety (OH&S) management system.

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 has a detailed process/mechanism mentioned under health hazards section in the Environmental, Health & Safety (EHS) guidelines to identify & evaluate work related hazards and assess risks on a routine and non-routine basis. An appropriate system is in place to strengthen the systems, processes and existing controls based on the identified risks for all activities within the premises of the organization.

As part of Company's ambition in building and sustaining a Safe workplace in all plants and offices, the company have started conducting an event "Tag the Unsafe @ 48 hr", across all its manufacturing sites, commercial offices, warehouses and labs.

An effort of Red Tagging the Unsafe (Condition, Situation, Act & Behaviour) is going to alert employees and workers on a safety hazard contributing to Company's goal to make "Together we make Heubach Injury Free".

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 a detailed procedure of reporting the unsafe conditions and hazards as well as near miss incidents. The employees are authorised to take action to maintain working area free from hazards.

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

Yes, the Company is having full-fledged occupational health center with medical officer and supporting staff to take care of the overall physical and mental well-being of all employees and workers.

11. Details of Safety related incidents

Sl. No.	Safety Incident/Number	Category *	FY 2024	FY 2023
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees Workers	Nil Nil	Nil Nil
2	Total recordable work-related injuries	Employees Workers	Nil Nil	Nil Nil
3	No. of fatalities	Employees Workers	Nil Nil	Nil Nil
4	High consequence work-related injury or ill-health (excluding fatalities)	Employees Workers	Nil 1	Nil Nil

*Including contract workforce

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

The Company has taken several measures for improving ergonomics and implemented 5S at workplace that offers great opportunities to enhance efficiency, productivity and overall success. 5S stands for 5 key principles:

- **Sort:** The first step is to eliminate unnecessary items from our workspaces.
- **Set in Order:** This principle focuses on arranging items in a logical and efficient manner.
- **Shine:** A clean and well-maintained workspace not only enhances visual appeal but also promotes safety and quality.
- **Standardize:** Standardization is key to maintaining efficiency and consistency throughout the organization.
- **Sustain:** The final principle emphasizes the need for continuous improvement and long-term sustainability. It involves creating a culture of responsibility and accountability, where each team member actively participates in upholding the 5S principles and continually seeks opportunities for improvement.

The implementation of 5S has resulted in:

- To eliminate waste, reduce unnecessary movement, and optimize workflows. This leads to increased productivity, shorter lead times, and improved customer satisfaction.
- **To enhance safety:** A clean and organized workspace reduces the risk of accidents, injuries, and potential hazards.
- **To improve Quality:** 5S promotes a culture of excellence by setting clear standards and ensuring adherence to them.
 - Implementation of mitigation measures based on the identified work-related hazards.
 - Awareness programs on practicing of best health & safety practices.
 - Regular training of employees, workers and contractors in plant premises on health & safety management systems.
 - JSA (Job Safety Analysis) – JSA is conducted to ensure all safety measures are in place before starting any modification in the job.
 - HAZOP Study – It is carried out to Analyze and Mitigate the Hazards involved in operations.
 - MOC (Management of Change) – Any modification in the system should follow the MOC.
 - Site ESHA Clearance – Any new product has to be approved by ESHA before starting from safety point of view.
 - PSSR (Pre-start Safety Review) – All new processes and installation are reviewed before start-up from safety point of view.

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

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	NA	NA	Nil	NA	NA
Health & Safety	Nil	NA	NA	Nil	NA	NA

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%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

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, all employees and workers are covered under the health insurance and accident insurance. Further, the permanent employees are also covered under term life insurance. The insurance amount for all categories of employee and workers will be paid to the nominee in the event of death.

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 ensures that statutory dues as applicable are deducted and deposited in accordance with the regulations. This activity is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees	Nil	Nil	NA	NA
Workers	1	Nil	1	NA

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)

In certain cases, there can be an extension of employment for retired employees. No other transition assistance programs are available.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders



We ensure sustainable growth of the Company meeting stakeholders' expectations and protecting their best interests. We have a dedicated stakeholder engagement plan along with various communication channels to gather insights of the stakeholder, address their concerns leveraging collective growth & development of the Company. We encourage open dialogue with stakeholders to operate the business in an ethical manner ensuring transparency, accountability and responsibility.

Uplifting of the marginalized and vulnerable groups in the nearby local communities where we operate is carried out through implementation of Corporate Social Responsibility (CSR) projects. To maintain cordial relationship with the stakeholders, a dedicated team with assigned roles and responsibilities along with appropriate procedures and practices for periodical review and track stakeholder engagement plan is in place.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The stakeholders of the Company play an important role in achieving ESG related goals & targets and business resilience. Heubach has a robust stakeholder process which is developed considering the nature of business operations and associated activities. The internal and external stakeholder identification has been carried out based on their importance, influence, impact on performance and services of the Company. In order to identify the relevant stakeholder, we have developed a matrix prioritizing the key stakeholders. We ensure periodical coordination with all key stakeholders through various communication channels such as periodical meetings, surveys, consultations etc., to capture the valuable insights and expectations of the stakeholders to align with the business strategy of the Company.

- a. **Stakeholder Identification:** The factors considered in stakeholder identification process includes impact, interest, legitimacy, influence, and criticality.
- b. **Review Process:** The company periodically reviews and make necessary changes in the stakeholder identification process considering changes in business strategy, operations and applicable laws & regulations. Regular interaction with all stakeholders is carried out and feedback is taken in a timely manner for addressing their concerns.
- c. **Channels of Communication:** Each stakeholder is consulted and communicated through various channels such as direct & virtual meetings, site visits, feedback surveys, focused group discussions, email communication and periodical meetings. An appropriate method is chosen considering the accessibility and the business needs.
- d. **Frequency of Engagement:** The frequency of engagement may vary for each stakeholder group depending up on the needs and priorities that the company identifies through review process. The timeline for stakeholder engagement and consultation may include daily, weekly, quarterly, half-yearly and annually.

In order to ensure timely coordination with all key stakeholders, the company has assigned roles & responsibilities and method of engagement with each stakeholder. We have tailored stakeholder engagement programs specially designed considering the needs and requirements of each stakeholder. We also conduct regular awareness programs to our employees on stakeholder engagement process to understand and resolve the concerns of all key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, meetings, notice board, website etc.	Monthly townhall meetings by MD, monthly cascade meetings by department leads	<p>Purpose - Establish connect and sense of engagement within the employees.</p> <p>Key topics - Business performance, Key business updates, Challenges and achievements.</p> <p>Initiatives like - Employee engagement groups, HR Open House, Sales meets etc are also undertaken.</p>
Suppliers and Vendors	No	Emails, meetings	Yearly	Company's policies, achievements, targets, sustainability improvements, business status & progress.
Regulatory and statutory bodies	No	Emails, meetings	As per the requirement	Statutory Compliances
Shareholders	No	All important information relating to the Company, its performance, shareholding pattern, quarterly results, press releases and other information as per the SEBI Regulations are regularly posted on Company's website and also forwarded to the Stock Exchanges. The quarterly, half-yearly and annual Financial results of the Company are published in newspapers. Annual Report is circulated to the shareholders. Annual General Meeting is conducted once a year.	Periodic & annually	Provide them the updates about the Company
Certifying and testing agencies	No	Email, meetings	Annually	Statutory Compliances
Communities	Yes	Email, meetings, focused group discussions	Monthly	Implementation of CSR initiatives and projects

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.

The consultation with the identified stakeholders of the Company is carried out by conducting periodical meetings through CSR and Risk Management committees. The board is updated on quarterly basis based on the inputs received from various stakeholders on economic, environmental and social topics for further decision making.

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, the inputs from the identified stakeholders were captured through surveys for identification of ESG material issues and preparation of sustainability strategy of the Company on 4 pillars i.e. Economic Performance (Innovation, Production quality, Product Safety), Environment (CO2 emission, waste, sustainable products), Social (Health & safety, HR policy, Human Rights) and Corporate Governance (Code of Conduct, Compliance, Collaboration). The feedback received from internal and external stakeholders is considered in amending the company's policies and aligning with the business strategy.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company has dedicated Corporate Social Responsibility (CSR) committee to interact with vulnerable/ marginalized stakeholder groups and to identify the need-based CSR initiatives and projects. Based on the concerns of the vulnerable/ marginalized stakeholder groups, the Company implements CSR initiatives and projects through its CSR policy.

Principle 5: Businesses should respect and promote human rights



We ensure zero tolerance towards discrimination, child labor, and forced labor across all business operations and value chain of the Company. Our responsible sourcing policy covers human rights aspects which should be adhered by all value chain partners associated with the company in performing various business activities. We create an inclusive environment by treating each and every individual with dignity, respect, equality and fairness regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights are intrinsic freedoms that every person has the right to exercise individually or collectively, without hindrance.

We organize regular training programs on human rights to all employees covering human rights related principles, best practices and grievance mechanism to report any human rights related violations. We strictly follow global standards on human rights such as Universal Declaration of Human Rights, International Labor Organization's (ILO) Fundamental Human Rights Conventions, and the UN's Guiding Principle on Business and Human Rights. In case of any violation of human rights such as health & safety, fair compensations, labor rights, working conditions and right to privacy, the aggrieved employee shall get an immediate resolution of the grievance through the grievance redressal mechanism.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity

Category	FY 2024			FY 2023		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	235	235	100%	215	215	100%
Other than permanent	28	28	100%	18	18	100%
Total employees	263	263	100%	233	233	100%
Workers						
Permanent	269	269	100%	279	279	100%
Other than permanent	700	700	100%	405*	405	100%
Total workers	969	969	100%	684	684	100%

*In the FY 2023, the contractual workers hired by the third party agencies were not considered.

2. Details of minimum wages paid to employees and workers

Category	FY 2024					FY 2023				
	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	235	Nil	NA	235	100%	215	Nil	NA	215	100%
Male	201	Nil	NA	201	100%	193	Nil	NA	193	100%
Female	34	Nil	NA	34	100%	22	Nil	NA	22	100%
Other than permanent	28	Nil	NA	28	100%	18	Nil	NA	18	100%
Male	21	Nil	NA	21	100%	14	Nil	NA	14	100%
Female	7	Nil	NA	7	100%	4	Nil	NA	4	100%
Workers										
Permanent	269	Nil	NA	269	100%	279	Nil	NA	279	100%
Male	266	Nil	NA	266	100%	276	Nil	NA	276	100%
Female	3	Nil	NA	3	100%	3	Nil	NA	3	100%
Other than permanent	700	Nil	NA	700	100%	405	Nil	NA	405	100%
Male	666	Nil	NA	666	100%	369	Nil	NA	369	100%
Female	34	Nil	NA	34	100%	36	Nil	NA	36	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)	5	15.2	1	14
Key Managerial Personnel	Nil	NA	1	44.48
Employees other than BoD and KMP	199	10.70	33	11.93
Workers	266	6.69	3	4.13

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024	FY 2023
Gross wages paid to females as % of total wages	6.7%	6.2%

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

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the Company has a Whistle Blower Policy applicable to all directors, officers, employees and third parties to report concerns on violation of human rights through a vigil mechanism, a secured reporting mechanism administered by the Chairman of the Audit Committee. The redressal of grievances related to human rights, if any, is overseen by the internal compliance committee. The Company has adopted internationally recognized standards, such as the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights and the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work to redress grievances related to human rights.

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

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

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

	FY 2024	FY 2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	Nil
Complaints on POSH as a % of female employees / workers	3.85%	NA
Complaints on POSH upheld	3	NA

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

The Company ensures the confidentiality on the matters pertaining to complainant in discrimination and harassment cases and have zero retaliation mechanism. Access and processing of data related to complainant are restricted to members of team investigating the matter and to those persons who are assigned the remediation processes.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the clauses related to human rights are included in the business agreements and contracts. All suppliers and service providers should accept the conditions related to human rights in the HCIL responsible sourcing policy prior to execution of business agreements and contracts.

10. Assessments for the year

Section	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/ Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable. The existing policies, processes and mechanisms addresses all kinds of human rights related risks and there is no such requirement for business process modification.

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

None

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?

Yes

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	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	NA

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

Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment



The production of pigments is associated with energy intensive processes and may have an impact on the climate change. To mitigate the climate change related risks, we have adopted sustainable initiatives in our operations which includes energy conservation through deployment of energy efficient equipment & processes, increasing the percentage of renewable energy in the total energy consumption and switching to cleaner fuels to reduce the carbon footprint of our products. We also promote circular economy by promoting recycling and reuse of waste generated from our operations and reducing the water consumption through optimization of water consumption across various equipment and processes.

We take environmentally conscious decisions in our business activities mitigating environmental related risks. As sustainability is deeply embedded in our business strategy, we achieve business resilience through our sustainable business practices by mitigating various climate change related physical and transition risks to the Company.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in GJ) and energy intensity

Parameter	FY 2024	FY 2023
From renewable sources		
Total electricity consumption (A) (GJ)	40,446	Nil
Total fuel consumption (B) (GJ)	2,92,620	2,53,570
Energy consumption through other sources (C) (GJ)	Nil	Nil
Total energy consumed from renewable sources (A+B+C) (GJ)	3,33,066	2,53,570

Parameter	FY 2024	FY 2023
From non-renewable sources		
Total electricity consumption (D)	51,391	79,647
Total fuel consumption (E)	53,485	35,331
Energy consumption through other sources (F)	Nil	56,685
Total energy consumed from non-renewable sources (D+E+F)	1,04,876	1,71,663
Total energy consumed (A+B+C+D+E+F)	4,37,942	4,25,233
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations in crores)	554	554
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations in crores adjusted for PPP)	12,407	12,428
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

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

Not Applicable

3. Provide details of the following disclosures related to water

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	2,85,149	2,29,553
(iii) Third party water	6,32,910	5,88,867
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	9,18,059	8,18,420
Total volume of water consumption (in kiloliters)	9,18,059	8,18,420
Water intensity per INR lakhs of turnover (Total water consumption / Revenue from operations in crores)	1,161	1,068
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations in crores adjusted for PPP)	26,008	23,920
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. Provide the following details related to water discharged

Parameter	FY 2024	FY 2023
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

Parameter	FY 2024	FY 2023
(iii) To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	2,29,475	2,07,424
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	5,70,568	5,10,016
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	3,099	4,299
Total water discharged (in kilolitres)	8,03,142	7,21,739

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 is having 3 facilities in Roha, Nagda and Cuddalore. Among these 3 facilities, Nagda facility has implemented Zero Liquid Discharge Mechanism and in the remaining plants more than 80% of the water is being recycled.

6. Provide details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY 2024	FY 2023
NOx	Tons/year	5.49	1.59
SOx	Tons/year	5.42	4.16
Particulate matter (PM)	Tons/year	1.45	1.45
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

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

Parameter	Unit	FY 2024	FY 2023
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,475.6	1,550.24
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,428.1	11,578.75
Total Scope 1 and Scope 2 emission intensity per INR lakhs of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations in crores)		15.05	17.13
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 in crores adjusted for PPP)		337	384
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

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 Greenhouse Gas emission? If yes, then provide details.

The Company has taken various initiatives for reducing greenhouse gas emission which comprises of

1. Renewable Energy:

- ▶ Solar power project has been commissioned at Roha site. Currently, 57% of the total electricity is at Roha site is being sourced from renewable sources.
- ▶ A hybrid model of sourcing renewable energy comprising of wind and solar energy was implemented for Cuddalore site. Around 40% of the total electricity at Cuddalore site is sourced from renewable sources.

2. Conservation of energy through optimization of steam consumption:

- ▶ Weekly monitoring of steam network is carried out and steps have been initiated to replace defective steam traps by leak tag system.
- ▶ Steam condensate reused to conserve energy.
- ▶ Target rationalized to reduce the steam consumption per ton of production.
- ▶ Regular Steam/Air Audits were conducted and identified areas for conservation of energy.
- ▶ Installed an additional spin flash dryer and membrane filter presses at Roha. This setup eliminated the need for steam consumption typically required by dryers and removed the need for compressed air for milling products dried in drying chambers, thereby further reducing steam consumption.

3. Conservation of energy through optimization of systems:

- ▶ Installed a valve bag auto packing machine at Roha, which optimized container loading for export and minimized energy consumption during the overseas transport of products.
- ▶ Reduction of frequency of Variable Frequency Drives (VFDs) for higher HP motor to get desired result without compromising quality and quantity.
- ▶ Replaced conventional lights by energy efficient LED lights across all facilities and offices.
- ▶ Old air conditioners (AC) being replaced by new energy efficient AC and usage has been optimized by setting timer for temperatures control.
- ▶ “Compressed Air audit” has been conducted on weekly basis.
- ▶ Replacing old motors by energy efficient motors to conserve energy.
- ▶ Replaced old-damaged roof sheets with adequate transparent sheets to achieve abundant natural light which in turn reduced the dependency on lighting system.
- ▶ Timer logic has been implemented for stirrer operations of noncritical equipment to conserve energy.
- ▶ VFD Based Air compressor has been installed to save electricity during load fluctuations.
- ▶ Use of Gravity flow for effluent handling instead of pumping to avoid energy consumption.
- ▶ Rearranged lighting switches from centralized to localized to switch off lights where not required.

4. Operational efficiency:

- ▶ Higher batch size wherever possible to conserve energy and resources.
- ▶ Reduction in drying time of tray dryers and RVDs by optimizing drying temperature to conserve energy resources and enhance operational efficiency.

5. Steps taken by the Company for utilizing alternate sources of energy:

- ▶ Use of higher calorific value LPG in place of Bio Diesel for hot air generator, which resulted in reducing carbon emission.
- ▶ Installation of solar water heater for restrooms at site to conserve energy.
- ▶ Switched to LSHS oil as fuel instead of furnace oil to reduce the emission of greenhouse gases.
- ▶ Cuddalore facility has switched from diesel to LPG fuel for spin flash dryers to reduce the greenhouse gas emissions.

9. Provide details related to waste management by the entity

Parameter	FY 2024	FY 2023
Total Waste generated (in MT)		
Plastic waste (A)	126.35	108.63
E-waste (B)	Nil	Nil
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	6.82	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	4,181.09	3,219.27
Other Non-hazardous waste generated (H). Please specify, if any.	1,971.40	1,343.74
Total (A+B + C + D + E + F + G + H)	6285.64	4,671.64
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in crores)	7.95	6.09
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations in crores adjusted for PPP)	178.07	136.54
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2024	FY 2023
Total Waste generated (in MT)		
(i) Recycled	102.35	25.63
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	102.35	25.63

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2024	FY 2023
Total Waste generated (in MT)		
(i) Incineration	48.18	298.82
(ii) Landfilling	2,179.17	1,390.2
(iii) Other disposal operations	4,058.31	2,956.99
Total	6,285.65	4,646.01

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.

Waste generated at manufacturing sites is segregated into various types based on composition and potential industrial applications. Waste is reused and recycled wherever possible and residual fraction of waste is safely disposed through waste management agencies authorized by the pollution control board.

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

Sl. 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.
1.	Plot No. 113/114 MIDC Dhatav Industrial Estate, Dhatav village, Roha Taluka, Raigad	Production	Yes

12. Details 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
1 (d) schedule B-2 Category project (New Cogeneration Plant in the existing unit of the company in MIDC Dhatav	SEIAAEC-0000000510	November 6, 2018	Yes	Yes	https://ec.ecmpcb.in/login/download_ec_publicU0VJQUeU1RBVEVNRU5ULTAwMDAwMDA3NjN8U0VJQUeTUI0VVRfUy0wMDAwMDAwNzlyfDE3NjQ=
5 (f) schedule B-1 Category synthetic organic chemical industry Kudikadu village, SIPCOT Industrial Complex, Cuddalore, Tamil Nadu	Letter No. SEIAA/TN/F 6462/5(f)/EC - 59/2017	April 16, 2018	Yes	Yes	https://environmentclearance.nic.in/auth/ECGeneral_Report.aspx?pid=42518

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:

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
	Yes, the Company is compliant with all applicable laws, regulations and guidelines and there are no non-compliances in the reported period.			

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters): Yes

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Cuddalore
- (ii) Nature of operations: Manufacturing of pigments
- (iii) Water withdrawal, consumption, and discharge:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) To Surface water	NA	NA
(ii) Groundwater	2,85,149	2,29,553
(iii) Third party water	39,409	52,605
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kiloliters)	3,24,558	2,81,258
Total volume of water consumption (in kiloliters)	3,24,558	2,81,258

Parameter	FY 2024	FY 2023
Water intensity per rupee of turnover (Water consumed / turnover in crores)	410.47	366.98
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	2,29,475	2,07,424
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	2,29,475	2,07,424

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 2024	FY 2023
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 3 emissions per rupee of turnover		Not monitored	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

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:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Sustainable pigment development	▶ Sustainable PCF and bio-based selected Azo & HPP product development for coating and plastic application	Resource conservation and reduces the environmental footprint of the products.
2.	Implementation of circularity in preparation of pigments for plastic industry	▶ Circular economy colour solution for pigments used in plastics industry. a. Detectable black b. PCR shade matching c. Re-cycle range d. Ok for compostable	Promotes recycling of materials
3.	Preparation of biodegradable pigment products	▶ Biodegradable colour solution to H&PC	Reduces environmental footprint of pigment products

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4.	Resource conservation in the production process of pigments	▶ Mass coloration of Lyocell fibre for reducing water consumption	Water conserved through deployment of mass coloration for Lyocell fibres
5.	Utilization of renewable fuels	▶ Non-renewable fuels and high carbon emitting fuels are replaced with Biomass briquettes at Roha and Cuddalore facilities. ▶ 85% of the fuel for production of steam comprises of biomass briquettes.	Reduces greenhouse gas emissions from the operations of the Company.

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

The Company has a risk and emergency management system where a comprehensive assessment of risks related to the operations and products is carried out as a pre-requisite to business processes. Emergency management plan is in place to mitigate business continuity and disaster management related risks. The detailed process and mechanism is available in the Company's intranet.

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?

Not Applicable

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

None

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



We associate with various industrial associations and make a collaborative effort for overall growth and success of the pigment manufacturing industry. We play an instrumental role in representing the risks hampering the long-term growth and success of the pigment industry. Our business policies, procedures and practices are in a responsible, ethical and transparent manner in line with the compliance requirements. Our operations and business activities are performed with honesty and integrity aligning with the business strategy of the company.

Our robust governance framework ensures highest ethical standards and responsible business decisions adhering to all legal and regulatory requirements. We actively engage with industrial associations, institutions, and organizations, both Governmental and non-Governmental, that are involved in formulation of policies or influence policy-formulation and business-related decisions.

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers / associations:** 2
- b. **List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Bombay Chambers of Commerce	State
2.	Indian Chemical Council	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
	Not Applicable	

LEADERSHIP INDICATORS

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

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
					Nil

Principle 8: Businesses should promote inclusive growth and equitable development



We strive for inclusive growth and equitable development through implementation of Corporate Social Responsibility (CSR) programs and uplifting of marginalized and vulnerable groups in nearby local communities where we operate. Our CSR strategy is built upon three fundamental pillars which comprises of goodwill, compliance and impact. The Company's prime focus in designing and implementing CSR programs are providing education, development of infrastructure, creating livelihood opportunities, providing necessary healthcare support and development of forestry through plantation drives.

We have a dedicated CSR policy and committee to implement CSR related projects and to address grievances of local communities. Our CSR projects are in line with the Sustainable Development Goals (SDGs) creating positive impact, enduring economic growth and social value in the local communities where we operate.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in FY 24

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
					Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

Sl. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY 24 (in INR)
						Not Applicable

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

The CSR committee periodically interacts with the communities to receive and redress grievances. The communities can also communicate their grievances to site level CSR team or to the corporate office via email. The site level team also regularly communicates with key stakeholders from the surroundings communities. The CSR team also implement necessary initiatives and projects through its CSR policy redressing the grievances of the communities.

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

	FY 2024	FY 2023
Directly sourced from MSMEs/ small producers	5%	14%
Directly from within India	78.38%	72.65%

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 following locations, as % of total wage cost

Location	FY 2024	FY 2023
Rural	Nil	Nil
Semi-urban	36%	45%
Urban	10%	15%
Metropolitan	54%	40%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District	Amount Spent (in INR)
			Not Applicable

3.

a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

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:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Infrastructure development in schools	6,000	100%
2.	Conducted health camps	5,000	100%
3.	Skill development by conducting training programs on tailoring	2,000	100%
4.	Provided vehicles for collection and transportation of waste	2,000	100%
5.	Construction of mobile washrooms in villages	1,000	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner



We continuously invest in developing new products and enhancing the quality of our existing products meeting the customers' expectations. We deliver the valuable products to our customers which are more sustainable and responsible towards environment facilitating customers to make environmentally conscious decisions.

The Company has adopted robust Quality Management System (QMS) and ensures stringent quality parameters across all its product portfolio. All our products meet the respective quality standards of pigment industry. We ensure exceptional customer services by delivering personalized and top-tier assistance in a timely manner addressing their concerns.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

The customer complaints are handled through QNS system in SAP Database. The Company is having online customer complaints register and evaluation system is connected in System Application and Product Database. All registered complaints are shared with applicable area owner & quality managers who would analyze it and share the solutions with concerns. All these complaints are in reference with the quality safety, transportation issue, packing issue, environment issue, dispatch issues.

2. Turnover of products and / services as a percentage of turnover from all products/ service that carry information about

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024			FY 2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	NA	NA	Nil	NA	NA
Advertising	Nil	NA	NA	Nil	NA	NA
Cyber-security	Nil	NA	NA	Nil	NA	NA
Delivery of essential services	26	2	Nil	78	Nil	NA
Restrictive trade practices	Nil	NA	NA	Nil	NA	NA
Unfair trade practices	Nil	NA	NA	Nil	NA	NA
Others	Nil	NA	NA	Nil	NA	NA

4. Details of instances of product recalls on accounts of safety issues

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

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.

No. Currently, the Company do not have framework/policy on cyber security and risks related to data privacy. The Company is in process to implement such policies.

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

Nil

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

Nil

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on all products of Company is available on the website of the Company. Information can be accessed through the weblink <https://www.heubach.com/products/>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Every consignment has been provided with necessary product details, Material Safety Data sheets (MSDS) which elaborates details on safe usage of various products manufactured by the Company.

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

Any disruptions in supply of products will be informed to customers on priority basis through sales team located across India.

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)

No

Independent Auditor's Report

To the Members of **Heubach Colorants India Limited** (formerly Clariant Chemicals (India) Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other

comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the 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 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Assessment of contingencies and provision relating to ongoing litigations for Indirect tax and other matters</p> <p>(Refer notes 8, 22 and 35 to the financial statements)</p> <p>The Company has various ongoing Indirect tax and other matters under litigation.</p> <p>The assessment of the likely outcome of the tax and other matters and related outflow of resources that are probable, involve significant management judgment and uncertainty of assumptions, since they are based on the application and interpretation of law.</p> <p>We have considered this to be a key audit matter because of the significant impact on the financial statements and uncertainty of the possible outcomes.</p>	<p>Our audit procedures in respect of this area included but are not limited to following:</p> <ol style="list-style-type: none"> 1. Obtained a detailed understanding of the managements process for determining provisions and contingent liabilities pertaining to tax claims and other litigation disputes. 2. Verified the design, implementation and operating effectiveness of controls in respect of assessment of indirect tax, other matters and provisions related thereon, if any. 3. Obtained the details and understood the nature of tax positions and litigations pending against the Company by reading the minutes of various meetings and discussing the developments during the year for litigations with the Management, the Audit Committee and management expert for the future course of action by the Company. 4. Read the orders received by the Company from the tax authorities and opinions sought from the management's experts. 5. Involved auditor's tax experts to assist us in the assessment of the possible outcome of certain cases, evaluation of underlying assumptions in estimating the tax provisions and related expenses thereon. 6. Evaluated the evidence supporting the management's judgment about possible outcomes and the reasonableness of the estimates made by them. 7. Assessed and validated the appropriateness and adequacy of disclosures in the financial statements in compliance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2	<p>Management's assessment of appropriateness of Going Concern assumption</p> <p>(Refer note 48 to the financial statements)</p> <p>The evaluation of going concern basis of accounting performed by the Management of the Company is identified as a key audit matter because subsequent to the reporting period, Heubach Group GmbH, a member of the Heubach Group and the holding company of Heubach Holding Switzerland AG (one of the promoter shareholders of the Company and formerly known as Colorants International AG) and Heubach GmbH, have filed an application for the opening of regular insolvency proceedings over their assets with the competent insolvency court in Braunschweig, Germany together with certain of their German affiliate companies and a preliminary insolvency administrator and custodian has been appointed by the competent court.</p> <p>Due to aforesaid events, as part of their going concern review, the management carried out an internal assessment to ascertain whether these events or conditions, either individually or collectively, cast significant doubt on the company's ability to continue as a going concern for the foreseeable future. The Company has considered the possible effects that may result from the aforesaid events and accordingly has prepared cash flow forecasts for a period of at least twelve months.</p> <p>The assessment of the Company's future cash flow projections is subject to significant estimates and judgements. These include sales forecasts, expected margins, working capital requirements and other operating costs. The above has been considered as a key audit matter as ensuring the Company's going concern assessment is complex and involves a high degree of judgment to assess the reasonableness of the cash flow forecasts, and other assumptions used in the Company's going concern analysis.</p>	<p>Our audit procedures in respect of this area included but are not limited to following:</p> <ol style="list-style-type: none"> 1. Evaluated the design of the relevant internal controls over the Company's budgeting and forecasting process. 2. Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted income statement and cash flows and assessed the consistency thereof with our expectations based on our understanding of the Company's business. 3. Challenged the forecasted income statement and cash flows by considering plausible changes to the key assumptions adopted by the Company and performed stress testing on the forecasted cash flows. 4. Tested the inputs and assumptions used by the management in the cash flow forecast against historical performance, budgets, economic and industry indicators, publicly available information, the Company's strategic plans and benchmarking of key market related conditions. 5. Evaluated disclosures in the financial statements related compliance with the requirements of the Standards on Auditing and the applicable financial reporting standards.

Information Other than the 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 the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above

when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

Independent Auditor's Report (Contd.)

the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, 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, including daily back-ups of books of accounts and other books and papers maintained in electronic mode, except for the retention of such daily back-ups as per requirements of Companies Act, 2013 and the matters stated in the paragraph (h)(vi) below on reporting under Rule 11(g). Further, the servers for the back-ups of books of account and other books and papers of the Company maintained in electronic mode are physically located outside India.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 35 to the financial statements;

Independent Auditor's Report (Contd.)

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
 1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, 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.
 3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as

provided under (1) and (2) above, contain any material mis-statement.

- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility. However, the audit trail feature, enabled at application level only with effect from July 11, 2023, and has not been operated at the database level throughout the year to log any direct data changes. Accordingly, the audit trail has not been operated for all relevant transactions recorded in the accounting software throughout the year, as it was enabled at the application level from July 11, 2023.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software, post enablement of the audit trail facility.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar
Partner
Membership No. 118247
UDIN: 24118247BKFOJG3371

Place: Mumbai
Date: May 29, 2024

ANNEXURE A To the Independent Auditor's Report on even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited)

Auditor's Responsibilities for the Audit of the 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 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 control 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 with reference to financial statements 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 and Board of Director'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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements for the year ended March 31, 2024 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.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar
Partner
Membership No. 118247
UDIN: 24118247BKFOJG3371

Place: Mumbai
Date: May 29, 2024

ANNEXURE B To Independent Auditors' Report of even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) for the year ended March 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, investment property and relevant details of right-of-use assets.
 - B The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment and right of use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies were noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
 - (b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.
 - iii. (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company.
 - (c) According to the information explanation provided to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

Hence, the requirements under paragraph 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.
 - iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, is applicable and accordingly, the provisions stated under clause 3(iv) of the Order to that extent are not applicable to the Company. In respect of the investments made by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.
 - v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
 - vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ANNEXURE B To Independent Auditors' Report of even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) for the year ended March 31, 2024 (Contd.)

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ in Lakhs	Amount Paid ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Goods & Services Tax, Central Sales Tax, Local Sales Tax & Value Added Tax Liability	Goods & Services Tax Act, Sales Tax and Value added tax liability including interest and penalty, as applicable	16.09	2.21	From FY 1996-97 to F.Y. 1998-99	High Court of Tamil Nadu
		303.72	105.31	F.Y. 2004-05, F.Y. 2006-07, and F.Y. 2008-09	Sales Tax Appellate Tribunal
		317.82	23.89	F.Y. 1998-99, F.Y. 2002-03, F.Y. 2003-04, F.Y. 2005-06, F.Y. 2007-08, F.Y. 2009-10, F.Y. 2015-16, F.Y. 2016-17, F.Y. 2017-18 and F.Y. 2020-21	Appellate Authority - up to Commissioner's level
		123.39	54.09	F.Y. 2012-13, F.Y. 2013-14, F.Y. 2014-15 and F.Y. 2018-19	Assistant Commissioner
		511.49	25.64	FY 2018-19	Tamilnadu State Tax Officer
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	73.74	Nil	From F.Y. 2000-01 to F.Y. 2002-03 and F.Y. 2006-07	CESTAT
		484.72	6.05	From F.Y. 1994-97 and F.Y. 2016-17	Appellate Authority - up to Commissioner's level
		17.96	Nil	F.Y. 2017-18	Authority - up to Commissioner's level
Service Tax under Finance Act, 1994	Service Tax including interest and penalty, as applicable	1.64	Nil	From F.Y. 2006-07 to F.Y. 2009-10	Tribunals of various states
		3,104.07	12.10	F.Y. 2016-17	Authority - up to Commissioner's level
		0.75	Nil	F.Y. 1996-97, F.Y. 2002-03, F.Y. 2003-04, F.Y. 2004-05	Appellate Authority - up to Commissioner's level

ANNEXURE B To Independent Auditors' Report of even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) for the year ended March 31, 2024 (Contd.)

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the provision stated under clause 3(ix)(a) to (c) and sub-clause (e) and (f) of the Order is not applicable to the Company.
- (b) According to the information and explanation provided to us, there are no funds raised on short term basis or there are no funds raised during the year. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3(xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

ANNEXURE B To Independent Auditors' Report of even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) for the year ended March 31, 2024 (Contd.)

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 47 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII to the Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar
Partner
Membership No. 118247
UDIN: 24118247BKFOJG3371

Place: Mumbai
Date: May 29, 2024

ANNEXURE C To the Independent Auditor's Report of even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited)

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls 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 financial statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, including has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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 (ICAI) (the "Guidance Note").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with

the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 financial statements was 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE C To the Independent Auditor's Report of even date on the Financial Statements of Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) (Contd.)

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the

degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Vishal Vilas Divadkar
Partner
Membership No. 118247
UDIN: 24118247BKFOJG3371

Place: Mumbai
Date: May 29, 2024

Balance Sheet

as at March 31, 2024

₹ in Lakhs

Particulars	Notes	31-03-2024	31-03-2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	13,704.74	13,721.01
(b) Capital work-in-progress	3B	386.85	753.04
(c) Right of use assets	4A	2,611.26	8.14
(d) Goodwill	3C	894.11	894.11
(e) Financial assets			
(i) Investments	5	423.16	300.00
(ii) Loans	6	4.99	5.35
(iii) Other financial assets	7	1,056.45	991.14
(f) Other non-current assets	8	1,947.45	1,169.51
(g) Non-current tax assets (net)		3,622.00	3,633.70
Total Non-Current Assets		24,651.01	21,476.00
Current assets			
(a) Inventories	9	12,400.90	12,929.96
(b) Financial assets			
(i) Trade receivables	10	19,492.45	21,773.03
(ii) Cash and cash equivalents	11	10,773.44	3,394.13
(iii) Bank balances other than (ii) above	11	555.32	488.46
(iv) Loans	12	6.92	14.20
(v) Other financial assets	13	387.78	350.82
(c) Other current assets	14	4,282.50	5,746.82
Total Current Assets		47,899.31	44,697.42
TOTAL ASSETS		72,550.32	66,173.42
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	2,308.18	2,308.18
(b) Other equity	16	44,935.95	40,934.08
TOTAL EQUITY		47,244.13	43,242.26
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4B	2,490.49	-
(b) Provisions	17	1,060.45	731.38
(c) Deferred tax liabilities (net)	18	266.96	570.80
Total Non-Current Liabilities		3,817.90	1,302.18
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4C	211.88	-
(ii) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		98.46	392.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		17,419.61	17,340.70
(iii) Other financial liabilities	20	1,286.69	1,551.46
(b) Other current liabilities	21	273.39	287.63
(c) Provisions	22	1,074.61	1,067.31
(d) Current tax liabilities (net)		1,123.65	988.98
Total Current Liabilities		21,488.29	21,628.98
TOTAL EQUITY AND LIABILITIES		72,550.32	66,173.42
Material accounting policies	1		
Critical estimates and judgements	2		
The accompanying notes are an integral part of these financial statements			

In terms of our report attached
For **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Vishal Vilas Divadkar
Partner
Membership No.: 118247

Place: Navi Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors
Heubach Colorants India Limited
(formerly Clariant Chemicals (India) Limited)

Bharath Sesha Managing Director DIN: 01983066	Jugal Sahu Director & CFO DIN: 02629782	Sunirmal Talukdar Director DIN: 00920608	Kewal Handa Director DIN: 00056826
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Ameesh Joshi
Company Secretary
Membership No.: A22502

Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Lakhs			
Particulars	Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
REVENUE			
Revenue from operations	23	79,070.15	76,641.66
Other income	24	872.42	542.41
Total revenue		79,942.57	77,184.07
EXPENSES			
Cost of materials consumed	25	39,365.58	38,727.60
Purchase of stock-in-trade		9,170.09	7,255.47
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	8.26	1,900.11
Employee benefits expense	27	7,487.01	6,920.47
Finance costs	28	219.18	22.98
Depreciation and amortisation expense	29	2,261.01	2,039.90
Other expenses	30	15,831.45	15,690.56
Total Expenses		74,342.58	72,557.09
Profit before tax and exceptional item		5,599.99	4,626.98
Exceptional items (Note 32)		-	(630.32)
Profit before tax		5,599.99	3,996.66
Income Tax Expense			
Current tax		1,743.24	1,405.83
Deferred tax		(266.19)	(222.74)
Tax expense of prior years		9.09	895.66
Total Tax Expenses		1,486.14	2,078.75
Net Profit for the year (after tax)		4,113.85	1,917.91
Other comprehensive Income / (Loss) (net of tax)			
(Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		(149.59)	(82.64)
(b) Income tax relating to items that will not be reclassified to profit or loss		37.65	20.80
		(111.94)	(61.84)
Total comprehensive income for the year		4,001.91	1,856.07
Earnings per share (of ₹ 10 each)	36		
Basic and diluted (₹)		17.82	8.31

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Vishal Vilas Divadkar
Partner
Membership No.: 118247

Place: Navi Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors
Heubach Colorants India Limited
(formerly Clariant Chemicals (India) Limited)

Bharath Sesha Managing Director
DIN: 01983066

Jugal Sahu Director & CFO
DIN: 02629782

Sunirmal Talukdar Director
DIN: 00920608

Kewal Handa Director
DIN: 00056826

Amees Joshi
Company Secretary
Membership No.: A22502

Statement of Cash Flows

for the year ended March 31, 2024

₹ in Lakhs		
Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
A. Cash flow from operating activities:		
Profit before tax	5,599.99	3,996.66
Adjustments for:		
Depreciation and amortisation expense	2,261.01	2,039.90
Unrealised foreign exchange loss/(gain) (net)	(101.14)	27.23
Interest income	(535.68)	(64.12)
Gain on sale of property, plant and equipment	(4.06)	(41.33)
Fair value gain on investments	-	(0.50)
Provision for allowances for credit losses	400.63	388.03
Finance costs	219.18	22.98
Exceptional Item	-	630.32
Operating profit before working capital changes	7,839.93	6,999.17
Adjustments for,		
(Increase)/Decrease in Trade receivables	2,341.91	(4,932.56)
(Increase)/Decrease in Other current assets	1,464.32	334.52
(Increase)/Decrease in Other non-current assets	(777.94)	(368.62)
(Increase)/Decrease in Other financial assets	(37.15)	154.76
(Increase)/Decrease in Inventories	529.06	2,037.33
Increase/(Decrease) in Trade payables	(209.28)	736.23
Increase/(Decrease) in Non-current provisions	179.48	135.06
Increase/(Decrease) in Current provisions	7.30	314.73
Increase/(Decrease) in Other current liabilities	(14.24)	85.84
Increase/(Decrease) in Other financial liabilities	(266.19)	(396.03)
Cash generated from operations	11,057.20	5,100.43
Taxes paid (net of refunds)	(1,605.96)	(1,469.49)
Net cash generated from operating activities	9,451.24	3,630.94
B. Cash flow from investing activities:		
Purchase of property, plant and equipment (Including Capital work-in-progress)	(1,652.46)	(1,630.71)
Sale proceeds of property, plant and equipment	7.33	44.04
Investment in equity shares	(123.16)	(300.00)
Sale proceeds of current investments	-	930.63
Interest received	44.27	64.12
Net cash used in investing activities	(1,724.02)	(891.92)

Statement of Cash Flows for the year ended March 31, 2024 (Contd.)

₹ in Lakhs

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
C. Cash flow from financing activities:		
Finance costs paid	(38.17)	(16.33)
Principal payment of lease liabilities	(130.10)	(20.53)
Interest payment of lease liabilities	(179.64)	(0.62)
Net cash used in financing activities	(347.91)	(37.48)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	7,379.31	2,701.54
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	3,394.13	692.59
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (NET OF BANK OVERDRAFT)	10,773.44	3,394.13

The above Statement of Cash Flows is prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Vishal Vilas Divadkar
Partner
Membership No.: 118247

Place: Navi Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors
Heubach Colorants India Limited
(formerly Clariant Chemicals (India) Limited)

Bharath Sesha Managing Director DIN: 01983066	Jugal Sahu Director & CFO DIN: 02629782	Sunirmal Talukdar Director DIN: 00920608	Kewal Handa Director DIN: 00056826
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Amee Joshi
Company Secretary
Membership No.: A22502

Statement of Changes in Equity

for the year ended March 31, 2024

Equity share capital and other equity

For the year ended 31-03-2024

₹ in Lakhs

Particulars	Equity Share Capital	Reserves and Surplus			Retained Earnings	Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve		
Balance as at 01-04-2023	2,308.18	730.11	495.39	10,492.29	29,216.29	40,934.08
Profit for the year	-	-	-	-	4,113.85	4,113.85
Other comprehensive income for the year	-	-	-	-	(111.94)	(111.94)
Total comprehensive income for the year	-	-	-	-	4,001.91	4,001.91
Balance as at 31-03-2024	2,308.18	730.11	495.39	10,492.29	33,218.20	44,935.99

For the year ended 31-03-2023

₹ in Lakhs

Particulars	Equity Share Capital	Reserves and Surplus			Retained Earnings	Total Other Equity
		Capital Reserve	Capital Redemption Reserve	General Reserve		
Balance as at 01-04-2022	2,308.18	730.11	495.39	10,492.29	27,360.53	39,078.32
Profit for the year	-	-	-	-	1,917.91	1,917.91
Other comprehensive income for the year	-	-	-	-	(61.84)	(61.84)
Total comprehensive income for the year	-	-	-	-	1,856.07	1,856.07
Balance as at 31-03-2023	2,308.18	730.11	495.39	10,492.29	29,216.29	40,934.08

Nature and purpose of items in other equity

- Capital Reserve: During amalgamation, the excess of share capital of transferor companies over the cost of consideration paid is treated as capital reserve.
- Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Vishal Vilas Divadkar
Partner
Membership No.: 118247

Place: Navi Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors
Heubach Colorants India Limited
(formerly Clariant Chemicals (India) Limited)

Bharath Sesha Managing Director DIN: 01983066	Jugal Sahu Director & CFO DIN: 02629782	Sunirmal Talukdar Director DIN: 00920608	Kewal Handa Director DIN: 00056826
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Amee Joshi
Company Secretary
Membership No.: A22502

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Company Information:

Heubach Colorants India Limited (formerly Clariant Chemicals (India) Limited) (the 'Company') is a public limited Company domiciled in India and is listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Its registered office is situated at Rupa Renaissance, B Wing, 25th Floor, D-33, MIDC Road, TTC Industrial Area, Juinagar, Navi Mumbai - 400705, Maharashtra, India. The Company is engaged *inter-alia*, in manufacturing and selling Specialty Chemicals. The Company has its own manufacturing sites in the State of Maharashtra, Tamil Nadu and Madhya Pradesh.

These financial statements were approved for issue in accordance with a resolution of the directors on May 29, 2024.

Note 1: Summary of material accounting policies

This note provides a list of material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation of financial statements:

Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the 'Act'.

Basis of measurement

These financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Recent pronouncements

A. Standards (including amendments) issued but not yet effective

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 for the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

B. Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company has applied these amendments for the first-time in these financial statements:

- Amendments to Ind AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on financial statements.

- Amendments to Ind AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

- Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,

there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2023.

(b) Segment reporting

Information reported to the Chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or provided. Operating segments are reported in a manner consistent with the internal reporting provided to CODM.

The Company's business activity falls within a single primary business reportable segment viz "Colorants" in line with Ind AS 108 "Operating Segments" which includes pigments, pigment preparations, dyestuff, synthetic resins, functional effects and coating, auxiliaries and chemicals.

The operating segment has been identified on the basis of the nature of products.

(c) Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz. Indian Rupee, are recognised at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) Recognition of revenue

Sales of goods and services are recognized in line with the requirements of Ind AS 115, Revenue from contracts with customers.

Revenue is measured based on the consideration the Company expects to receive in exchange for the goods or services. Revenue from sales of goods is recognized in the income statement when control has been transferred to the buyer, which is usually upon delivery, at a fixed or determinable price, and when collectability is reasonably assured. Delivery is defined based on the terms of the sale contract. Revenue from services is recognized when the respective services have been rendered. Revenue is reported net of goods and service tax, returns, discounts

and rebates. Rebates to customers are provided for in the same period that the related sales are recorded based on the contract terms.

The Company does not expect to have any contracts where the period between transfer of the promised goods or services to customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. A receivable is recognised when the goods are delivered as this is the point of time that the consideration is unconditional because only the passage of time is required before the payment is due.

(e) Other Operating Revenue

Export benefits / incentives are accounted on accrual basis when relevant exports are made.

Commission income is recognized only when the relevant service has been rendered or the goods have been delivered.

Income from Scrap sales is recognized when right to receive the income is established as per the terms of the contract.

(f) Other income

Interest income is recognized on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the Company.

Dividends are recognized when the right to receive the payment is established.

Rental income arising from operating leases on is accounted for on a straight - line basis over the lease terms.

(g) Income tax

Income tax expense represents the sum of current tax and deferred tax.

The current tax expense or credit for the year is the tax payable on the current period's taxable income based on the applicable enacted income tax rate in accordance with the Income Tax Act, 1961, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, items that are never taxable/deductible and unused tax losses/ tax credits.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Leases

i. As a Lessee:

Leases are recognised as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees, if any

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using Company's incremental borrowing

rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment and based on company's standalone credit worthiness.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs for new leases

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the note 1(i) impairment of assets. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss.

ii. As a lessor:

Lease income from operating leases where the Company is lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The Company did not need to make any adjustment to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(i) Impairment of assets

Goodwill that have an indefinite useful life is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes are indicative in circumstances indicate that they might be impaired. Other assets are 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment.

(j) Cash and cash equivalents

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, cheques/drafts on hand and balances with banks of current and term deposit account, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdraft.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses.

(l) Inventories

Cost is determined on weighted average basis. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, packing materials, work in progress, finished goods, stock-in-trade and stores and spares are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade include cost of purchases. Cost of work-in-progress and finished goods include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure (allocated on the basis of normal operating capacity). Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

(m) Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income or through statement of profit or loss account.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivable that do not contain significant financing component are measured at transaction price.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

There are no debt instruments held by the Company.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Derecognition of financial assets

A financial asset is derecognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or,
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

(n) Financial Liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through statement of profit or loss, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

Measurement

Financial Liabilities at amortized cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs

(o) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(p) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost

less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013, except in case of certain assets, wherein based on technical evaluation, a different useful life has been considered. The estimated useful lives of assets are as follows:

Asset	Useful Life
Factory building	30 Years
Office building	60 Years
Roads	5 to 10 Years
Plant and equipment	10 Years
Hardware mainframes and Servers	6 Years
Computers	4 Years
Furniture and fixture	10 Years
Office equipment	5 Years
Vehicles	5 to 8 Years
Leasehold improvements	10 Years

All assets are fully depreciated in the last year of its useful life. The assets' useful lives are re-viewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss.

(q) Provisions and Contingent Liabilities

Provisions are recognised when there is a present or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(r) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

These liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The Company presents provision for Compensated Absence as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee, etc. An employee is entitled to be paid the entire accumulated leave balance immediately on separation from the Company, as per the policy of the Company.

Post-employment obligations

The Company operates the following post-employment schemes:

- a) defined benefit plans such as gratuity, ex-gratia gratuity, provident fund; and

- b) defined contribution plans such as superannuation fund, employee state insurance and other funds.

Defined Benefit Plans

The company has Defined Benefit Plans for post-employment benefits in the form of Provident Fund (treated as a Defined Benefit Plan on account of guaranteed interest benefit) and Gratuity. Provident Fund and Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India Limited. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions 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.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company's contribution to superannuation fund, employee state insurance and other funds are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupee in Lakh as per the requirement of Schedule III of the 'Act', unless otherwise stated.

Note 2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of Taxes - Note 35
- Goodwill impairment - Note 1(i) and Note 3C
- Estimation for the accounting of employee benefits - Note 39
- Allowance for credit losses on trade receivable - Note 1(k) and note 10
- Measurement of useful lives for property, plant and equipment and goodwill- Note 1(i) and (p).
- Estimation of Provision for Inventory - Note 1(l) and Note 9
- Determination of Lease term - Note 1(h) and 4

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

3 Property, plant and equipment / goodwill

₹ in Lakhs

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01-04-2023	Additions	Deductions	As at 31-03-2024	As at 01-04-2023	Deductions	For the year	As at 31-03-2024	As at 31-03-2024	
3A Property, plant and equipment										
Freehold Land	235.90	-	-	235.90	-	-	-	-	235.90	
Buildings	9,195.50	484.99	-	9,680.49	2,473.63	-	328.25	2,801.88	6,878.61	
Plant and equipment	19,324.64	1,181.76	-	20,506.40	13,022.56	-	1,512.10	14,534.66	5,971.74	
Furniture and fixtures	326.45	15.17	-	341.62	170.21	-	32.84	203.05	138.57	
Office equipment	748.75	219.72	117.15	851.32	682.12	116.63	79.32	644.81	206.51	
Vehicles	560.57	117.01	38.79	638.79	322.28	36.04	79.14	365.38	273.41	
Total	30,391.81	2,018.65	155.94	32,254.52	16,670.80	152.67	2,031.65	18,549.78	13,704.74	

₹ in Lakhs

Description	Gross block				Depreciation / Amortisation				Net block	
	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	As at 01-04-2022	Deductions	For the year	As at 31-03-2023	As at 31-03-2023	
3A Property, plant and equipment										
Freehold Land	235.90	-	-	235.90	-	-	-	-	235.90	
Buildings	8,606.16	589.34	-	9,195.50	2,140.97	-	332.66	2,473.63	6,721.87	
Plant and equipment	18,543.45	803.40	22.21	19,324.64	11,491.35	19.70	1,550.91	13,022.56	6,302.08	
Furniture and fixtures	326.50	-	0.05	326.45	133.40	0.05	36.86	170.21	156.24	
Office equipment	642.53	106.28	0.06	748.75	638.78	0.05	43.39	682.12	66.63	
Vehicles	522.52	189.52	151.47	560.57	415.85	151.47	57.90	322.28	238.29	
Total	28,877.06	1,688.54	173.79	30,391.81	14,820.35	171.27	2,021.72	16,670.80	13,721.01	

Notes:

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), as disclosed in note 3A to the financial statements, are held in the name of the company.

Note 3B: Capital Work-in-Progress

₹ in Lakhs

Particulars	31-03-2024	31-03-2023
Balances at the Beginning of the year	753.04	810.70
add: Additions during the year	1,652.46	1,630.88
less: Capitalisation during the year	2,018.65	1,688.54
Total	386.85	753.04

Note 3C: Goodwill

Impairment testing mechanism to the cash-generating unit is as follows:

₹ in Lakhs

Cash generating unit (CGU)	31-03-2024	31-03-2023
Colorants	894.11	894.11
Total	894.11	894.11

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

The recoverable amount of the CGU is determined based on a value in use calculation which uses cash flow projections covering a five-year period and a discount rate 12.96% per annum (31-03-2023 : 11.00% per annum). Cash flow projections during the five year period are based on the historical growth rate and margins. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum (31-03-2023 : 5% per annum) growth rate which is the projected long-term average growth rate.

The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

4 Leases

4A Right-of-use Assets

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Building	2,603.27	-
Land	7.99	8.14
	2,611.26	8.14

4B Non - Current Lease liabilities

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Lease liabilities (refer note 46)	2,490.49	-
	2,490.49	-

4C Current Lease liabilities

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Lease liabilities (refer note 46)	211.88	-
	211.88	-

5 Non-Current Financial Assets - Investments

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Equity Instrument at fair value through profit and loss (Unquoted)		
Investments in other Entities		
First Energy 2 Private Limited	300.00	300.00
(30,00,000 Equity Shares of ₹ 10 each, fully paid up)		
Dalavaipuram Renewables Private Limited	123.16	-
(3,07,896 equity shares of ₹ 10 each, fully paid up and 9,23,662 Non-interest bearing optionally convertible debenture of ₹ 10 each)		
	423.16	300.00

Refer note 33 for information about the Company's exposure to financial risks and Refer Note 34 for fair value measurements.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

6 Non-current financial assets: Loans

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good		
Loans to employees	4.99	5.35
	4.99	5.35

The Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Managerial Personnel and other related parties, either severally or jointly with any other person.

Refer note 33 for information about the Company's exposure to financial risks.

7 Non-current financial assets: Others

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Security and other deposits (Unsecured, considered good)	612.66	552.53
Fixed Deposits with Bank (Maturity more than 12 Months)	33.46	28.28
Other receivables	410.33	410.33
	1,056.45	991.14

8 Other non-current assets

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Capital advances	12.55	10.02
Indirect taxes recoverable	1,778.27	1,011.82
Prepayments	156.63	147.67
	1,947.45	1,169.51

9 Current assets: Inventories

(Valued at the lower of cost and net realisable value)

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Raw materials	3,551.60	4,109.28
Packing materials	167.51	220.37
Work-in-progress	2,560.08	2,357.85
Finished goods	4,563.52	4,816.79
Stock-in-trade	887.87	845.09
Stores and spares	670.32	580.58
	12,400.90	12,929.96
Included above, goods in transit		
Raw materials	177.97	361.20
Stock-in-trade	296.37	504.15
	474.34	865.35

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

10 Current financial assets: Trade receivables

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Secured, considered good	596.19	822.84
Unsecured, considered good	18,896.26	20,950.19
Significant increase in Credit Risk	-	-
Credit impaired	476.61	75.98
	19,969.06	21,849.01
Less: Allowances for credit losses	476.61	75.98
	19,492.45	21,773.03

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Further classified as:		
Receivable from related parties (refer note 40)	9,162.60	11,547.65
Receivable from others	10,329.85	10,225.38
	19,492.45	21,773.03

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on credit terms of 60 to 120 days. The Company does not hold any collateral security.

Refer note 33 for information about the Company's exposure to financial risks, and details of impairment losses for trade receivables and fair values.

Trade Receivables Ageing Schedule

Particulars	Current							Total
	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					
			Less than 6 months	6 months - 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	-	15,519.87	3,964.88	5.58	0.19	1.93	-	19,492.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	407.39	0.57	0.02	0.20	68.43	476.61
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

31-Mar-2024		Current						
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
	-	15,519.87	4,372.27	6.15	0.21	2.13	68.43	19,969.06
Less: Allowance for bad and doubtful debts (Undisputed)								476.61
Total								19,492.45

31-Mar-2023		Current						
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	More than 6 months upto 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	14,882.19	6,884.34	6.50	-	-	-	21,773.03
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	7.51	0.01	-	-	68.46	75.98
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
	-	14,882.19	6,891.85	6.51	-	-	68.46	21,849.01
Less: Allowance for bad and doubtful debts (Undisputed)								75.98
Total								21,773.03

11 Current financial assets: Cash and bank balances

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Cash and cash equivalents:		
Balances with Banks:		
- In current accounts	897.28	1,443.69
- In term deposits with original maturity of less than three months	9,875.94	1,950.00
Cash on hand	0.22	0.44
	10,773.44	3,394.13

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Bank balances other than cash and cash equivalents:		
Earmarked balances with banks: Unclaimed dividend	449.32	487.30
Term deposits with original maturity of more than 3 months and 12 months or less	106.00	1.16
	555.32	488.46

Refer note 33 for information about the Company's exposure to financial risks.

12 Current financial assets: Loans

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Loans to employees	6.92	14.20

The Company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and other related parties, either severally or jointly with any other person.

Refer note 33 for information about the Company's exposure to financial risks.

13 Current financial assets: Others

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Export incentives receivable	266.66	339.71
Non trade receivables	121.12	11.11
	387.78	350.82

14 Other current assets

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Advances to suppliers	708.62	405.03
Balance with Government authorities	3,246.44	5,032.14
Prepayments	200.12	252.29
Other current assets	127.32	57.36
	4,282.50	5,746.82

15 Share Capital

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Authorised		
3,00,00,000 equity shares of ₹ 10/- each	3,000.00	3,000.00
Issued, subscribed and paid up		
2,30,81,798 equity shares of ₹ 10/- each fully paid up (31-03-2023: 2,30,81,798)	2,308.18	2,308.18

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

15 a Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year

Equity Shares	As at 31-03-2024		As at 31-03-2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Outstanding as at the beginning of the year	2,30,81,798	2,308.18	2,30,81,798	2,308.18
Outstanding as at the end of the year	2,30,81,798	2,308.18	2,30,81,798	2,308.18

15 b Shares held by subsidiaries of the ultimate holding Company "SK Neptune Husky Holdings S.à.r.l."

Name of Shareholder / Promoters	As at 31-03-2024		As at 31-03-2023	
	Number	%	Number	%
Heubach EBITO Chemiebeteteiligungen AG	41,09,426	17.80%	41,09,426	17.80%
Heubach holding Swizerland AG	84,39,385	36.56%	84,39,385	36.56%

There are no shareholders holding more than 5% of the aggregate equity shares of the Company except above.

There are no change in promoters shareholding

15 c The Company has not allotted any equity shares for consideration other than cash and bonus shares during the period of five financial years immediately preceding the Balance Sheet date.

15 d Shares bought back (during 5 financial years immediately preceding March 31, 2024)

No Equity Shares bought back during 5 financial years immediately preceding March 31, 2024.

15 e Rights, preferences and restrictions attached to shares

The company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend 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, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

16 Other equity

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Capital reserve	730.11	730.11
Capital redemption reserve	495.39	495.39
General reserve	10,492.29	10,492.29
Retained earnings	33,218.16	29,216.29
	44,935.95	40,934.08

For nature and purpose of items in other equity, refer to the Statement of changes in equity

17 Non - current liabilities: Provisions

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Provision for employee benefits		
Compensated absences	617.44	614.81
Gratuity (refer note no. 39)	443.01	116.57
	1,060.45	731.38

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

18 Deferred tax liabilities (Net)

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Deferred tax liabilities		
Property, plant and equipment	723.46	821.33
Goodwill	225.04	225.04
	A	1,046.37
Deferred tax assets		
Allowance credit losses and doubtful receivables	223.24	122.40
Provision for employee benefits	302.27	214.84
Other provisions	154.77	136.66
Others	1.26	1.67
	B	475.57
	A-B	570.80

Movements in deferred tax liabilities (net) for the year ended March 31, 2024

Particulars	₹ in Lakhs			
	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Property, plant and equipment	821.33	(97.87)	-	723.46
Goodwill	225.04	-	-	225.04
Allowance credit losses and doubtful receivables	(122.40)	(100.84)	-	(223.24)
Provision for employee benefits	(214.84)	(49.78)	(37.65)	(302.27)
Other provisions	(136.66)	(18.11)	-	(154.77)
Intangible assets	(1.67)	0.41	-	(1.26)
Net Deferred Tax Liabilities / (Assets)	570.80	(266.19)	(37.65)	266.96

Movements in deferred tax liabilities (net) for the year ended March 31, 2023

Particulars	₹ in Lakhs			
	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Property, plant and equipment	921.03	(99.70)	-	821.33
Goodwill	225.04	-	-	225.04
Allowance credit losses and doubtful receivables	(32.75)	(89.65)	-	(122.40)
Provision for employee benefits	(149.39)	(44.65)	(20.80)	(214.84)
Other provisions	(147.36)	10.70	-	(136.66)
Intangible assets	(2.23)	0.56	-	(1.67)
Net Deferred Tax Liabilities / (Assets)	814.34	(222.74)	(20.80)	570.80

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

19 Current financial liabilities: Trade payables

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Trade Payables:		
- Total outstanding dues of micro and small enterprises (refer note 37)	98.46	392.90
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	17,419.61	17,340.70
	17,518.07	17,733.60

*Refer note 40 for trade payables to related parties.

Trade payables are non-interest bearing and are normally settled on 90 - 150 days terms.

Refer note 33 for information about the Company's financial risks management process

Trade Payables ageing schedule

31-Mar-2024 Particulars	Current						
	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) MSME	-	98.46	-	-	-	-	98.46
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	3,272.64	13,386.88	729.07	6.49	3.45	21.08	17,419.61
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	3,272.64	13,485.34	729.07	6.49	3.45	21.08	17,518.07

31-Mar-2023 Particulars	Current						
	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) MSME	-	389.01	3.89	-	-	-	392.90
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	3,242.80	11,590.15	2,475.65	8.92	0.73	22.45	17,340.70
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	3,242.80	11,979.16	2,479.54	8.92	0.73	22.45	17,733.60

20 Current financial liabilities: Others

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Security and other deposits	12.73	12.73
Employee benefits payable	493.90	636.22
Payables for capital expenditure	50.45	186.11
Accrued liabilities	280.29	229.10
Unclaimed dividend *	449.32	487.30
	1,286.69	1,551.46

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

21 Other current liabilities

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Advances from customers - Contract liabilities *	27.47	36.94
Statutory dues (including provident fund and withholding taxes)	243.03	244.30
Other liabilities	2.89	6.39
	273.39	287.63

* There has been no significant change in the contract liabilities and major portion has been recognised as a revenue during current year from opening contract liabilities.

22 Current liabilities: Provisions

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Provision for employee benefits		
Compensated absences	140.48	122.16
Other Provisions		
Provision for indirect tax and other matters	934.13	945.15
	1,074.61	1,067.31

22 a Movements in provision for indirect tax and other matters

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	945.15	579.66
Provision made during the year	-	421.70
Amount utilised / reversed	(11.02)	(56.21)
Closing balance	934.13	945.15

The above provision is management's best estimate towards various indirect tax & other matters, pending settlement with government authorities.

23 Revenue from operations (refer note 41)

₹ in Lakhs

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Revenue from contracts with customers		
Sale of products	76,366.54	74,085.56
Sale of services	1,704.04	1,655.04
Other operating revenue		
Export incentives	417.03	445.89
Commission income	460.79	312.35
Scrap sale	121.75	142.82
	79,070.15	76,641.66

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

24 Other income

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest income on financial assets at amortised cost		
Fixed deposits	156.09	59.49
Others	379.59	4.63
Rental income		
Sublease of land (refer note 46)	61.39	63.39
Other gains and losses		
Net Gain on disposal of property, plant and equipment	4.06	41.33
Foreign exchange gain (net)	271.29	373.07
Net gain on financial assets mandatorily measured at FVTPL	-	0.50
	872.42	542.41

25 Cost of materials consumed *

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Raw materials consumed	37,780.96	37,363.45
Packing materials consumed	1,584.62	1,364.15
	39,365.58	38,727.60

* Cost of materials consumed is based on derived values.

26 Changes in inventories

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Opening inventories		
Finished goods	4,816.79	5,807.93
Stock-in-trade	845.09	659.75
Work - in - progress	2,357.85	3,452.16
	8,019.73	9,919.84
Less: Closing inventories		
Finished goods	4,563.52	4,816.79
Stock-in-trade	887.87	845.09
Work - in - progress	2,560.08	2,357.85
	8,011.47	8,019.73
Changes in inventories	8.26	1,900.11

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

27 Employee benefits expense

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages, bonus, etc.	6,175.35	5,530.36
Gratuity and Ex gratia (refer to note 39)	176.85	131.10
Contribution to provident fund	317.53	449.30
Contribution to superannuation fund	82.36	87.70
Staff welfare expenses	734.92	722.01
	7,487.01	6,920.47

28 Finance costs

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Bank charges and other costs	39.54	22.36
Interest cost on lease liabilities	179.64	0.62
	219.18	22.98

29 Depreciation and amortisation expenses

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation of property, plant and equipment	2,031.66	2,021.72
Depreciation on right-of-use assets	229.35	18.18
	2,261.01	2,039.90

30 Other expenses

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Stores and spare parts etc. consumed	463.87	410.41
Repairs and maintenance:		
- Plant and machinery	1,196.07	1,206.36
- Buildings	279.56	336.99
- Others	220.87	293.51
Power and fuel	4,839.54	4,726.24
Rent (including lease payments)	179.47	279.31
Rates and taxes (including water charges)	359.57	333.58
Insurance	206.51	262.92
Clearing, forwarding and transport	1,496.34	2,015.48
Travelling and conveyance	337.72	281.53
Commission	77.13	140.97
Royalty	119.10	161.04
Legal and consultancy	521.90	453.13
Information technology services	632.19	327.94

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Remuneration to Cost Auditors	3.00	2.60
Commission to Directors	30.00	24.00
Directors' sitting fees	41.40	42.30
Payment to statutory auditors (refer note 30.1)	29.71	18.92
Laboratory expenses	197.32	226.14
Environmental and treatment cost	518.75	416.38
Jobwork and processing charges	2,187.89	2,080.99
Security expenses	178.89	124.02
Subscription and membership fees	64.30	35.29
Printing & stationery	144.69	34.06
Postage & communication charges	33.58	68.31
Advertisement and promotional expenses	51.24	33.05
Allowances for credit losses	400.63	388.03
Expenditure towards corporate social responsibility (CSR) activities (refer note 38)	116.15	106.22
Service charges	693.19	655.24
Miscellaneous expenses	210.87	205.60
	15,831.45	15,690.56

30.1 Auditor's remuneration

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
As auditor:		
Statutory audit (including for quarterly limited reviews)	19.18	17.44
Tax audit	1.36	1.23
Reimbursement of expenses	0.64	-
For other services	8.53	0.25
	29.71	18.92

31 Reconciliation of income tax expenses with accounting profit

Particulars	₹ in Lakhs	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Profit before tax	5,599.99	3,996.66
Income tax using the Company's domestic tax rate @ 25.17% (PY 25.17%)	1,409.52	1,005.96
Effect of expenses that are deductible in determining taxable profit	(496.38)	(569.55)
Effect of expenses that are not deductible in determining taxable profit	563.91	746.68
Effect of tax adjustments of prior years (net) (refer note 32)	9.09	895.66
	1,486.14	2,078.75
Income tax expense recognised in profit or loss	1,477.05	1,183.09
Effect of tax adjustments of prior years (net) (refer note 32)	9.09	895.66
	1,486.14	2,078.75

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

32 The Company has recorded tax expense ₹ 892.80 Lakhs and interest thereon ₹ 630.32 Lakhs aggregating to ₹ 1,523.12 Lakhs in respect of AY 2012-13 against the final assessment order dated November 22, 2022 consequent to "Mutual Agreement Procedure (MAP)" resolution agreed between Indian and Singapore competent authorities in accordance with rule 44G(6) of the Income Tax Rules, 1962. This case is primarily related to transfer pricing adjustment arising from international transactions with Associated Enterprise "Clariant (Singapore) Pte Ltd". The Company had deposited ₹ 1,832.00 Lakhs under protest with Income Tax Authorities in earlier years. The tax expenses and interest thereon have been disclosed under "Tax expense of prior years" and "Exceptional item" respectively for the year ended March 31, 2023.

33 Financial instruments and risk review

Capital management

The Company's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- 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 or issue new shares.

The capital structure of the Company consists of equity (comprising issued capital, reserves and retained earnings as detailed in notes 15 and 16). The Company is debt free with no long-term borrowings as at 31-03-2024 and is not subject to any externally imposed capital requirements.

Categories of financial instruments

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
Financial assets		
Measured at amortised cost		
Cash and bank balances	11,328.76	3,882.59
Trade receivables	19,492.45	21,773.03
Loans	11.91	19.55
Other financial assets	1,444.23	1,341.96
Measured at fair value through profit and loss (FVTPL)		
Investment in Equity shares at fair value through profit or loss (Unquoted)	423.16	300.00
Financial liabilities		
Measured at amortised cost		
Lease liabilities	2,702.37	-
Trade payables	17,518.07	17,733.60
Other financial liabilities	1,286.69	1,551.46

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

Financial risk management framework

The Company is primarily exposed to financial risks, market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and addresses the risk associated with the financial assets and liabilities.

Management identifies, evaluates and hedges financial risks under approved policies to manage overall foreign exchange risk, credit risk and investing surplus liquidity (counterparty risk)."

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Market risks

Foreign exchange risk

The Company has exports to and imports from other countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the US-dollar. Foreign exchange risk arise from recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The exchange rates have been volatile in the recent years and may continue to be volatile in the future. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures, etc.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

₹ in Lakhs		
Particulars	31-03-2024	31-03-2023
Amount receivable		
USD (Amount in foreign currency)	102.81	132.55
₹	8,473.86	10,904.90
EURO (Amount in foreign currency)	4.91	5.35
₹	461.05	464.59
Amount payable		
USD (Amount in foreign currency)	29.01	26.95
₹	2,399.44	2,196.75
EURO (Amount in foreign currency)	3.89	3.69
₹	350.74	324.30
CHF (Amount in foreign currency)	0.10	0.10
₹	7.84	7.84

Following is the analysis of foreign exchange risk sensitivity impacting the profit where the Indian Rupee strengthens and weakens by 1% against the relevant currency. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit.:

₹ in Lakhs				
Foreign currency	Year Ended 31-03-2024		Year Ended 31-03-2023	
	1% strengthening	1% weakening	1% strengthening	1% weakening
USD	(60.74)	60.74	(87.08)	87.08
EURO	(1.10)	1.10	(1.40)	1.40
CHF	0.08	(0.08)	0.08	(0.08)

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

Customer credit risk exposure is triggered by customer default risk and country risk. As at balance sheet date, the Company does not have significant concentration of credit risk either due to size of customers or due to country risk.

Company has a credit risk policy in place to ensure that sales are made to customers only after an appropriate credit risk rating and credit line allocation process. Procedures are standardized within credit risk policy and supported by the IT system with respective credit management tools. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining collaterals viz Security Deposit or Bank Guarantee as per Credit Policy, as a means of mitigating the risk of financial loss from defaults. The average credit period on sales of goods is 60 to 120 days.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Credit risk from balances with cash & cash equivalent is managed by the Company's treasury department in accordance with the Company's policy. Also, the credit risk on security deposits for rental premises and loans to employees have low credit risk because of no history of defaults and no concerns for the counterparties to meet their obligations in the future.

Movement in the credit loss allowance

₹ in Lakhs		
Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Balance at the beginning of the year	75.98	130.13
Allowance for expected credit loss on trade receivable	400.63	(54.15)
Balance at the end of the year	476.61	75.98

Liquidity risk

Liquidity risk management:

The Company is currently debt free having no long term financial liabilities. Management monitors the forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn borrowing facilities. Considering the liquidity advantage, funds surplus to the operational needs are invested in the short term bank deposits. The cash & cash equivalents and bank deposits are highly liquid and are readily available for payment of liabilities.

The following table analysis the maturity profile of the Company's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Lakhs			
Particulars	Less than 1 year	1 to 5 years	5 years and above
As at 31-03-2024			
Trade payables	17,518.07	-	-
Lease liabilities	211.88	1,077.55	1,412.94
Other financial liabilities	1,286.69	-	-
As at 31-03-2023			
Trade payables	17,733.60	-	-
Lease liabilities	-	-	-
Other financial liabilities	1,551.46	-	-

34 Fair value measurement and related disclosures

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ in Lakhs				
Financial assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31-03-2024	31-03-2023		
Financial assets at fair value through profit and loss	423.16	300.00	Level 3	Using discounted cash flow method.

Fair value of financial assets that are not measured at fair value (but fair value disclosures are required):

The management considers that the carrying amounts of such financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

35 Contingent liabilities and commitments (to the extent not provided for)

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
(a) Contingent liabilities:		
(i) in respect of income tax matters *	-	1,658.21
(ii) in respect of Sales Tax / VAT / GST matters	1,108.19	395.18
(iii) in respect of excise / service tax matters	3,666.48	3,655.57
(iv) Other matters in dispute	152.45	274.36
The Company has various ongoing Indirect tax and other matters under litigation. The assessment of likely outcome of tax and other matters and related outflow of resources involves significant judgement on positions undertaken by the Management which are based on the application and interpretation of law.		
(b) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	204.03	188.64

* On October 19, 2023, the Honourable Supreme Court of India delivered a judgment favouring the Revenue authorities in a case involving another Company. The judgment was related to the 'Most Favoured Nation (MFN)' clause benefit, which the Company had previously utilized, resulting in a deduction of withholding tax on dividend repatriations at a lower tax rate. During the year, the Company has paid the differential tax liability of INR 1,734 Lakhs to Indian tax authorities and also received the same from promoter shareholders based on indemnification rights affirmed by them.

36 Earnings per share:

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
(a) Basic and diluted earnings per share (Amount in Rupees)	17.82	8.31
(b) Profit attributable to the equity shareholders of the Company (in Lakhs)	4,113.85	1,917.91
Weighted average number of equity shares (Numbers)	2,30,81,798	2,30,81,798

The Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

37 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of intimations received from suppliers.

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	3.89
(b) Principal amount not yet due to suppliers registered under the MSMED Act and remaining unpaid as at year end	98.46	389.01
(c) Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.03
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	870.22	1,375.09
(e) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
(f) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(g) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.37	6.00
(h) Further interest remaining due and payable for earlier years	91.86	85.86

38 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting educations, healthcare supports, women empowerments etc. A CSR committee has been formed by the Company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

A Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
Gross Amount required to be spent as per Section 135 of the Act	97.85	103.70
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	97.85	103.70
B Amount approved by the Board to be spent during the year	97.85	105.27
C Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	116.15	106.22

D Details related to amount spent/ unspent

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
Spent on other activities	116.15	106.22
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than ongoing projects	-	-
TOTAL	116.15	106.22

E Details of excess CSR expenditure

Nature of Activity	₹ in Lakhs			
	Balance excess as at 1 April 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2023
Other Activities	1.94	103.70	106.22	4.46

Nature of Activity	₹ in Lakhs			
	Balance excess as at 1 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2024
Other Activities	4.46	97.85	116.15	22.76

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

F Disclosures on Shortfall

₹ in Lakhs

Particulars	31-03-2024	31-03-2023
	Funded	Funded
Amount Required to be spent by the Company during the year	97.85	103.70
Actual Amount Spent by the Company during the year	116.15	106.22
Actual Amount deposited in Specified Fund of Schedule VII (shortfall of last year)	-	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not Applicable	Not Applicable

39 Employee benefits:

(1) Defined benefits plans - As per actuarial valuation

(a) Gratuity

₹ in Lakhs

Particulars	31-03-2024	31-03-2023
	Funded	Funded
(i) Expenses recognised in the statement of profit and loss for the year		
1 Current service cost	177.48	146.91
2 Interest cost	(0.63)	(15.81)
3 Expense recognised in statement of profit and loss	176.85	131.10
(ii) Expenses recognised in other comprehensive income		
1 Return on plan assets	35.02	22.58
2 Loss / (Gain) from change in financial assumptions	54.12	(8.69)
3 Loss/(Gain) from change in demographic assumptions	-	(18.88)
4 Experience (Gain)/Loss	60.45	87.63
5 (Income) / Expense recognised in other comprehensive income	149.59	82.64
(iii) Actual return on plan assets for the year		
1 Expected return on plan assets	189.42	185.98
2 Actuarial gain on plan assets	(35.02)	(22.58)
3 Actual return on plan assets	154.40	163.40
(iv) Net asset/(liability) recognised in the balance sheet as at the year end		
1 Present value of the defined benefit obligation	2,959.49	2,800.61
2 Fair value of plan assets	2,516.47	2,684.03
3 Net (liability)/asset recognised in the balance sheet	(443.02)	(116.58)
(v) Change in defined benefit obligation during the year		

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

₹ in Lakhs

Particulars	31-03-2024	31-03-2023
	Funded	Funded
1 Present value of obligation at the beginning of the year	2,800.61	2,644.78
2 Current service cost	177.48	146.91
3 Interest cost	188.79	170.17
4 Benefits paid	(321.96)	(221.31)
5 Actuarial (Gain)/Loss on obligation	114.57	60.06
6 Present value of obligation as at the end of the year	2,959.49	2,800.61
(vi) Changes in fair value of plan asset during the year		
1 Fair value of plan assets as at the beginning of the year	2,684.03	2,737.85
2 Expected return on plan assets	189.42	185.98
3 Contributions made	-	4.09
4 Benefits paid	(321.96)	(221.31)
5 Actuarial gain on plan assets	(35.02)	(22.58)
6 Fair value of plan assets as at the end of the year	2,516.47	2,684.03
(vii) Major categories of plan assets as a percentage of total plan assets		
1 Government debt instruments	45%	80%
2 Other debt instruments	38%	0%
3 Insurer managed funds	8%	11%
4 Others	10%	9%
(viii) Actuarial assumptions		
1 Discount rate	7.20%	7.50%
2 Expected rate of return on plan assets	7.20%	7.50%
3 Salary escalation	6.6%-9.0%	6.6%-9.0%
(ix) The Company expects to contribute ₹ 250.00 Lakhs (Previous year: ₹ 250.00 Lakhs) to the funded gratuity plans in the next year.		

(b) Sensitivity analysis

₹ in Lakhs

Particulars	31-03-2024	31-03-2023
Impact of increase in 25 bps on DBO		
1 Discount Rate Gratuity	(1.53%)	(1.48%)
2 Salary Escalation Gratuity	1.56%	1.51%
Impact of decrease in 25 bps on DBO		
1 Discount Rate Gratuity	1.58%	1.52%
2 Salary Escalation Gratuity	(1.52%)	1.47%

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

(c) The weighted average duration of the defined benefit obligation is 6.30 years for gratuity.

The expected maturity analysis for Gratuity is as follows:

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
Expected benefits for year 1	620.99	516.51
Expected benefits for year 2	396.53	397.75
Expected benefits for year 3	299.74	388.40
Expected benefits for year 4	247.77	276.01
Expected benefits for year 5	326.99	223.58
Expected benefits for year 6	221.59	295.24
Expected benefits for year 7	160.05	196.61
Expected benefits for year 8	249.30	157.30
Expected benefits for year 9	274.13	220.30
Expected benefits for year 10 and above	2,407.28	2,287.42

(d) Gratuity is administered through duly constituted and approved independent trusts and also through Group gratuity scheme with Life Insurance Corporation of India.

(e) Future salary increases considered in actuarial valuation take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(f) Basis used to determine expected rate of return on plan assets:

The expected rate of return on plan assets is based on market expectation at the beginning of the year for returns over the entire life of the related obligation.

(2) Other long term benefits

Particulars	₹ in Lakhs	
	As at 31-03-2024	As at 31-03-2023
Compensated absences	757.92	736.97

(3) Provident fund

Particulars	₹ in Lakhs	
	31-03-2024*	31-03-2023
Defined benefit obligation	0.00	4,050.04
Fund assets	0.00	3,863.03
Net (asset) / liability	0.00	187.01
Actuarial assumptions		
1 Discount rate	0.00%	7.50%
2 Average historic yield on the portfolio	0.00%	7.62%
3 Discount rate for the remaining term to maturity of the portfolio	0.00%	7.40%
4 Expected investment return	0.00%	7.72%
5 Guaranteed rate of return	0.00%	8.15%

* During the year ended March 31, 2024, the Company commenced the process of surrendering the Provident Fund Trust. Consequently, the Regional Provident Fund Commissioner-II, Nariman Point (the "RPFC") has directed that the Company's Employees Provident Fund known as 'Clariant Chemicals India Limited Employees Provident Fund' ("EPF Trust") comply as an un-exempted establishment with effect from March 1, 2024. In this regard, the RPFC has *inter-alia* asked the EPF Trust to comply with the necessary conditions as specified in its cancellation/transfer letter. Accordingly, the EPF Trust has transferred securities to the RPFC, and also has liquidated securities and transferred the proceeds to

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

the Regional Provident Fund Commissioner (RPFC). Further, the RPFC has appointed a third-party auditor to review the EPF Trust accounts, who has also completed a third-party audit of the EPF Trust accounts, with no material observations. The EPF Trust will be formally closed after obtaining final confirmation from the RPFC. As per the Company's assessment, it does not expect any material adjustments to these financial results as a consequence of above.

40 Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below:

Relationship:	Country of Incorporation
(a) Enterprises where control exists:	
(i) Ultimate Holding Company	
- SK Neptune Husky Holdings S.à.r.l. (Formerly Luxembourg investment company 426 S.à.r.l., Europe)	Luxembourg
(ii) Principal Shareholders (subsidiaries of the Ultimate Holding Company):	
- Heubach Holding Switzerland AG (formerly Colorants International AG)	Switzerland
- Heubach EBITO Chemiebeteteiligungen AG (formerly EBITO Chemiebeteteiligungen AG)	Switzerland
(b) Other related parties in the Heubach group with whom the Company has transactions:	
Fellow subsidiary companies:	
Heubach Colorants Singapore Pte. Ltd. (formerly Colorants Solutions Singapore Pte. Ltd.)	Singapore
Heubach Colorants Germany GmbH (formerly Colorants Solutions Deutschland GmbH)	Germany
Heubach Colour Private Limited (w.e.f. Jan 03, 2022)	India
Heubach Colorants México, S.A. de C.V. (formerly Clariant Plastics & Coatings México, S.A. de C.V.)	Mexico
Heubach Colorants Brasil Ltda. (formerly Colorants Solutions Brasil Industria Quimica Ltda)	Brazil
Heubach Colorants Japan K.K. (formerly Clariant Plastics & Coatings (Japan) K.K.)	Japan
Heubach Colorants Pigment Preparations (Tianjin) Ltd. (formerly Clariant Bohai Pigment Preparations (Tianjin) Ltd.)	China
Heubach Pigments Private Limited	India
Heubach Colorants Southern Africa (Pty) Ltd	South Africa
Heubach Colorants (Shanghai) Ltd.	China
Heubach Colorants (Thailand) Ltd	Thailand
Clariant IGL Speciality Chemical Private Limited* (upto April 23, 2022)	India
Clariant (Singapore) Pte. Ltd. (upto April 23, 2022)	Singapore
Clariant India Limited* (upto April 23, 2022)	India
Intermediate Holding Company:	
Heubach Group GmbH	Germany

* Related party due to common directorship with effect from Jan 03, 2022.

(c) Key management personnel:

Executive Directors

Bharath Sesha (w.e.f. April 23, 2022)

Jugal Sahu (w.e.f. Feb 02, 2023)

Abhijit Naik (w.e.f. April 23, 2022 to Feb 02, 2023)

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Non-Executive Directors

Kewal Handa

Sunirmal Talukdar

Indu Shahani (upto March 31, 2024)

Diana Dhote (w.e.f. April 01, 2024)

Ravi Kapoor (w.e.f. April 23, 2022)

Alfred Muench (upto April 23, 2022)

Thomas Wenger (upto April 23, 2022)

Sanjay Ghadge (upto April 23, 2022)

The Board, at their meeting held on February 03, 2023, based on recommendation of the Nomination & Remuneration Committee, approved the appointment of Mr. Jugal Sahu, Chief Financial Officer of the Company as Executive Director and Chief Financial Officer for a period of 3 years from February 3, 2023 to February 2, 2026, which was approved by the shareholders by way of a Special Resolution through Postal Ballot on March 24, 2023.

Dr. (Mrs.) Indu Shahani, an Independent Director retired effective as of the close of business hours on March 31, 2024 on completion of her second term as an Independent Director of the Company. Following Dr. (Mrs.) Indu Shahani's retirement and to ensure compliance with Section 149(1) of the Companies Act, 2013, and Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligation Disclosure Requirements), Regulations 2015, the Board, on the recommendation of the Nomination and Remuneration Committee, has approved the appointment of Mrs. Diana Dhote (DIN: 10558367) as an Additional Director (Non-Executive and Independent), for the first term of five consecutive years effective from April 1, 2024, subject to the approval by the shareholders of the Company.

Transactions entered into with related parties during the year and balances as at the year end:

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
(i) Principal Shareholders:		
Transactions during the year:		
Heubach Holding Switzerland AG		
Purchase of goods	6,115.09	6,392.27
Indenting commission received	460.79	277.82
Information technology service charges	873.39	963.90
Royalty expenses	119.10	161.04
EBITO Chemieeteiligungen AG		
Expenses recovered	-	0.18
(ii) Fellow subsidiaries / Intermediate Holding Company:		
Transactions during the year :		
Sales of goods		
Heubach Colorants Singapore Pte. Ltd.	22,398.12	24,203.32
Clariant IGL Speciality Chemical Pvt Ltd. (Upto April 23, 2022)	-	263.56
Heubach Color Pvt Ltd	1,335.74	516.63
Purchase of goods		
Heubach Colorants Singapore Pte. Ltd.	888.33	530.21
Clariant IGL Speciality Chemical Pvt Ltd. (Upto April 23, 2022)	-	14.92
Heubach Color Pvt Ltd	4,143.84	1,900.00
Heubach Colorants México, S.A. de C.V.	16.48	46.70

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

Particulars	₹ in Lakhs	
	31-03-2024	31-03-2023
Heubach Colorants Brasil Ltda.	-	1.40
Heubach Colorants Japan K.K.	-	19.63
Heubach Colorants Germany GmbH	11.52	7.59
Heubach Colorants Pigment Preparations (Tianjin) Ltd.	67.05	66.50
Heubach Colorants (Thailand) Ltd	-	0.74
Heubach Colorants Southern Africa (Pty) Ltd	10.66	-
Services rendered		
Heubach Colorants Pigment Preparations (Tianjin) Ltd.	6.00	-
Heubach Colorants México, S.A. de C.V.	10.26	-
Heubach Colorants Japan K.K.	9.06	-
Heubach Colorants (Shanghai) Ltd.	8.13	-
Clariant IGL Specialty Chemical Pvt Ltd. (Upto April 23, 2022)	-	61.44
Rent Expenses		
Clariant India Limited (upto April 23, 2022)	-	14.16
Interest Income		
Heubach Colorants Singapore Pte. Ltd.	367.07	-
Expenses recovered		
Clariant India Limited (upto April 23, 2022)	-	0.53
Heubach Pigments Private Limited	36.91	-
Services received		
Clariant India Limited (upto April 23, 2022)	-	27.65
Heubach Group GmbH	345.10	-
Heubach Colour Private Limited	30.77	-
(iii) Key management personnel:		
Executive Directors		
Short-term employee benefits	416.05	319.69
Post-employment benefits	21.88	25.65
Total Remuneration	437.93	345.34
Non-Executive Directors		
Sitting fees	41.40	42.30
Commission	30.00	24.00
Total Remuneration	71.40	66.30
(iv) Balances outstanding as at the year end:		
Principal Shareholders:		
Trade payables	1,524.70	1,950.58
Trade receivables	610.56	466.09
Fellow Subsidiaries / Intermediate Holding Company:		
Trade payables	1,792.30	1,647.67
Trade receivables	8,552.04	11,081.56
Key Management Personnel:		
Payable balance	74.39	-

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

41 Segment Information:

(a) The Company had been reporting its operating segments as (1) Plastic and Coating and (2) Specialty Chemicals. However, from the current financial year, the Chief Operating Decision Maker ('CODM') has revisited their review of the Company's performance and allocation of resources to be under a single operating segment viz "Colorants" having similar economic characteristics primarily with operations in India. As such, the Company's business activity falls within a single primary business segment viz "Colorants" in line with IND AS -108 "Operating Segments".

(b) Disaggregated revenue information

₹ in Lakhs		
Particulars	31-03-2024	31-03-2023
Sale of Goods - "Colorants"	76,366.54	74,085.56
Sale of Services	1,704.04	1,655.04
Total Revenue from contracts with customers	78,070.58	75,740.60
Geographical Location of Customers		
India	53,344.71	48,293.58
Outside India	24,725.87	27,447.02
Total Revenue from contracts with customers	78,070.58	75,740.60
Timing of Revenue Recognition		
Goods transferred at a point in time	76,366.54	74,085.56
Service transferred at a point over time	1,704.04	1,655.04
Total Revenue from contracts with customers	78,070.58	75,740.60

42 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

43 Capital-Work-in Progress (CWIP)

(a) For Capital-work-in progress ageing schedule

31-Mar-2024

₹ in Lakhs					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress	151.52	185.72	21.12	28.50	386.85

31-Mar-2023

₹ in Lakhs					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress	338.12	178.06	152.92	83.94	753.04

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

(b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

31-Mar-2024

₹ in Lakhs				
CWIP	Amount in CWIP for a period of			
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years
Projects in progress				
Project 1 (Completion over due)	289.44	40.94	-	-
Project 2 (Exceeded its cost compared to its original plan)	-	-	-	-

31-Mar-2023

₹ in Lakhs				
CWIP	Amount in CWIP for a period of			
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years
Projects in progress				
Project 1 (Completion over due)	492.04	22.24	-	-
Project 2 (Exceeded its cost compared to its original plan)	26.35	22.24	-	-

No projects have been temporarily suspended and exceeded their original budgets for the year ended March 31, 2024 and March 31, 2023

44 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- There are no assets hypothecated against the bank limits sanctioned. The bank limits are unsecured. Hence, the company is not obliged to send quarterly returns or statement of current assets.
- The Company has not been declared a wilful defaulter as defined by RBI Circular.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- Since, the Company does not have any subsidiary, the provisions of Section 2(87) of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable.
- The Company has not entered into scheme of arrangement during the financial year 2023-24.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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 to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund 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 identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

x) During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

45 The Company do not have transactions with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

46 Leases

(i) The movement in Lease liabilities during the year

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	-	20.53
Additions during the year	2,832.47	-
Finance costs incurred during the year	179.64	0.62
Payment for lease liabilities	(309.74)	(21.15)
Closing balance	2,702.37	-

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Opening balance	8.14	26.32
Additions during the year	2,832.47	-
Depreciation charged during the year	(229.35)	(18.18)
Closing balance	2,611.26	8.14

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Depreciation expense of right-of-use assets	229.35	18.18
Interest expense on lease liabilities	179.64	0.62
Expense relating to short-term leases/Low value leases (included in other expenses)	179.47	279.31
Total expenses	588.46	298.11

(iv) Amounts recognised in Statement of Cash flows

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Total Cash outflow for Leases	(309.74)	(21.15)

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

(v) Maturity analysis of Lease liabilities

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	211.88	-
One to five years	1,077.55	-
More than five years	1,412.94	-
Total undiscounted Lease Liability	2,702.37	-

(vi) Balances of Lease Liabilities

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Non current lease liabilities	2,490.49	-
Current lease liabilities	211.88	-
Total lease liabilities	2,702.37	-

Leases where the Company is a Lessor

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Lease income	61.39	63.39

Maturity analysis of Lease payment receivables

₹ in Lakhs

Particulars	As at 31-03-2024	As at 31-03-2023
Less than one year	64.46	61.39
One to five years	47.07	111.53
More than five years	-	-
Total lease liabilities	111.53	172.92

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

47 Ratios

S No.	Ratio	Formula	Particulars		31-Mar-24		31-Mar-23		Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets held for Sale	21,488.29	2.23	44,697.42	21,628.98	2.07	8%
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	47,244.13	-	-	43,242.26	-	0%
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	309.74	21.29	3,980.79	21.15	188.22	(89%) In FY 2023, Profit after tax was lower as compared to profit in current Financial year due to Income Tax Liability created in FY 2023 by giving impact of MAP resolution.
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Average Shareholder's Equity	Net Income= Net Profits after taxes	4,113.85	0.09	1,977.91	42,314.38	0.05	80% In FY 2023, Profit after tax was lower as compared to profit in current Financial year due to Income Tax Liability created in FY 2023 by giving impact of MAP resolution.
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	12,665.43	3.83	47,863.18	13,948.63	3.43	12%
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	20,632.74	3.78	75,740.60	19,302.66	3.92	(4%)

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

S No.	Ratio	Formula	Particulars		31-Mar-24		31-Mar-23		Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	17,625.84	2.85	47,690.27	17,358.41	2.75	4%
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	24,739.73	3.20	76,641.66	21,394.65	3.58	(11%) In FY 2023, Profit after tax was lower as compared to profit in current Financial year due to Income Tax Liability created in FY 2023 by giving impact of MAP resolution.
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	78,070.58	0.05	1,977.91	75,740.60	0.03	67% In FY 2023, Profit after tax was lower as compared to profit in current Financial year due to Income Tax Liability created in FY 2023 by giving impact of MAP resolution.
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	51,062.03	0.11	4,019.64	44,544.44	0.09	22%
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	47,244.13	0.09	1,977.91	43,242.26	0.04	125% In FY 2023, Profit after tax was lower as compared to profit in current Financial year due to Income Tax Liability created in FY 2023 by giving impact of MAP resolution.

Notes Forming Part of the Financial Statements

For the year ended March 31, 2024

48 Subsequent to the reporting period, Heubach GmbH, a related party of the Company and a member of the Heubach Group, has filed an application for opening of regular insolvency proceedings over its assets with the competent insolvency court in Braunschweig, Germany and, a preliminary Insolvency Administrator and Preliminary Custodian has been appointed by the competent court. Further, Heubach Group GmbH, also a member of the Heubach Group and the holding company of Heubach Holding Switzerland AG (a promoter shareholder of the Company and formerly known as Colorants International AG), has also filed an application for insolvency proceedings over its assets with the competent insolvency court in Braunschweig together with certain of its affiliate companies.

Due to aforesaid events, as part of going concern review, the management of the Company carried out an internal assessment to ascertain whether these events or conditions, either individually or collectively, cast significant doubt on the Company's ability to continue as a going concern for the foreseeable future. The Company has considered the possible effects that may result from the aforesaid events and accordingly, has prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements, which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period and, sustain positive operational EBITDA and working capital.

Consequently, the Board of Directors of the Company concluded on the validity of the going concern assumptions and that there are no material uncertainties that could have cast significant doubts over the Company's ability to continue as a going concern for at least one year from the date of approval of the financial statements.

49 The figures for the previous year have been regrouped/recasted wherever necessary, to conform to the current year's classification.

In terms of our report attached
For **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Vishal Vilas Divadkar
Partner
Membership No.: 118247

Place: Navi Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors
Heubach Colorants (India) Limited
(formerly Clariant Chemicals (India) Limited)

Bharath Sesha Managing Director DIN: 01983066	Jugal Sahu Director & CFO DIN: 02629782	Sunirmal Talukdar Director DIN: 00920608	Kewal Handa Director DIN: 00056826
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Amees Joshi
Company Secretary
Membership No.: A22502




heubach

Heubach Colorants India Limited

Formerly known as Clariant Chemicals (India) Limited

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