Himadri

Ref. No: HSCL / Stock-Ex/2024-25/23
Date: 28/05/2024

E-mail: monika@himadri.com

Ref: Listing Code: 500184	**Ref: Listing Code: HSCL**
BSE Limited	National Stock Exchange of India Ltd
Department of Corporate Services	Exchange Plaza, C-1, Block-G
P. J. Towers, 25th Floor,	Bandra Kurla Complex,
Dalal Street,	Bandra (E)
Mumbai- 400 001	Mumbai- 400 051

Sub: Notice of 36th Annual General Meeting (AGM) and Annual Report for the financial year 2023-24

Dear Sir/Madam,

In furtherance to our letter dated 23 May 2024 and pursuant to Regulation 30 and 34 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Annual Report of the Company for the financial year 2023-24 along with Notice of the 36th AGM to be held on **Thursday, 20 June 2024 at 11:00 a.m. (IST)** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").

The said Notice and Annual Report for the financial year 2023-24 is being sent only through e-mails to the shareholders of the Company at their registered e-mail addresses and the same has also been uploaded on the website of the Company at www.himadri.com and will also be available on the website of the stock exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

We request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For Himadri Speciality Chemical Ltd

Monika Saraswat
Digitally signed by Monika Saraswat
Date: 2024.05.28 15:13:33 +05'30'

(Company Secretary &
Compliance Officer)
ACS: 29322

Enclosed: a/a

Himadri

Himadri Speciality Chemical Ltd

CIN: L27106WB1987PLC042756

Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700 001

Corp. Office: 8, India Exchange Place, 2nd Floor, Kolkata- 700 001

E-mail: investors@himadri.com; Website: www.himadri.com; Ph: 033-22309953

Notice to the Members

NOTICE is hereby given that the 36th Annual General Meeting ("AGM") of the Members of Himadri Speciality Chemical Ltd ("Company") will be held on **Thursday, 20 June 2024 at 11:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2024 together with the report of the Board of Directors and Auditors thereon.

2. To declare a final dividend of ₹ 0.50 (50%) per equity share of face value of ₹ 1 each for the financial year ended 31 March 2024.

3. To appoint a Director in place of Mr. Amit Choudhary (DIN: 00152358) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify remuneration of Cost Auditor for the financial year ending 31 March 2025

*To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:*

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the rules framed thereunder and other applicable laws, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of actual travel and out of pocket expenses incurred in connection with the cost audit, payable to Mr. Sambhu Banerjee, Cost Auditor (Membership No. 9780), who has been appointed by the Board of Directors as the Cost Auditor for conducting the audit of the Cost Accounting Records as required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending 31 March 2025, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint Mr. Anurag Choudhary (DIN-00173934) as Chairman cum Managing Director and CEO

*To consider and, if thought fit, to pass, with or without modification(s) the following as a **Special Resolution:***

"**RESOLVED THAT** pursuant to the provisions of Section 152, 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17(6)(e) and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with relevant provisions of the Articles of Association of the Company, and upon recommendation of Nomination

& Remuneration Committee and the approval of Audit Committee and Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Anurag Choudhary (DIN: 00173934) as the Chairman cum Managing Director and CEO of the Company, liable to retire by rotation, for a period of five (5) years with effect from 14 August 2024 to 13 August 2029 on such detailed terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting with the authority to the Board of Directors (*hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution*) to alter and vary the said terms and conditions of the said re-appointment and remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Anurag Choudhary, subject to the same not exceeding the limits specified under Schedule V to the Act;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of Mr. Anurag Choudhary as the Chairman cum Managing Director and CEO, the Company will pay to Mr. Choudhary in respect of such financial year(s) in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set out in the Explanatory Statement as minimum remuneration or such higher limit as may be approved by the Board, subject to the limits as specified under Schedule V to the Act, or any statutory modification(s) or re-enactment(s) thereof;

RESOLVED FURTHER THAT the Board of Directors or any committee thereof constituted to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and take all steps as may be deemed necessary, proper or expedient to give effect of this resolution."

6. To re-appoint Mr. Amit Choudhary (DIN: 00152358) as Whole-time Director

*To consider and, if thought fit, to pass, with or without modification(s) the following as a **Special Resolution**:*

"**RESOLVED THAT** pursuant to the provisions of Section 152, 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17(6)(e) and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with relevant provisions of the Articles of Association of the Company, and upon recommendations of Nomination & Remuneration Committee and the approval of Audit Committee and Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Amit Choudhary (DIN: 00152358) as the Whole-time Director of the Company, liable to retire by rotation, for a period of five (5) years with effect from 14 August 2024 to 13 August 2029, on such detailed terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting with the authority to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of the said re-appointment and remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Amit Choudhary, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification(s) or re-enactment(s) thereof;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of Mr. Amit Choudhary as the Whole-time Director, the Company will pay to Mr. Choudhary in respect of such financial year(s) in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set out in the Explanatory Statement as minimum remuneration or such higher limit as may be approved by the Board, subject to the limits as specified under Schedule V to the Act, or any statutory modification(s) or re-enactment(s) there of;

RESOLVED FURTHER THAT the Board of Directors or any committee thereof constituted to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and take all steps as may be deemed necessary, proper or expedient to give effect of this resolution."

By Order of the Board

Sd/-
Monika Saraswat
Company Secretary &
Compliance Officer
ACS: 29322

Place: Kolkata
Date: 25 April 2024

Notice (Contd.)

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("Act") setting out material facts relating to Special Business under Item No. 4, 5 & 6 of the Notice to be transacted at the 36th AGM is annexed hereto. The recommendation of the Board of Directors of the Company ("Board") in terms of Regulation 17(11) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") is also provided in the said Statement.

2. Pursuant to the Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 20, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 02/2021 dated January 13, 2021, No.10/2021 dated June 23, 2021, No. 20/2021 dated December 8, 2021, No. 21/2021 dated December 14, 2021, No. 3/2022 dated May 5, 2022, No. 10/2022 and 11/2022 dated December 28, 2022 respectively and General Circular No. 9/2023 dated September 25, 2023 and other applicable circulars, (hereinafter, collectively referred as the "MCA Circulars"), the Ministry of Corporate Affairs ("MCA") has permitted companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), which does not require physical presence of the Members, Directors, Auditors and other persons at common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the 36th AGM of the Company is being conducted through VC / OAVM facility. The deemed venue for the 36th AGM shall be the Corporate Office of the Company situated at Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001. Hence Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC / OAVM is given in the Notice under Note No. 28.

3. The 36th AGM of the Company is being convened through VC/OAVM in compliance with the applicable provisions of the Act, SEBI Listing Regulations and read with all the applicable MCA and SEBI Circulars.

4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations, revised Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. NSDL will be providing facility for voting through remote e-Voting, for participation in the 36th AGM through VC/ OAVM facility and e-Voting during the 36th AGM. The instructions and other information relating to e-Voting are given in the Notice under Note No 28.

5. In terms of the MCA Circulars, since the physical attendance of the Members has been dispensed with, there is no requirement for the appointment of proxies. Accordingly, the facility to appoint proxies to attend and cast vote on behalf of the Members is not available for this AGM. However, in pursuance of Section 113 of the Act, and rules made thereunder, the Members who are Body Corporate(s) are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate and cast their votes through remote e-Voting and e-Voting during the 36th AGM of the Company.

6. Institutional / Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through the remote e-Voting and e-Voting during AGM, to the Scrutinizer by email through its registered email address to rajaghosh2002@gmail.com with a copy marked to monika@himadri.com and evoting@nsdl.com

7. The quorum for the AGM, as provided in Section 103 of the Act, is thirty members (including a duly authorized representative of a body corporate) and Members present in the meeting through VC/OAVM shall be counted for the purpose of quorum pursuant to MCA Circulars and other applicable circulars.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from 08 June 2024 to 20 June 2024 (both days inclusive) for the purpose of the AGM and payment of dividend.

9. Dispatch of Annual Report through E-mail

   In accordance with the MCA Circulars and Circular No.SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI, the Notice of the 36th AGM along with the Annual Report of the Company for the financial year ended 31 March 2024 are being sent only through electronic mode (e-mail) to those Members whose email addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA") or with their respective Depository Participant/s (DPs).

Members may note that the Notice and Annual Report for the financial year ended 31 March 2024 is also available on the Company's website www.himadri.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) at www.evoting.nsdl.com. The Company will also be sending printed copies of the Annual Report 2023-24 to the shareholders on receipt of specific request.

10. Updation of PAN and other details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

In terms of above Circular, folios of physical shareholders wherein any one of the above said details such as PAN, email address, mobile number, bank account details and nomination are not available, are required to be frozen with effect from October 1, 2023. Further, in terms of the said Circular, such physical shareholders will not be eligible, unless the requirements of this Circular has been complied with by such shareholders, for the following-

a. to lodge grievance or avail service request from the RTA of the Company; and

b. for receipt of dividend, interest or redemption payment in respect of such frozen folios.

The timeline for furnishing the above mentioned details were further extended till December 31, 2023 vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/158 dated September 26, 2023.

Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. As per the above SEBI Circular, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, after December 31, 2025.

In this connection, shareholders holding shares in physical form are requested to update their PAN, KYC, Nomination details. The Forms for updating KYC can be downloaded from our website www.himadri.com under Investor Section.

We urge the shareholders for registration and/or updation of their email id, Permanent Account Number (PAN), address and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other consideration and other communication timely, faster and easier and more importantly to avoid fraudulent encashment of dividend warrants.

Accordingly, to update the KYC details with the Company or intimate about change in their KYC, the following procedure may be followed:

Demat Holding:

Update the PAN and KYC (*i.e.* postal address with pin code, email address, mobile number, bank account details) through your Depository Participants (DPs).

Physical Holding:

PAN and KYC documents can be sent directly to the RTA in any of the following manner:

- **Through 'In Person Verification' (IPV):** Shareholders can submit their required documents at the office of the RTA.
- **Through hard copies:** Shareholders can send duly self-attested and dated hard copies of the required documents to below mentioned address of the RTA.
- **Electronic Mode:** Shareholders can send the required documents with E-sign from their registered email ID, as prescribed by SEBI.

The Company has also issued public notice urging the shareholders for registration and/or updation of their email id, Permanent Account Number (PAN) and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other consideration and other communication timely, faster and easier and more importantly avoids fraudulent encashment of warrants.

The Company has sent reminders to those shareholders whose bank details are not available with the RTA, requesting them to update KYC to enable the Company for payment of dividend. The Company before processing the request for payment of Unclaimed / Unpaid Dividend, has been in practice of obtaining necessary particulars of Bank Account of the Payee.

Notice (Contd.)

11. Awareness about Online Resolution of Disputes in the Indian Securities Market through Online Dispute Resolution ('ODR') Portal:

    I. This is to inform the members that Securities and Exchange Board of India ("SEBI") vide circular no. SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/131 dated July 31, 2023 issued guidelines for online resolution of disputes in the Indian securities market through establishment of a common ODR Portal which harnesses online conciliation and online arbitration for resolution of disputes arising between investors/clients and listed companies (including their RTA's) or specified intermediaries/ regulated entities in the securities market.

    II. SEBI vide circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 has further clarified that the investor shall first take up his/her/their grievance with the Market Participant (Listed Companies, specified intermediaries, regulated entities) by lodging a complaint directly with the concerned Market Participant. If the grievance is not redressed satisfactorily, the investor may escalate the same through the SCORES Portal https://scores.gov.in/scores/Welcome.html in accordance with the process laid out. After exhausting the above options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.

    III. The SMART ODR Portal can be accessed at: https://smartodr.in/login.

12. Members may please note that in view of the proviso to Regulation 40(1) of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form (DEMAT) with effect from 1 April 2019. Dematerialisation of shares would help to eliminate risks associated with Physical Shares. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated 27 March 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after 1 April 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after 1 April 2019 can do so only after the shares are dematerialized.

13. The Dividend on shares, if declared, will be paid, subject to deduction of tax at source, as applicable, in respect of shares held in electronic form, to those persons whose names appear as beneficial owners in the statement(s) furnished by the Depositories as on the close of the market day prior to start of book closure and in respect of shares held in physical form, to those Shareholders whose names appear on the Company's register of members after giving effect to all valid transmission / transposition request lodged with the Company before the start of date of book closure. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/ change in such bank account details.

14. Pursuant to the Income-tax Act, 1961, dividend income will be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Income-tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    - A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to skcdivit@gmail.com or investors@himadri.com. Shareholders are requested to note that incase their PAN is not registered, tax will be deducted at a higher rate of 20%. However, incase of individuals, TDS would not apply if the aggregate of total dividend distributed to them during financial year 2024-25 does not exceed ₹ 5,000/-.

    - Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. self -attested copy of the Permanent Account Number (PAN Card), if any, allotted by the Indian authorities; self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident; self-declaration in Form 10F. Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit by sending an email to skcdivit@gmail.com or investors@himadri.com. TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided.

- The details of TDS rate for each category of shareholders and necessary format of declarations is also available at the website of the Company at www.himadri.com.

15. Transfer of Unclaimed Dividend and Shares to IEPF:

Members are hereby informed that pursuant to Section 124(6) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and all other applicable provisions, circulars and amendments thereto, the equity shares of the Company in respect of which dividends remained unclaimed or unpaid for seven consecutive years or more from the date of transfer of unclaimed or unpaid dividend to unpaid dividend account, are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") as established by the Central Government in terms of Section 125(1) of the Act.

Pursuant to the provisions of Section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the relevant circulars and amendments thereto ('IEPF Rules') the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the IEPF, constituted by the Central Government.

The amount of unpaid dividend for the year ended 31 March 2017 and onwards is lying in separate banking accounts for the respective years. Members who have not claimed dividend for the year ended 31 March 2017 and onwards, if any has been provided an opportunity to claim such dividend by sending a letter under their signature along with one cancelled cheque/bank details, claiming the amount of unpaid dividend, so as to reach with the Company's RTA, M/s S.K. Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032.

Members are hereby informed that the dividend for the financial year ended 31 March 2017 declared at the AGM held on 22 September 2017, is also due to be transferred to IEPF Authority on 28 October 2024, after expiry of the period of seven years. The details of those Members who have not claimed dividend for a consecutive period of seven years or more and the relevant details of shares due to be transferred to the IEPF Authority, is available on Company's website at www.himadri.com under Investors Section.

The unclaimed dividend and the unclaimed shares, after being transferred to IEPF Authority can be claimed back from the IEPF Authority by filing the web-based e-Form IEPF-5 online. Ms. Monika Saraswat, Company Secretary & Compliance Officer, is the Nodal Officer of the Company for the purpose of verification of such claims. It was further clarified that if any dividend is paid or claimed for any year during said period of seven consecutive years, the shares shall not be transferred to IEPF.

16. As per the provisions of Section 72 of the Act the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website, www.himadri.com. Members are requested to submit the said details to their Depository Participant ("DP") in case the shares are held by them in electronic form and to the RTA in case the shares are held in physical form.

17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled in and signed Form ISR – 4. The said form can be downloaded from the Company's website at www.himadri.com.

18. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA for consolidation into a single folio.

19. Non-resident Indian Members are requested to inform the Company's RTA, M/s S. K. Infosolutions Pvt. Ltd., D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, email: skcdilip@gmail.com, immediately of :

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Notice (Contd.)

20. The Board has appointed CS Rajarshi Ghosh, Practising Company Secretary (FCS: 12595; C.P. 8921), as the Scrutinizer to scrutinize the remote e-Voting process and also e-Voting during the meeting in a fair and transparent manner. The Scrutinizer shall after the conclusion of e-Voting at the 36th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer's Report.

21. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.himadri.com and on the website of the NSDL at www.evoting.nsdl.com immediately after declaration. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

22. A recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in the safe custody of the Company.

23. The scanned copies of the relevant documents referred to in the accompanying notice/explanatory statement will be made available at www.himadri.com for inspection by the Members at the AGM, up to the date of this AGM.

    During the AGM, the scanned copy of 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, the Certificate from Secretarial Auditor of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any amendment thereof and the Memorandum and Articles of Association of the Company shall be available for inspection upon login to NSDL e-Voting system at https://www.evoting.nsdl.com.

24. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's RTA/ Depositories for receiving all communications including Annual Reports, Notices, Circulars etc. from the Company electronically.

25. Ms. Monika Saraswat, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this AGM including e-Voting. The Members may contact at the following address:

Name: **Ms. Monika Saraswat**
Designation: Company Secretary and Compliance Officer
Corporate Office: 8, India Exchange Place, 2nd Floor, Kolkata-700001
Email id: monika@himadri.com;
Phone No.: 033-2230 9953

26. Details as required under Regulation 36(3) of the SEBI Listing Regulations and revised Secretarial Standards on General Meeting (SS-2) with respect to Director seeking re-appointment at ensuing AGM is given in the **Annexure- III** to this Notice.

27. Since the AGM will be held through VC / OAVM facility, the Attendance slip and Route Map are not annexed to this Notice.

28. Conduct of AGM through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility.

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. The Members are requested to join the 36th AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting i.e 11:00 A.M. (IST) by clicking on the link https://www.evoting.nsdl.com under Members login, where the EVEN of the Company will be displayed, by using the remote e-Voting credentials and the same shall be kept open throughout the meeting. The Members are also requested to follow the procedure mentioned in these notes.

ii. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

iii. In line with the MCA Circulars, the Notice calling the 36th AGM has been uploaded on the website of the Company at www.himadri.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsdl.com.

iv. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and password for e-Voting or have forgotten the User ID and password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

v. Members who would like to express their views or ask questions during the 36th AGM of the Company will be required to register themselves as a speaker by sending e-mail to the Company Secretary & Compliance Officer at himadriagm2024@himadri.com from their registered e-mail address mentioning their name, DP ID and Client ID number/folio number, email id, mobile number. Only those members who have registered themselves as speaker by 4 p.m. (IST) on 14 June 2024 will be able to speak at the meeting.

Further, Members who would like to have their questions/queries responded to during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following the similar process as stated above.

vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

vii. When a pre-registered speaker is invited to speak at the meeting, but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

viii. Members desiring any information regarding the Financial Statements of the Company to be placed at the AGM are requested to write to the Company through email on himadriagm2024@himadri.com latest by 4 p.m. (IST) on 14 June 2024 so as to enable the management to keep the information readily available at the meeting.

ix. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at himadriagm2024@himadri.com. The same will be replied by the Company suitably.

x. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

xi. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not casted their vote by remote e-Voting shall be eligible to cast their vote through e-Voting during the AGM. After the members participating through VC/OAVM facility, eligible and interested to cast votes, have casted their votes, the e-Voting will be closed with the formal announcement of the closure of the 36th AGM of the Company.

  a. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 36th AGM of the Company through VC/OAVM facility.

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b. Members who need assistance before or during the AGM with use of technology, can:

- Send a request at evoting@nsdl.com or use Toll free no.: 1800-222-990.

xii. The Members who have casted their vote by remote e-Voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

B. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING AGM ARE AS UNDER:-

i. The remote e-Voting period shall begin at **09:00 a.m. (IST) on 16 June 2024 and ends at 5:00 p.m. (IST) on 19 June 2024.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 13 June 2024**, may cast their vote electronically. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. The remote e-Voting module shall be disabled by NSDL for voting thereafter and the facility shall forthwith be blocked.

ii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date i.e. 13 June 2024.** Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as of the **cut-off date i.e. 13 June 2024,** may obtain the login ID and password by sending a request at evoting@nsdl.com

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

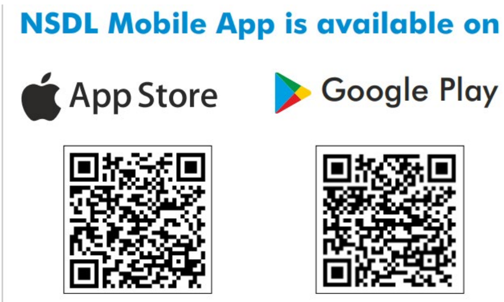
Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DPs). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing **IDeA**S user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

Type of shareholders	Login Method
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DPs)	You can also login using the login credentials of your demat account through your respective Depository Participants (DPs) registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B. **Login Method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Login to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-Services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than individual shareholders are given below:

    a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

    b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

    c) How to retrieve your 'initial password'?

    (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

    (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

    a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email IDs are not registered with the Depositories for procuring user id and password and registration of e mail IDs for e-Voting for the resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company's email id at investors@himadri.com or, Company's RTA email id at skcdilip@gmail.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or

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copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to the Company's email id at investors@himadri.com or, Company's Registrar and Share Transfer Agent email id at skcdilip@gmail.com. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A)** i.e., Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI Circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DPs). Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER :-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-Voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the meeting through laptops for a better experience.

3. Further Members will be required to allow a camera and use the Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

General Guidelines for Shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.com

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Act]

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee has considered and approved the appointment of Mr. Sambhu Banerjee, Cost Accountant, (Membership No. 9780) as the Cost Auditor of the Company for conducting audit of Cost Accounting Records as required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2024-25 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) per annum plus GST as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to Section 148(3) of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is being sought for passing an ordinary resolution as set out under Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31 March 2025.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution as set out under Item No. 4.

The Board recommends passing of the Resolution as set out under Item No. 4 of the Notice for approval by the Members of the Company as an ordinary resolution.

Item No. 5 and 6

The Members of the Company at the 31st Annual General Meeting ("AGM") of the Company held on 25 September 2019, passed special resolution and approved the appointment and terms of remuneration of Mr. Anurag Choudhary, Chairman Cum Managing Director & CEO and Mr. Amit Choudhary, Whole–time Director for a period of 5 (Five) years with effect from 14 August 2019 to 13 August 2024.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 23 April 2024 and approval of the Audit Committee and the Board of Directors at their respective meetings held on 25 April 2024 has approved the reappointment of Mr. Anurag Choudhary as Chairman Cum Managing Director & CEO and Mr. Amit Choudhary as Whole-time Director for a period of 5 (Five) years with effect from 14 August 2024 to 13 August 2029, subject to approval of the Members.

Mr. Anurag Choudhary, Chairman cum Managing Director and CEO of the Company, is a visionary leader whose exceptional leadership has propelled the Company to global prominence. He has been looking after the overall affairs and operations of the Company. He has led the transformation of the Company from a coal tar pitch manufacturing company to one of the world's most extensive value chains in the carbon segment. Under his leadership, the group has achieved market leadership in its key products and expanded into new products and markets like carbon black, lithium-ion battery material, construction chemicals etc.

Mr. Amit Choudhary is a Whole-time Director of the Company. He has been looking after the project expansions and implementation activities of the Group. A driving force for all, under his stewardship the Company underwent remarkable multi-fold expansion of capacities across all business verticals. This transformative growth underscores his strategic acumen and unwavering commitment to the Group's advancement. He also takes on the crucial role of guiding the Human Resource function of the Company.

Mr. Anurag Choudhary (Chairman cum Managing Director & CEO) and Mr. Amit Choudhary (Whole-time Director) satisfy all the conditions set out in Part I of Schedule V to the Act and also conditions set out under Section 196 of the Act for being eligible for his appointment. They are not disqualified from being appointed as Director in terms of Section 164 of the Act.

Having regard to the qualifications, experience and knowledge, the Board is of the view that the re-appointment of Mr. Anurag Choudhary as Chairman Cum Managing Director & CEO and Mr. Amit Choudhary as Whole–time Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to them commensurate with their abilities and experience.

The Company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditors. The Company has not issued any Non-Convertible Debentures.

The Board of Directors, therefore, recommend Resolution 5 and 6 to be passed as a Special Resolution by the Members.

Except Mr. Anurag Choudhary, Mr. Shyam Sundar Choudhary, Mr. Amit Choudhary and their relatives none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the aforesaid resolutions no 5 and 6 except to the extent of their shareholding, if any, in the Company.

The principal terms and conditions of reappointment and remuneration of aforesaid Managerial Personnel are given in **Annexure-I** and the same may be treated as a written memorandum setting out the terms of re-appointment of Mr. Anurag Choudhary and Mr. Amit Choudhary under Section 190 of the Act and in keeping with the provisions of Section 190(2) of the said Act, the same will be open to inspections by any member of the Company without payment of any fee.

The information pursuant to Schedule V of the Act, as amended, is given in **Annexure-II** forming part of this Notice.

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Annexure-I

In terms of the provisions of Schedule V read with Section 196 & 197 of the Act and subject to approval of the Members, the terms and conditions of reappointment and remuneration of aforesaid Managerial Personnel are as follows:

Name of Director	Mr. Anurag Choudhary (DIN: 00173934), Chairman Cum Managing Director & CEO	Mr. Amit Choudhary (DIN: 00152358), Whole-Time Director
Period of appointment	The appointment shall be made for a period of 5 (Five) years with effect from 14 August 2024 upto 13 August 2029 (both days inclusive)	The appointment shall be made for a period of 5 (Five) years with effect from 14 August 2024 upto 13 August 2029 (both days inclusive)
Remuneration:		
(i) Salary	Not exceeding ₹ 400 lakhs (Rupees Four hundred lakhs only) per annum	Not exceeding ₹ 350 lakhs (Rupees three hundred fifty lakhs only) per annum
(ii) Performance linked remuneration	Not exceeding 40% of salary, payable annually for each financial year, as may be determined by the Board	Not exceeding 40% of salary, payable annually for each financial year, as may be determined by the Board

(iii) Perquisites, allowances and benefits:

In addition to the remuneration as stated above, Mr Anurag Chooudhary and Mr Amit Choudhary shall also be entitled the following:

Perquisites - In addition to the aforesaid Salary, Performance linked remuneration, the aforesaid to directors shall be entitled to perquisites like gas, electricity, water, furnishings, leave travel concession for self and family, club fees, personal accident insurance. The aggregate monetary value of such perquisites shall not exceed 30% of the salary in any financial year, for the purposes of which perquisites shall be valued as per the provisions of the Income-tax Act, 1961 ('IT Act') and the Rules framed thereunder, wherever applicable, and in absence of any such provision, perquisites shall be valued at actual cost.

However, in addition to the above perquisites the aforesaid two Directors are entitled to the following which shall not be included in the aforesaid perquisite limit:

a. Rent free furnished accommodation owned / leased / rented by the Company, or housing allowance in lieu thereof, and reimbursement of actual house maintenance expenses including repairing there of.

b. Contributions to Provident Fund and Superannuation Fund/NPS and contribution to Gratuity Fund as defined in the rules of the respective Funds, or up to such other limit as may be prescribed under the IT Act and the Rules thereunder for this purpose.

c. Medical expenses for self and family in India or abroad/ Medical Insurance coverage premium incurred for self and his family.

d. Use of chauffeur driven Company car and telecommunication facilities at residence (including payment for local calls and long-distance official calls).

e. Encashment of unavailed leave as per the rules of the Company at the end of the tenure.

f. Reimbursement of Expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips and provision of car(s) and communication expenses at residence for Company's business purpose shall be reimbursed at actuals and not considered as perquisites.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules framed thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Minimum Remuneration:

Where in any financial year(s) during the tenure of aforesaid two Directors i.e Mr. Anurag Chooudhary and Mr Amit Choudhary, the Company has no profits or its profits are inadequate, the Company shall pay to the aforesaid two Directors in respect of such financial year(s) in which such inadequacy or loss arises or for a period of three years, (whichever is lower), the remuneration as set out above as minimum remuneration, in accordance with the provisions of Section 197 and/or Schedule V to the Act or under the provisions of SEBI Listing Regulations or under any other law for the time being in force, if any.

In terms of Regulation 17(6)(e) of SEBI Listing Regulations, approval of the members by way of special resolution is required where the overall remuneration payable to an Executive Director exceeds ₹ 5 crore or 2.50% of the net profit of the company (whichever is higher), where such director is promoter or member of promoter group. This approval shall also be deemed to be approval under Regulation 17(6)(e) of SEBI Listing Regulations.

Insurance:

The Company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the premiums for the same. It is intended to maintain such insurance cover for the entire period of re-appointment, subject to the terms of such Policy in force from time to time.

The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the above two Directors i.e Mr. Anurag Chooudhary and Mr Amit Choudhary, subject to such approvals as may be required.

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Annexure- II

STATEMENT PURSUANT TO PROVISIONS OF SCHEDULE V OF THE ACT WITH RESPECT TO ITEM NO. 5 to 6 OF THE NOTICE AND THE SEBI LISTING REGULATIONS, AS THE CASE MAY BE:

I. General Information

i. Nature of industry

The Company is a global speciality chemical conglomerate with a strong focus on research and development (R&D), innovation and sustainability. As pioneer in the production of lithium-ion battery materials in India, it continuously develops and innovates raw materials of lithium-ion battery value chain. It's diverse product portfolio includes speciality carbon black, coal tar pitch, refined naphthalene, advance materials, SNF, Speciality oils, power, etc. catering to various industries such as lithium-ion batteries, paints, plastics, tires, aluminium, graphite electrodes, agrochemicals, defence and construction chemicals.

ii. Date or expected date of commencement of commercial production

The Company was incorporated in 1987 and has already commenced commercial production since long.

iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

iv. Financial performance based on given indicators:

(₹ in Lakhs)

For the Financial Year	2023-24	2022-23	2021-22
Revenues	418,489.03	417,184.13	279,131.40
Net Profit/ (Loss) before Tax	57,313.74	27,181.23	7,946.52
Net Profit/ (Loss) after Tax	41,099.54	20,780.85	6,506.19
Paid up Equity Share Capital	4,925.95	4,327.07	4,189.65
Earnings Per Share (₹)	9.17	4.94	1.55
Dividend %	50%	25%	20%

v. Foreign investments or collaborations if any: During the financial year 2023-24, the Company has made investment in Australian startup Company Sicona Battery Technologies Pty Ltd of ₹ 5,611.01 Lakhs.

II. Information about the Directors seeking appointment

Sl. No.	Particulars	Mr. Anurag Choudhary	Mr. Amit Choudhary
1.	Background details	Mr. Anurag Choudhary, Chairman cum Managing Director & CEO and Promoter of the Company, is a visionary leader whose exceptional leadership has propelled the company to global prominence. He is a commerce graduate. He has been looking after the overall affairs and operations of the Company under the supervision and control of the Board of Directors. He joined Himadri as part of Management in 1992 and was promoted to the post of CEO in 2006 and leading to integrated speciality carbon corporation in India. He has led Company's transformation from a coal tar pitch manufacturing company to one of the world's most extensive value chains in the carbon segment. He started with a vision of creating the largest integrated speciality carbon complex in the world. Towards	Mr. Amit Choudhary, Whole-time Director and Promoter of the Company. He is a commerce graduate. He has been looking after the project expansions and implementation activities of the Group. A driving force for all, under his stewardship the Company underwent remarkable multi-fold expansion of capacities across all business verticals. This transformative growth underscores his strategic acumen and unwavering commitment to the Group's advancement. He also takes on the crucial role of guiding the Human Resource function of the Company.

Sl. No.	Particulars	Mr. Anurag Choudhary	Mr. Amit Choudhary
		this end, the Group constantly forward integrated into value-added products creating value from every element of its key raw material – coal tar, thereby creating a one-of- its-kind specialty carbon complex globally. Under his administration, the Group has achieved leadership in its key products and expanded into new products like carbon black, lithium-ion battery material, construction chemicals etc. He believes in team building, which is the true asset of the Company.	
2.	**Past remuneration**	₹ 350 lakhs annually plus perquisite	₹ 300 lakhs annually plus perquisites
3.	**Recognition or awards**	None	None
4.	**Job profile and his suitability**	Please see (1) above	Please see (1) above
5.	**Remuneration proposed**	₹ 400 lakhs annually plus perquisites	₹ 350 lakhs annually plus perquisites
6.	**Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**	The remuneration proposed, is reasonably in line with the remuneration in similar sized companies in the same segment of business.	The remuneration proposed, is reasonably in line with the remuneration in similar sized companies in the same segment of business.
7.	**Pecuniary relationship directly or indirectly with the Company**	Apart from receiving remuneration as stated above, he does not have any other pecuniary relationship with the Company. He is the Promoter of the Company and holds 3,30,00,000 equity shares.	Apart from receiving remuneration as stated above, he does not have any other pecuniary relationship with the Company. He is the Promoter of the Company and holds 1,37,50,000 equity shares.
8.	**Relationship with other Directors & KMP**	Mr. Shyam Sundar Choudhary, Whole-time Director-Father Mr. Amit Choudhary, Whole- time Director-Brother	Mr. Shyam Sundar Choudhary, Whole-time Director - Father Mr. Anurag Choudhary, Chairman cum Managing Director & CEO - Brother

iii. Other Information

i. **Reasons of loss or inadequate profits:**

The related information will be provided in the Board's Report prepared for the relevant year in which inadequate profit/loss arises.

ii. **Steps taken during the year for improvement:**

The related information will be provided in the Board's Report prepared for the relevant year in which inadequate profit/loss arises.

iv. **Expected increase in productivity and profits in measurable terms:**

The related information will be provided in the Board's Report prepared for the relevant year in which inadequate profit/loss arises.

iv. Disclosures

The details required to be given under this head are disclosed in the Corporate Governance Report of the Company in the Annual Report for the financial year 2023-2024.

Notice (Contd.)

ANNEXURE-III

Disclosure pursuant to Regulation 36(3) of SEBI Listing Regulations and Clause 1.2.5 of SS-2 with respect to Directors seeking appointment / re-appointment at ensuing AGM

Name of Director	Mr. Anurag Choudhary	Mr. Amit Choudhary
DIN	00173934	00152358
Date of Birth / Age	03.08.1972 (51 years)	22.11.1975 (48 Years)
Date of first appointment on the Board	14.08.2019	14.08.2019
Qualifications	B. Com (Hons)	B. Com (Hons)
Shareholding in the Company as on the date of the Notice	3,30,00,000 equity shares	1,37,50,000 equity shares
Experience (approx.)	31 years	23 years
Nature of Expertise and Brief Resume	Same as mentioned in Annexure II above	Same as mentioned in Annexure II above
Terms and conditions re-appointment	Proposed to be re-appointed as Chairman Cum Managing Director & CEO for a further period of Five (5) years and is liable to retire by rotation.	Proposed to be re-appointed as Whole-time director for a further period of Five (5) years and is liable to retire by rotation.
Details of remuneration sought to be paid	As stated in Explanatory Statement for item no 5 and 6	As stated in Explanatory Statement for item no 5 and 6
Remuneration last drawn during financial year 2023-24 (₹ in lakhs)	350.68	300.61
Number of Board Meetings attended during the financial year 2023-24	7/7	7/7
Relationship with other Directors & KMP	Mr. Shyam Sundar Choudhary, Whole-Time Director – Father Mr. Amit Choudhary, Whole-time Director – Brother	Mr. Shyam Sundar Choudhary, Whole-time Director – Father Mr. Anurag Choudhary, Chairman cum Managing Director & CEO - Brother
Directorship in other Companies (excluding foreign companies)	AAT Techno Info Private Limited, Himadri Credit & Finance Limited, Next Generation Condominiums Private Limited, Perfect Hi-Rise Private Limited, Peaklevel Infrastructure Private Limited, Modern Hi-Rise Private Limited, Sri Agro Himghar Limited, Next Generation Traders Private Limited, Himadri Birla Tyre Manufacturer Private Limited, Birla Tyres Limited, Himadri Green Technologies Innovation Limited, Himadri Anoion Limited,	Himadri Credit & Finance Limited, Himadri E-Carbon Limited, Sri Agro Himghar Limited, Perfect Hi-Rise Private Limited, Swarnalekha Developers Private Limited, Next Generation Traders Private Limited, Sri Siromani Dealers Private Limited, Modern Hi-Rise Private Limited, Himadri Real Estate Private Limited, Bluemoon Realcon Private Limited, Next Generation Condominiums Private Limited, Himadri Birla Tyre Manufacturer Private Limited, Birla Tyres Limited,

Notice (Contd.)

Name of Director	Mr. Anurag Choudhary	Mr. Amit Choudhary
	Himadri Clean Energy Limited, Himadri Future Material Technology Limited, Himadri Li Recycle Limited,	Himadri Green Technologies Innovation Limited, Himadri Anoion Limited, Himadri Clean Energy Limited, Himadri Future Material Technology Limited, Himadri Li Recycle Limited,
Names of listed entities in which the person also holds the directorship and Chairman/Member of the Committee of Board of other Companies (excluding foreign companies)	**Directorship of the Board:** Himadri Credit & Finance Ltd **Membership of the committees of the Board:** **Himadri Credit & Finance Ltd:** Audit Committee, Stakeholders Relationship Committee	**Directorship of the Board:** Himadri Credit & Finance Ltd **Membership of the committees of the Board:** **Himadri Credit & Finance Ltd:** Stakeholders Relationship Committee, Nomination & Remuneration Committee
Listed entities from which the Director has resigned from directorship in last three (3) years:	None	None

By Order of the Board

Sd/-
Monika Saraswat
Company Secretary & Compliance Officer
ACS: 29322

Place: Kolkata
Date: 25 April 2024

Himadri

Excelling while INNOVATING

Himadri Speciality Chemical Ltd

Annual Report 2023-24

Inside this report

Football, a beloved sport with a rich history, has evolved from a game of kick-about to the complex sport we know today. It intertwines the social fabric, cultural sentiments and business realms while transcending boundaries and adopting the latest technologies. Similarly, Himadri Speciality Chemical Ltd has been at the forefront of innovation to consistently stay ahead of the curve.

A successful football game not only requires proper vision and strategy, but it is the values, ethics, and passion with which the game is played that capture the imagination of the world. Likewise, Himadri, which has the values of integrity and excellence deeply engrained in its being, has been leveraging advanced technologies, robust manufacturing capabilities, and sustainable practices. This has led the Company to create innovative and sustainable products that cater to the requirements of various industries across the globe.

As the cover depicts a girl heading the football, it showcases the girl's zeal to win the game; the cover beautifully encapsulates Himadri's vision to become a global leader in the global Speciality chemical industry. As the evolution of football is a testament to the sport's enduring appeal and adaptability, the cover highlights the Company's commitment to developing a diversified portfolio of products that continuously exceed customer expectations.

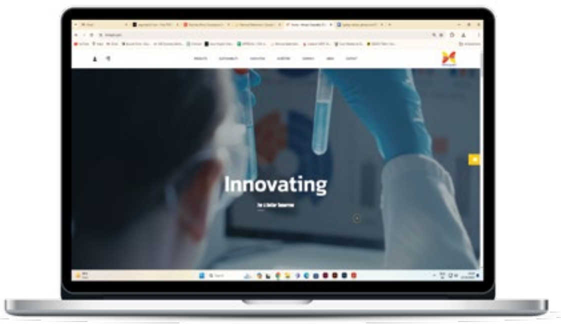
01 CORPORATE OVERVIEW

02 STATUTORY REPORTS

03 FINANCIAL STATEMENTS

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



You can also find this report online on:
www.himadri.com

Scan the QR code to view the report online

In an era of rapid transformation and societal progression, Himadri is dedicated to maintaining a pioneering stance through relentless innovation.

We implement best-in-class technologies and leverage our robust manufacturing prowess to pioneer ground-breaking innovation in both the Indian and international Lithium-ion battery (LiB) industries.

We are recognised for our focus on driving sustained excellence over time. This can be attributed to our continued investments in R&D. The tangible outcomes of our endeavors are evident in our product innovation pipeline and our stellar performance during the reporting year. This success is further amplified by the development of higher value-added products created through proprietary processes, further sharpening our competitive edge.

Our extensive presence and enduring stakeholder relationships offer us the impetus to keep marching ahead. Our two-pronged strategy of growth and sustainability is demonstrated by our compliance with environmental norms and the adoption of calibrated conservation measures across our facilities to help shape a sustainable future.

Historically, we have successfully forward integrated from oil to carbon black, and subsequently to speciality carbon black. We now stand on the cusp of an exciting transformation, moving towards the end customer by venturing into the world of tyres. As the adoption of electric vehicles (EVs) surges in India and beyond, the demand for LiB is expected to grow. Recognising this, we are diversifying our offerings and aligning with industry trends to spearhead the strengthening of the local manufacturing and EV supply chain ecosystems in India.

We remain committed to

Excelling while INNOVATING

— with a robust product pipeline, a growing clientele and higher-value-added products. Serving diversified end markets, achieving product leadership and sustaining our financial strength will remain our foremost priorities going forward.

Global expertise for speciality chemical products

At Himadri, we stand at the vanguard of the speciality chemical sector, with over three decades of pioneering innovation. Our journey has been marked by the sustained introduction of ground-breaking products that have set industry benchmarks both in terms of performance and care for the environment

Our unwavering commitment to innovation propels us to produce superior raw materials which find use across the lithium-ion battery value chain. Our diverse product portfolio caters to an array of industries globally, featuring essential products such as carbon black, refined naphthalene, new energy materials and speciality oils.

Our products play a pivotal role across economic sectors, including but not limited to paints and plastics, tyres, aluminium, graphite electrodes, agrochemicals, defence and construction chemicals.

With a steadfast commitment to delivering value-added solutions across all segments, we are dedicated to meeting the ever-evolving needs of our customers. Simultaneously, we forge a path of sustainable growth, ensuring enduring benefits for all our stakeholders. This commitment not only underscores our role as industry pioneers but also reflects our vision as the forerunners in the speciality carbon domain.

What
sets us apart?

Global speciality chemical conglomerate

Sustainability

Pioneer in Lithium-ion Battery material

Quality-led production

Innovating today, shaping tomorrow's technology

Expansive Global Network

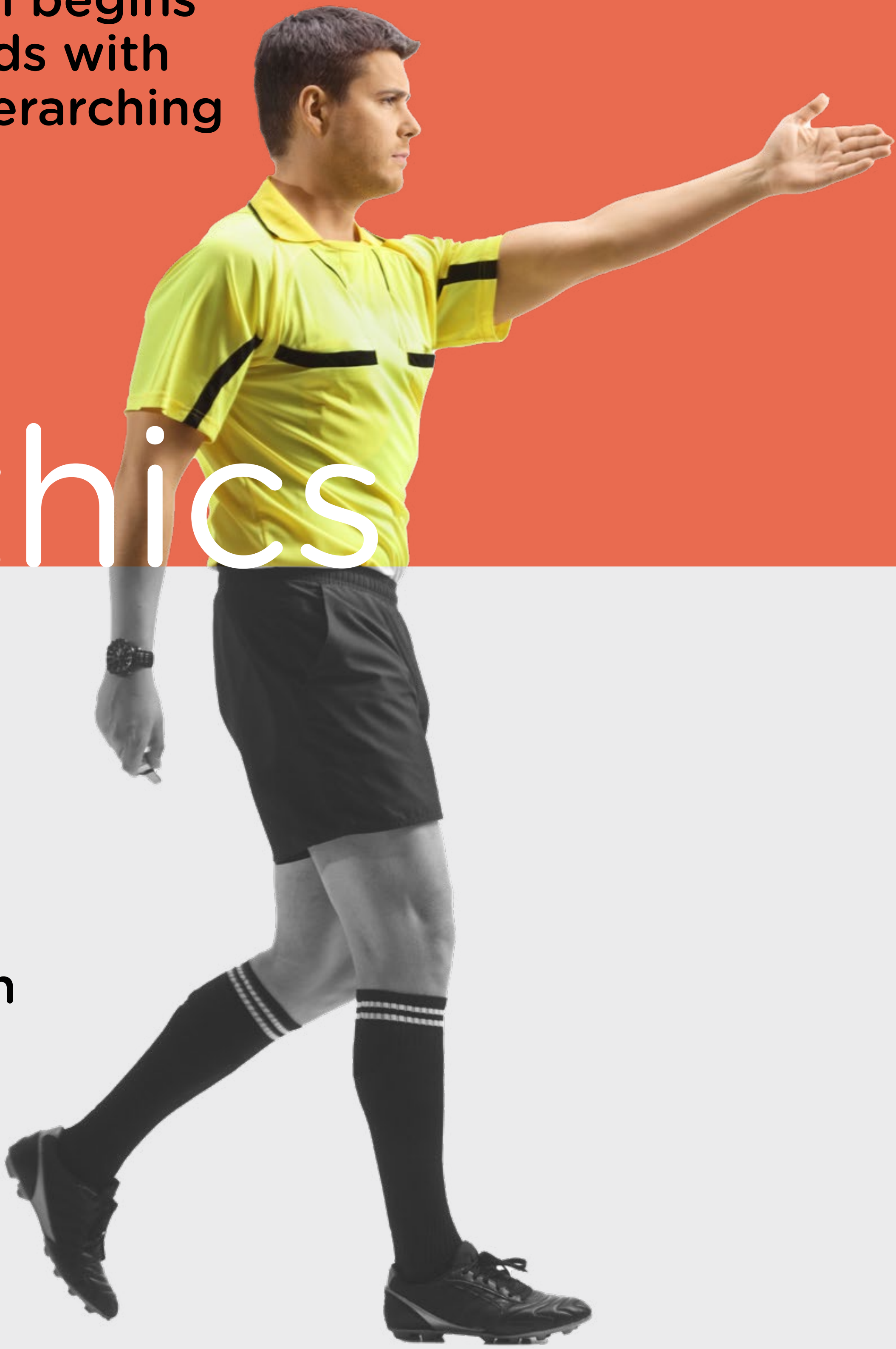
Customer relationships

Products serving diverse industries

Our core beliefs and ethos

The game of football begins and ends with one overarching tenet.

Ethics



Game on with ethics.

Vision

Himadri harbours a vision to become a global leader in speciality carbon products by adopting appropriate eco-friendly technologies and enhancing core capabilities through continuous product improvement, technical innovations and customer satisfaction.

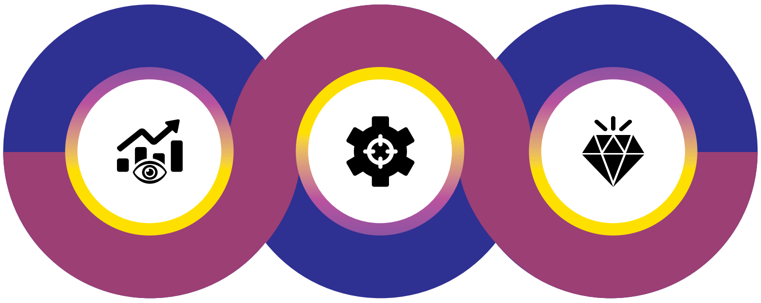
Mission

1. To be a Company that constantly innovates new products and technologies.

2. To have an unrelenting customer focus while being the customer's clear choice.

3. Be a Company that attracts, and develops individuals to build a proud Himadrian team.

4. Stay committed to a sustainable future and to improving the social, economic & environmental well-being of communities in the region of our operations.



Values

Integrity

We shall be thoroughly professional in all our activities with absolute honesty and will never compromise on our principles in any way.

Excellence

We will always strive to achieve the best level of performance in whatever we do and continuously improve ourselves in order to reach that level.

Safety

The safety of our stakeholders - employees, suppliers, buyers and society, is of utmost importance to us and we will never settle for any practice which puts it in danger.

Sustainability

We will carry out all our business activities to positively contribute to the creation of a better tomorrow for our future generations.

Innovative offerings that help us excel

Our offerings...

...serving these industries

Expanding our presence far and wide

54
countries

Presence

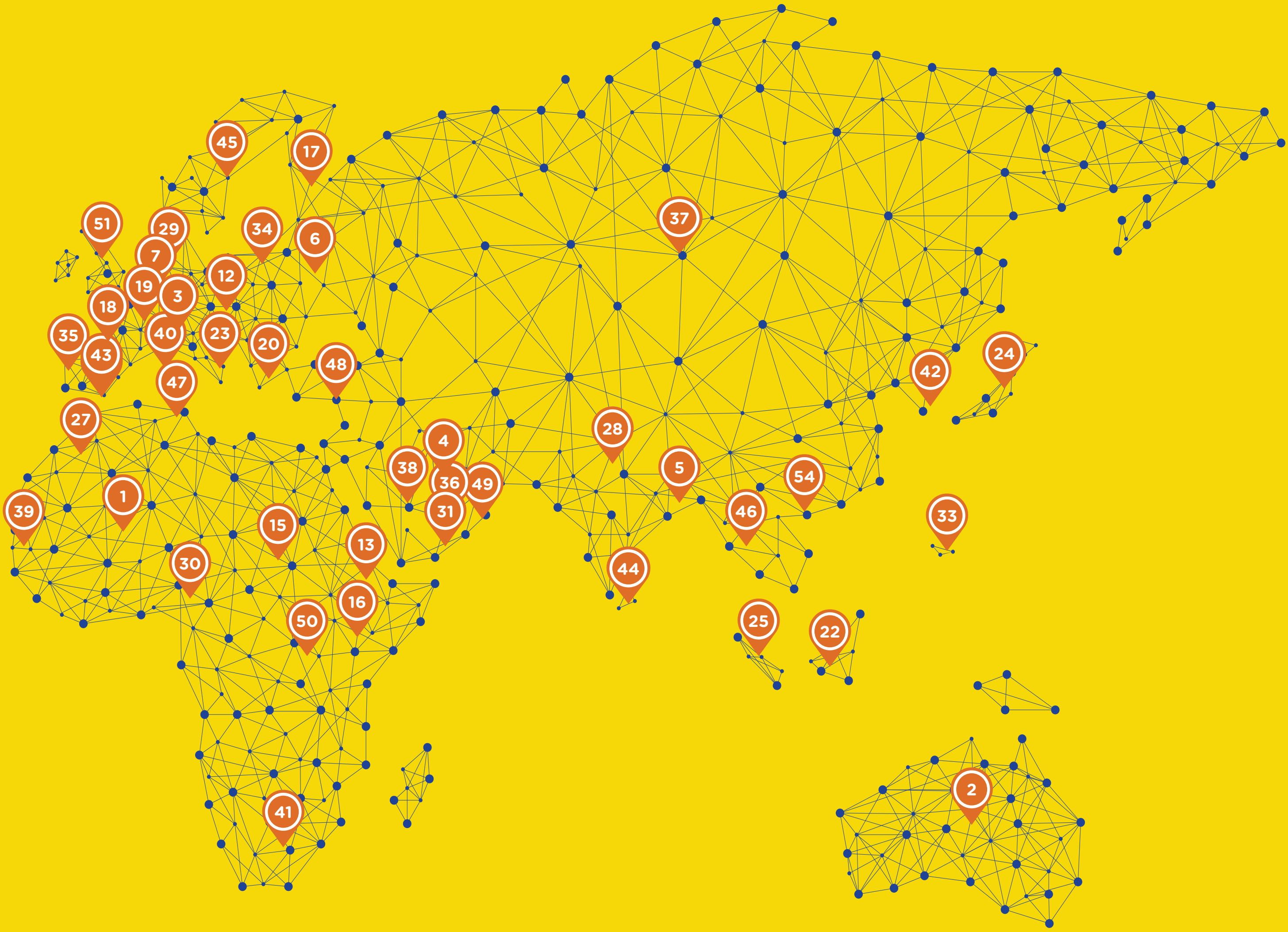
₹787.41
Crores

Export revenue

18.82%

Share of Exports in total revenue

1	Algeria	19	Germany	37	Russia
2	Australia	20	Greece	38	Saudi Arabia
3	Austria	21	Guatemala	39	Senegal
4	Bahrain	22	Indonesia	40	Slovenia
5	Bangladesh	23	Italy	41	South Africa
6	Belarus	24	Japan	42	South Korea
7	Belgium	25	Malaysia	43	Spain
8	Brazil	26	Mexico	44	Sri Lanka
9	Canada	27	Morocco	45	Sweden
10	Chile	28	Nepal	46	Thailand
11	Colombia	29	Netherlands	47	Tunisia
12	Czech Republic	30	Nigeria	48	Turkey
13	Djibouti	31	Oman	49	UAE
14	Ecuador	32	Peru	50	Uganda
15	Egypt	33	Philippines	51	UK
16	Ethiopia	34	Poland	52	USA
17	Finland	35	Portugal	53	Venezuela
18	France	36	Qatar	54	Vietnam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A quick recap of FY 2023-24

Quarter 1

- Completed materiality assessment and defined sustainability priorities and **targets** for Himadri.
- R&D initiatives undertaken in areas of Anode, Silicon-based anode materials, cathode materials and graphene
- Acquired **12.79%** stake in Australia's Sicona Battery Tech to explore innovative technologies for the production of high-quality silicon-based anode materials

Quarter 2

- Development and introduction of **7** Speciality Black Series with more than **55** Grades- ONYX , JETEX , ELECTRA, KLAREX, COLORX, BARONX and VIRTEX
- Quarterly PAT crossed **₹100 Crores**

Quarter 3

- Joint acquisition of Birla Tyres Ltd for a total acquisition cost of **₹306 Crores**, with Himadri as Strategic Partner and Dalmia Bharat Refractories Limited (DBRL) as Resolution Applicant
- Awarded the EcoVadis Silver medal, which ranks us among the top **23%** of the highest-rated companies in the world; among 100,000+ rated companies.
- Announced a capex of **₹1,125 Crores** for building the first commercial plant of 40,000 MTPA of LFP Cathode Active Material with a phased outlay of **₹4,800 Crores** across the next **5-6 years**

Quarter 4

- Joined the United Nations Global Compact (UNGC) as a direct signatory.
- Capex commitment for expansion of new speciality carbon black line of **70,000 MTPA** with an investment of **₹220 Crores**
- Acquired **40%** stake in Invati creations for a consideration of **₹45 Crores** to engineer high-quality LiB materials for efficient energy storage with higher energy density and longer battery life
- Record Sales Volume of **1,40,317 MT**

CMD’s letter

Anurag Choudhary
CMD & CEO

Dear Shareholders,

It gives me great pleasure to reflect on our journey over the past fiscal year. With innovation as our primary focus, we have swiftly marched ahead in our journey towards sustained growth. Our strategies over the years have led us to be more productive, writing a new chapter of success, year after year.

Ushering a new era

If one pays attention to our journey in detail, one will understand how we have unlocked value at each corporate milestone. These strategic steps have brought synergies, which continued to propel your Company forward.
In fiscal FY24, we are excited to announce the foundation of a state-of-the-art manufacturing facility for Lithium-ion Battery (LiB) components to produce 200,000 MTPA of Lithium Iron Phosphate (LFP) Cathode Active Material, catering to 100 GWh of Li-ion Battery, in phases investing ₹ 4,800 Crores over the next 5-6 years. This plant widens our offerings into the rapidly growing EV and energy storage sector. By indigenising the production of LiB components, we are taking the right step towards the planet's cry for reducing carbon footprint and preserving natural resources.

Our recent acquisition of 12.79% stake in Sicona Battery Technologies extends our synergies to widen our portfolio with innovative solutions for the development of high-quality silicon anode technology for lithium-ion batteries. The next-generation battery technology developed by Sicona is expected to revolutionise electric mobility and the energy storage battery space, complementing our efforts in LiB components manufacturing.

We are investing ₹ 220 Crores for the brownfield expansion of a new speciality carbon black line, more than doubling our capacity to 1,30,000 MTPA. This will enable us to become the world's largest single-site producer of speciality carbon black, contributing significantly to our bottom line, with its high yield. These new products with superior performance parameters find application in fibres, semicon cables, engineering plastics, inks and several other specialised applications.

Himadri, as strategic partner and Dalmia Bharat Refractories Limited (DBRL) as resolution applicant initiated a joint acquisition of Birla Tyres Limited for a total acquisition cost of ₹ 306 Crores during the year. This has further enabled us to forward integrate from Oil to Carbon Black to Speciality Carbon Black, positioning us at the threshold of an exciting transformation to serve more customers. As we foray into the B2C segment, this expansion of our product portfolio, with more high-value niche products, is expected to strengthen our profitability further. This development is anticipated to broaden our customer base and enhance our market presence globally.

Additionally, we have acquired a 40% stake in Invati Creations for a total cost of ₹ 45 Crores, strengthening our presence in the innovative Lithium-ion battery solutions segment. Leveraging their patented technologies and R&D skill set, we aim to offer new-age battery storage solutions for different applications.

Performance Review

We have every reason to be excited about our prospects and the path that lies ahead. Evolving from being a legacy Coal Tar Pitch manufacturer to building a diverse sustainable product company is a journey that we all are proud of.

Before I deep-dive into financial performance, the stand out matrix that will excite all our shareholders is our net zero debt status. It is a significant milestone that we have attained for the first time in the past 20 years. A combination of all financial parameters when put together will also help improve our Return on capital employed (ROCE) and Return on equity (ROE).

During the year, we reached our highest-ever sales, Profit After Tax (PAT) and EBITDA. Our sales volume soared to 4,75,582 MT, as a result of the introduction of new product lines and our long-standing customer relationships. The PAT has increased more than two-fold with a year-on-year growth of 98%, from ₹208 Crores in FY2022-23 to ₹411 Crores in FY2023-24. For the fiscal year under review, your Company's total revenue stood at ₹4,185 Crores and an EBITDA of ₹632 Crores.

The strategic initiatives we have undertaken, including acquisitions and capacity expansions, are further enhancing our manufacturing capacity, backed by our forward and backward integration model. The strength and viability of our business model reflects our determination to stay ahead of the curve and fulfil evolving customer requirements with value-added products. This gives us the confidence to unlock our full potential and seize emerging opportunities.

Re-imagining Sustainability

Today, we meet major energy requirements at our Mahistikry plant through clean energy. We have installed effective water treatment plants at our sites to ensure zero liquid discharge. Understanding our operations involve carbon emissions, we have undertaken efforts to conserve energy through our heat recovery system in our plants.
Our ongoing endeavours focus on reducing solid waste per metric tonne of product sold and increasing the utilisation of non-virgin raw materials are also contributing to our long-term goals of preserving natural resources.

Further, I am pleased to announce that the Company has been awarded a Silver Medal after its very first evaluation by EcoVadis, as a clear validation of our commitment to build a responsible business. This recognition places us among the highest-rated companies in terms of sustainability across parameters of the environment, labour, human rights, ethics and procurement practices.

Way forward

As opportunities in the carbon value chain continue to grow, we are looking at new-age mobility and energy storage solutions to address the requirement for critical raw materials used in lithium-ion batteries. Our strategy on diversifying our offerings and the development of pioneering products will lead us to sustained business growth in the coming years.

Before I conclude, I would like to extend my heartfelt appreciation to all our stakeholders, for their trust and unwavering support. Join us in our journey of excellence, ushering in a new era of growth.

Regards,

Anurag Choudhary
CMD & CEO

In conversation with CMD

Q With the host of initiatives and transformations that are going on at Himadri, these sure are exciting times for the Company and its stakeholders. Taking all of this into consideration, how is the company planning on managing the capital requirements that would be required to bring these initiatives and plans to fruition?

I am pleased to share that Himadri is now a debt-free company with net positive cash balance after a long time in our journey. We are conscious and prudent of capital allocation and we drive growth with an objective of a strong and healthy balance sheet.

We have planned our fund requirements and cash flow generations for the upcoming projects. Our investments and capital requirements for new businesses and expansion of existing businesses will be funded primarily by the cash flow generated every year. We do not plan on any fundraising for the projects announced. We have a healthy positive cash flow from current businesses which are steadily growing.

As a Company, we stringently practice fiscal prudence. We have no plans to leverage our balance sheet or dilute equity.

Q Himadri as a company is venturing into unchartered territory when it comes to manufacturing battery materials and tyres. With Himadri being known as a pioneer in the domains of carbon chemistry and Battery Materials innovation, what is your view concerning your readiness and execution capabilities for undertaking all these new initiatives and unlocking business value?

We have been discussing and working on Lithium-ion chemistry for close to 14 years. We have invested extensively in this domain over the years. Hence, our decision to enter the LiB material manufacturing market is not a reaction to global trends, but a proactive step to leverage the knowledge and expertise garnered over these years and add value to our stakeholders. Throughout our journey spanning excess of three decades, working across the carbon value chain, it has been our constant commitment to innovate, that has kept us at the forefront of our industry. Our current products, be it coal tar pitch and carbon black, do find downstream applications in the realms of battery manufacturing and tyre manufacturing.

At Himadri we pride ourselves on the team we have built over the years – the team that we call 'Himadri Parivar'. The team gives us the leverage and bandwidth to venture into new territories. As we expand, we have a clear roadmap for augmenting our management bandwidth and judicious use of time and resources to ensure timely execution.

With these beliefs in mind, we acquired stakes in Sicona Battery Technologies and Invati Creations, which are pioneers when it comes to developing groundbreaking technology and processes in the domain of energy storage. With this move, we have not just bolstered our technological prowess, but have also onboarded the brightest minds, who have the required experience and technical acumen, to ensure our steps are aggressive while being measured.

Q The battery and EV segments are very dynamic with a high churn of innovations such as Hydrogen cells, Sodium Ion batteries and more. How is Himadri positioned to stay ahead of the curve and safeguard against the risk of technological disruptions or obsolescence?

Let's understand this clearly – Lithium-ion battery is here to stay and grow. Every new technology has a development cycle and timeline where it needs to prove itself in terms of stability, application, variability etc. After that, it has to become commercially viable for mass application. A global supply chain is also required for mass adoption. Lithium-ion batteries over the last 30 years have traversed this curve and are bringing in this new technological revolution.

As with any growing field, new technologies will always emerge. In the energy storage space, it could take up to 15-20 years for these new alternatives to stabilize, find their respective niche use cases and then be able to establish a commercialized business case. Technologies will co-exist based on their relative strengths and application suitability.

Our research and development is a continuous and evolving process designed to keep us ahead of the market curve and ready for the future. We are constantly innovating, and developing new product ranges and technologies. Our world-class team, infrastructure and organizational focus will keep us ahead in the technology curve.

Q You have spoken about Himadri's R&D prowess. Over the medium and long term, what are the new innovations we can expect?

Our journey over the last few years has been supercharged, exploring new avenues, developing new technologies, and entering new businesses and segments. This trend will continue with the initiatives and commitments that we have made. In the near term, you can expect us to cater to the LiB material market in India and globally, doubling down on our Speciality Carbon Black production capacity and kick-starting the production of tyres.

At Himadri, we always say that R&D runs in the DNA of the company and staying true to it, in the coming few years, we will be coming out with LMFP variants, silicon anode material and graphene applications along with our battery recycling projects. Additionally, leveraging our expertise across the carbon manufacturing value chain, we will be coming up with high-value derivatives of coal tar i.e. Anthraquinone, Carbazole and Fluorene. Moreover, work is steadily progressing in the areas of carbon nanotubes, carbon fibre, etc.

What I would say is, this is just the tip of the iceberg. These are exciting times for Himadri and its stakeholders, as there are more exciting technologies and products presently in the pipeline that have huge disruptive potential particularly to transform the application of nanotech across industries.

Leadership team

AMIT CHOUDHARY
EXECUTIVE DIRECTOR

ANURAG CHOUDHARY
CMD & CEO

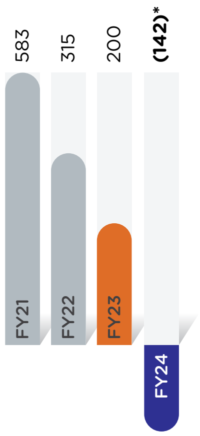
Financial review

Football is also about formulating the right

strategies,

setting viable targets, outshining competition and scoring the desired number of goals at the end of the day.

Net Debt
(₹ in Crores)



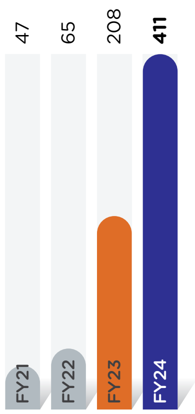
*Net positive cash balance

Kamlesh Agarwal
CFO

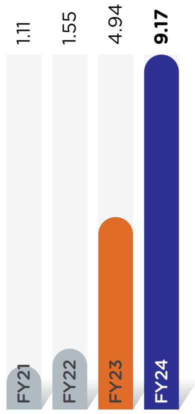
Consistent financial performance, leading to debt-free status with a net positive cash balance, reflects our commitment to delivering sustainable growth and value to the stakeholders. We are well-positioned to capitalize on future opportunities and sustain our growth momentum.

Net Revenue from Operations
(₹ in Crores)

Profit After Tax (PAT)
(₹ in Crores)

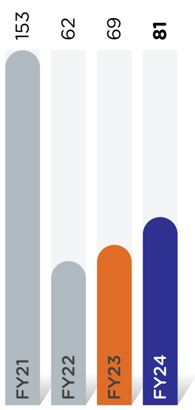


Earnings Per Share (EPS)
(in ₹)



EBITDA
(₹ in Crores)

Working Capital Cycle
(No. of days)



Return on Capital Employed
(In %)

Enriching stakeholder relationships

We at Himadri, are committed to fostering robust partnerships with our stakeholders. Through transparent and engaging dialogue, we delve into pressing matters, acknowledging the distinct contributions each stakeholder makes to our enterprise. This collaborative ethos not only guides us in valuing their input but also steers our strategic objectives to meet their aspirations. Moreover, it guarantees that our sustainability initiatives remain congruent with the dynamic international milieu.

Our Stakeholder ecosystem and their significance

Employees

Our employees are not just the foundation but the driving force behind our company. Their unwavering commitment and industrious spirit are pivotal to our growth and prosperity. It is their innovative ideas and collaborative efforts that shape our competitive edge and define our corporate identity. Recognizing their invaluable contributions, we are dedicated to fostering an environment that nurtures their talents and aspirations, as their professional development is intrinsically linked to our collective achievements.

Customers

Our customers are the cornerstone of our success, contributing significantly to our revenue streams and the ongoing vitality of our operations. Their diverse demands and feedback are not merely transactions but the catalysts for our innovation. By attentively listening and responding to their needs, we are inspired to pioneer new solutions and services. This customer-driven innovation propels us forward, ensuring we remain at the forefront of our industry and continue to deliver exceptional value.

Communities

Local communities are not merely partners but the lifeblood of our long-term vision. Their support is crucial in granting us the social license to operate, reflecting mutual trust and respect. By investing in community development and skilling initiatives, we not only amplify their employable skills but also enrich their livelihoods. This symbiotic relationship fosters a nurturing environment where local prosperity is intertwined with our corporate success, creating a shared journey towards a sustainable future.

Business partners and suppliers

Our business partners and suppliers are integral to the fabric of our operations. They are the key cogs in our supply and value chain, enabling us to conduct our business with enhanced coordination and sophistication. Their contributions go beyond transactions; they are our allies in the pursuit of sustainable development. By aligning our goals with their innovative practices, we create a robust network that is essential for delivering excellence and driving progress in our industry.

Shareholders and Investors

Shareholders and investors are the bedrock of our enterprise, infusing it with essential capital, strategic expertise, and a layer of accountability that propels us towards excellence. Their esteemed association not only bolsters our credibility but also serves as a beacon, attracting new investors and customers alike. This dynamic interplay of trust and reputation is pivotal, as it underpins our financial stability and fuels our capacity for innovation and growth.

Government and regulatory authorities

We are steadfast in our commitment to integrity and transparency. Our operations consistently align with the stringent standards set by governmental and regulatory authorities. We ensure complete compliance with all laws and regulations, reflecting our dedication to ethical business practices. Our transparent reporting measures stand as a testament to our unwavering responsibility to our stakeholders and society.

Our materiality matters

Safeguarding the interests of all players and giving everyone a level playing

field

is a critical aspect of the game.

At Himadri, we strive to identify key material topics through a materiality assessment. It enables us to understand pertinent environmental, economic and societal issues that may have a potential impact on our operations and stakeholders. Based on a comprehensive materiality assessment survey involving various stakeholders, we have identified 18 critical material topics.

Materiality assessment process

We follow a systematic process for materiality assessment that entails engagement with internal and external stakeholders.

Step 1

Identification of Stakeholders

Step 2

Evaluating Standards and Frameworks

Step 3

Online Materiality Survey

Step 4

Diagnosis Assessment

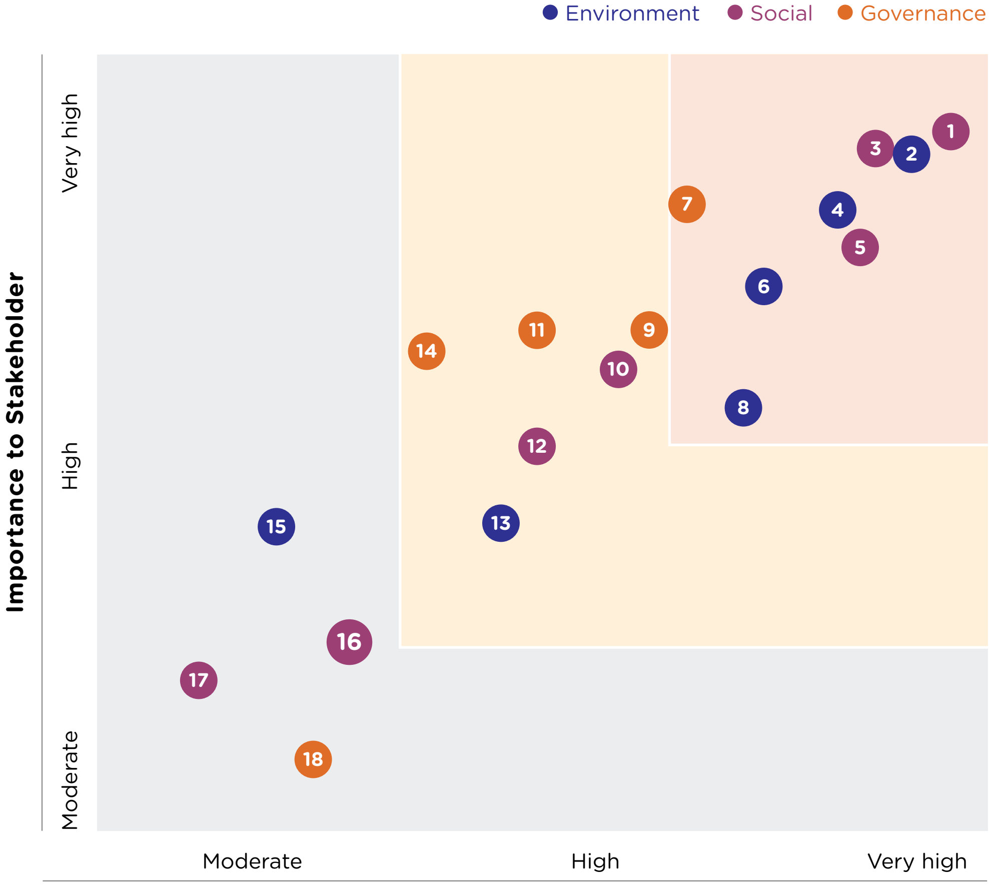
Step 5

Highlighting Key Material Issues

Step 6

Final Materiality Matrix

Mapping our material issue



Environment

- 2 GHG Emissions
- 4 Energy Management
- 6 Water Management
- 8 Product Stewardship
- 13 Waste Management
- 15 Climate Change Strategy

Social

- 1 Health & Safety
- 3 Human Rights
- 5 Labour Practices
- 10 Community Relations
- 12 Human Capital Development
- 16 Responsible Procurement
- 17 Supplier Relationship Management

Governance

- 7 Transparency
- 9 Code of Conducts
- 11 Risk Management
- 14 Policy Influence
- 18 Privacy Protection

Value creation model

Input	Value creation process

Financial Capital

₹2,981
Net worth (Crores)

₹(142)*
Net debt (Crores)
*Net Positive Cash Balance

Manufactured Capital

8
Manufacturing units

28
Capacity of captive power plant (MW)

Intellectual Capital

₹37
Spent on R&D (Crores)

94
Employees in R&D Team

Human Capital

920
Employees on roll

25,965
Number of training hours

Social and Relationship Capital

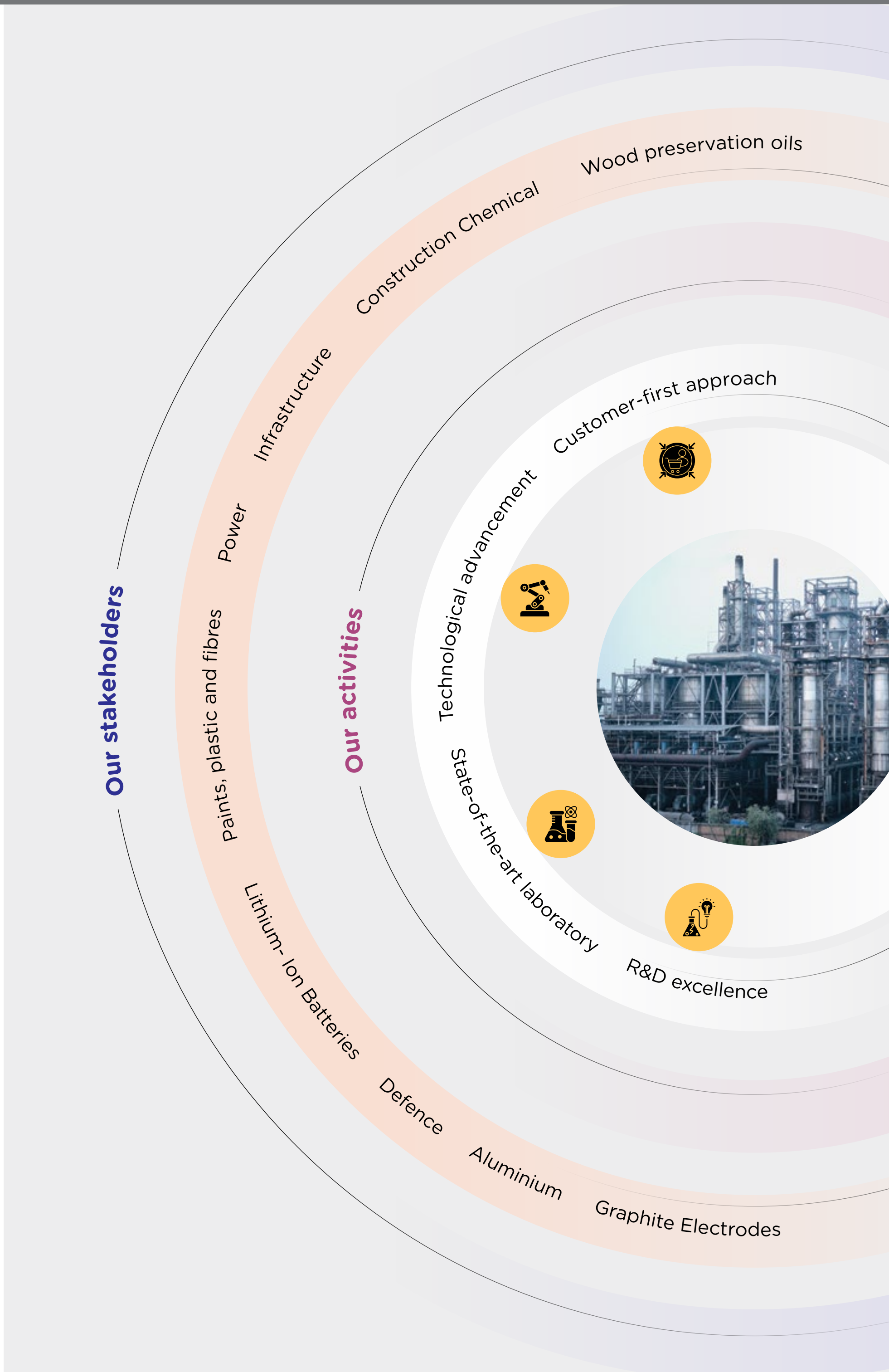
₹11
Spent on CSR (Crores)

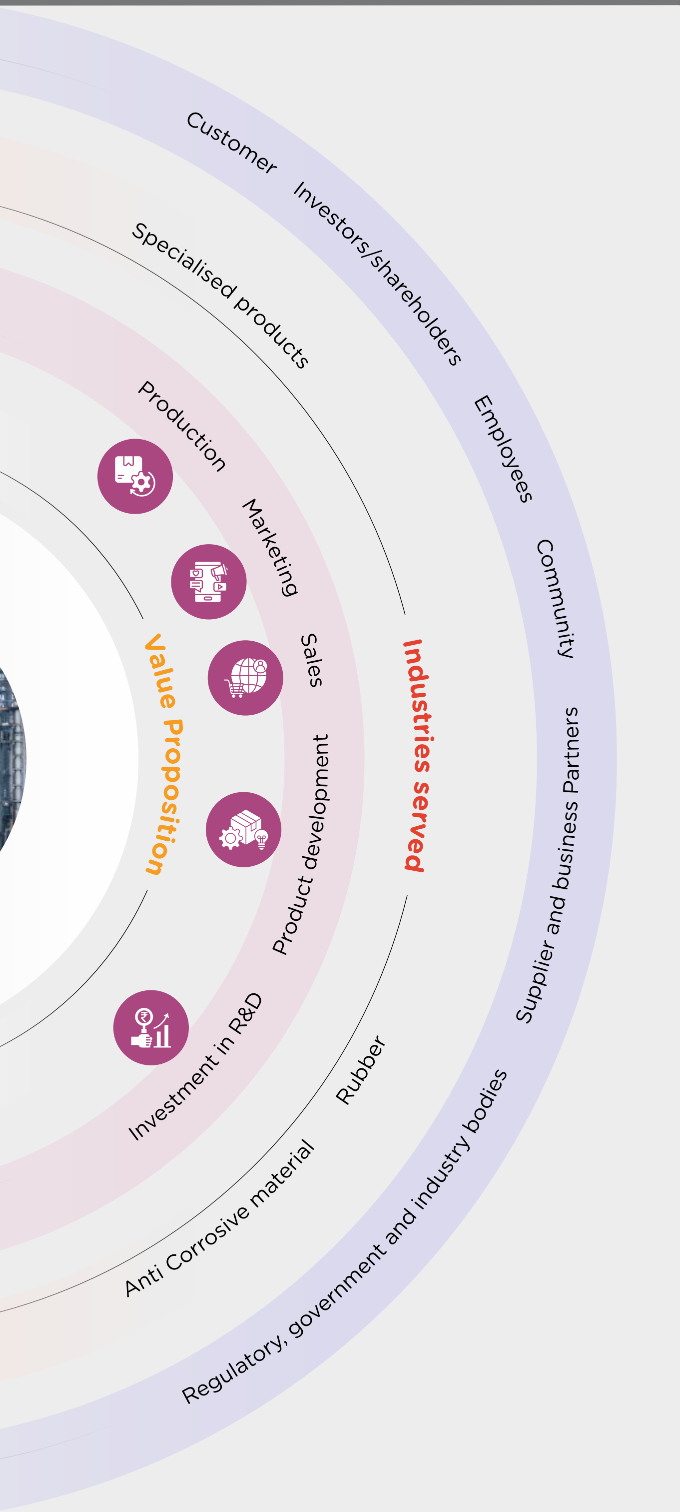
20+
Employees volunteered

Natural Capital

Reduced by
12.29%
energy intensity per MT of product sold

Reduced by
24.20%
CO2e emission intensity per MT of product sold

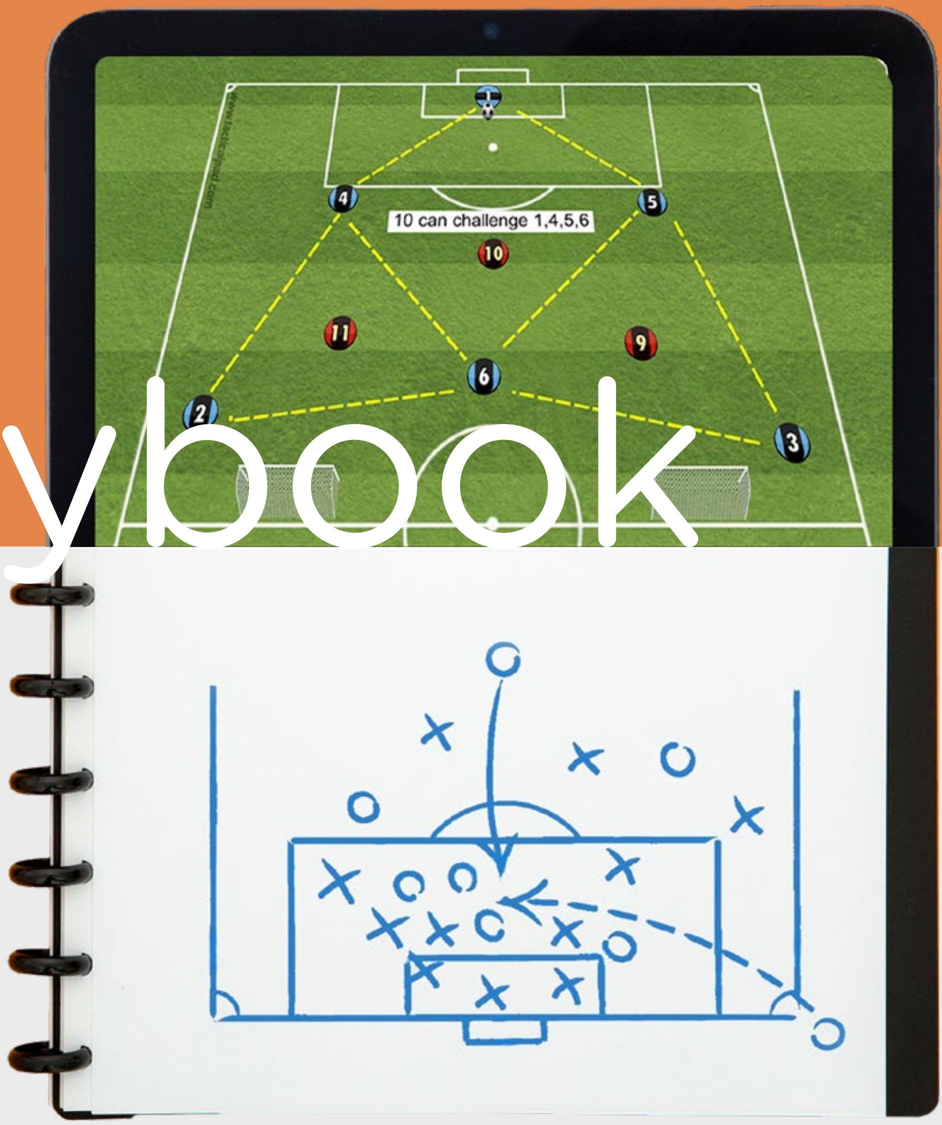




Output	SDG
Financial Capital ₹632 EBIDTA (Crores) ₹411 PAT (Crores)	8 Decent work and economic growth
Manufactured Capital 4,75,582 Sales volume (MT) 4.85 Inventory Turnover ratio (times)	12 Responsible consumption and production
Intellectual Capital 7 New grades developed	9 Industry, innovation and infrastructure
Human Capital 1.18 Lost time injury frequency rate (LTIFR)	3 Good health and well-being; 10 Reduced inequalities
Social and Relationship Capital People of 20 Villages 400+ Students benefitted	3 Good health and well-being; 4 Quality education; 8 Decent work and economic growth; 11 Sustainable cities and communities; 15 Life on land
Natural Capital 10,000+ Sapplings planted 98% Recycled materials	12 Responsible consumption and production

Unlocking synergies

Business deals, acquisitions, strategic investments and onboarding of new talent are part of the playbook



The financial year 2023-24 further strengthened the foundation of Himadri Speciality Chemical Ltd. At Himadri, we have made some decisive moves, which will enable us to strengthen our brand equity and amplify value for all stakeholders.

Strategic investment in Sicona Battery Technologies

At Himadri, our commitment is to produce high-quality silicon based anode materials and exploring innovative technologies in the battery material space. In line with this objective, we invested A$10.32 million (~₹56 Crores) in Sicona Battery Technologies Pvt Ltd for a 12.79% stake. Sicona's groundbreaking research and cost effective-highly scalable silicon anode manufacturing method perfectly complement our strategic objectives.

Sicona's advantage

Sicona is an innovative Australian startup specialising in advanced silicon anode technology for lithium-ion batteries. It has developed next-generation battery materials technology used in the anodes of lithium-ion batteries that enable electric mobility and storage of renewable energy.

- It has developed cost-effective silicon composite anode materials at scale.
- Its silicon-composite anode technology offers significant performance enhancements, with 50-100% higher capacity than conventional graphite anodes and over 50% higher cell energy density than current Li-ion batteries.
- It is commercialising an innovative silicon-composite battery anode material technology developed and perfected by the Australian Institute of Innovative Materials (AIIM).

What does the future hold for us?

This strategic investment positions both companies to capitalise on the rapidly growing demand for high-performance batteries for electric vehicles and renewable energy storage. The technology pioneered by Sicona has strong synergies with Himadri's current and future business portfolio and is expected to accelerate our endeavour in the battery material space.

This infusion of Capital will also accelerate Sicona's product and technology development, including the engineering of its first commercial-scale production facility in the United States, and will help accelerate the commercial development of its technology.

Corporate Overview
Statutory Reports
Financial Statements

Birla Tyres Limited

ACQUISITION

Strategically moving towards forward integration

At Himadri, we successfully forward integrated from Oil to Carbon Black, then to Speciality Carbon Black and speciality oils. Today, we stand at the threshold of an exciting transformation - moving forward towards end consumers, venturing into the world of tyres.

Recognizing the opportunity and building an organisation that creates value for its stakeholders, Himadri Speciality Chemical Ltd (Strategic Partner) along with Resolution Applicant- Dalmia Bharat Refractories Limited (DBRL) participated in the corporate insolvency resolution process of Birla Tyres Limited and jointly acquired Birla tyres Limited for an acquisition cost of ₹306 Crores. This transaction is financed through internal accruals and debt.

Apart from a strategic forward integration step for Himadri, Birla Tyres stands to offer many other economic and strategic advantages – the cost for creating such a facility would be to the tune of ₹3,400 Crores, time consumed to create the asset organically would have taken 36 months, eligibility for investment-related incentives under State Government Policy and availability of sufficient land for future expansion.

Strategic Rationale

Positioning

Himadri intends to operate in value-added niche tyre segments

Brand

"Birla Tyres" brand - Recognized for over 3 decades in India.

Product Portfolio

Tyres for Bus, Truck, Commercial Vehicles, OHT, etc. to be introduced.

Plant Location

Birla Tyres has its plant located in Balasore, Odisha. Himadri has strong presence and business activities in Odisha.

Forward Integration

Unlocking synergies across the value chain

Time to Market

Availability of ready and erstwhile operating asset has significantly reduced time-to-market for Himadri for its tyre foray

Existing capability

Sustainability Leadership

- Over three decades of commitment to sustainable carbon solutions
- Customized carbon black solutions tailored for tyre applications.

Quality Leadership

- Production of carbon black with the lowest impurities
- Achieved through backward integration into the cleanest feedstock.

Deep understanding of the Tyre Segment

- Understanding of the tyre industry, with 70% of global carbon black production dedicated to the tyre sector

Strategic Entry

- Strong synergies with Himadri operations, product integration and future vision
- A forward integration step
- Strategic fit towards the Company's overall objective of being a lead player in EV space

Synergies and benefits to Himadri From Birla Tyre acquisition

This landmark joint strategic acquisition marks a step in the forward integration process across the value chain for us as leading carbon black manufacturers. By leveraging our expertise in carbon black production, we are on track to develop tyres for both commercial and passenger vehicles under the brand of Birla Tyres within a year. This remarkable reduction in time-to-market positions us for a rapid and impactful entry into the tyre industry, capitalising on the strong reputation of the Birla Tyres brand. Moreover, this acquisition will enable us to benefit from investment-related incentives offered by state government policies. The availability of substantial land resources also underscores the potential for further expansion, thereby enhancing our growth prospects in the tyre industry.

- Foray into B2C segment
- Expansion of Product Portfolio
- High value-added Niche products
- New Segment- EV specialized tyres
- Broadening of Customer base
- Enhanced Geographical reach

Advantage Himadri

- The replacement cost for creating such a facility would be substantially higher
- Time consumed to create the asset organically would have taken 24 months, delay in opportunity
- Forward integration into high-margin niche offerings
- Eligible for investment-related incentives under State Government Policy
- Sufficient land available for future expansion

What next?

By investing in additional capital expenditure to enhance the operational capabilities of the plant, we aim to achieve full operational efficiency. This strategic move is expected to significantly boost our Return on Capital Employed (RoCE) and Return on Equity (RoE), adding substantial value to our overall performance metrics.

Himadri's LFP Cathode vision is..

..to produce 2,00,000 MTPA of Lithium Iron Phosphate (LFP) Cathode Active Material, catering to 100 GWh of Li-ion Battery, in phases investing ₹ 4,800 Crores over in 5-6 years. This 1st Commercial plant for LFP Cathode Active Material in India will cater to the domestic and global markets – a pioneering step towards Atma-Nirbhar Bharat.

Bringing breakthrough Innovation to the Indian and Global LiB Industry

- R&D on technology for Lithium Concentrate extraction and conversion to Lithium Carbonate and Lithium Hydroxide
- Next Gen R&D involving usage of AI to enhance the performance of battery cathode materials

Sustainable Sourcing

- Long term partnership with lithium concentrate producers in discussion
- Sustainable Supply Chain Model being developed for Customers
- Power sourced for the operations will primarily be sourced through renewable sources

We are positioned at the center of this value chain, with the capability to cater both the upstream and downstream requirements and demands

Upstream	Lithium Chemicals	Cathode Active Material	Downstream
Exploration & Mining	Refining of Lithium Concentrate to Lithium Carbonate and Lithium Hydroxide	Best in Class & Sustainable Cathode Active Material Production	**Cell Manufacturing**

We have been taking significant strides in the Cathode Material Space

Pioneering Innovation and Sustainable Growth in Cathode Material Landscape

Large Global and Domestic Opportunity

Market Projection : Cathode Material demand to reach 9.4 million tonnes annually by 2030 for global LiB cell production

Domestic Demand : Expected growth to 311 KT (base scenario) and 499 KT (promising scenario) annually by 2030

Himadri's Capability

In-house R&D & Innovation

Continuous investment fosters innovation, keeping us at the forefront

Integrated Business Model

Optimal resource utilization, creating holistic value for stakeholders

Next-Gen Materials

Developing next-generation cathode materials, leveraging state-of-the-art lab and innovative capabilities

Project Plans and Highlights

Vision : Building the 1st Commercial plant for LFP Cathode Active Material in India, intending to produce 2,00,000 MTPA in phases in 5-6 years

Phase 1 Capacity : 40,000 MTPA, focusing on meeting domestic and global market demands

Phase 1 Timeline : Operational within 27-36 months

Sustainability : Emphasis on sustainable and eco-friendly products

Himadri acquired 40% stake in Invati Creations..

..in line with our shared vision of producing high-quality LiB materials and exploring innovative technologies in the battery material segment.

About Invati Creations

- Invati, founded by alumni from IIM Kolkata and IIT Kharagpur, has a strong focus on engineering Lithium-ion electrode materials for efficient energy storage with higher energy density and longer battery life, using groundbreaking nanotechnology biosciences to provide real-world solutions.
- It also engages in R&D of various molecules and nanotech solutions, addressing challenges in life-science verticals, designing technology for diverse industries such as agrochemical, animal health and energy storage.
- Invati holds multiple patented and patentable technologies for novel molecule inventions spanning various applications, including the pioneering development of the first-ever broad-spectrum antiviral drug molecule.

Acquisition cost

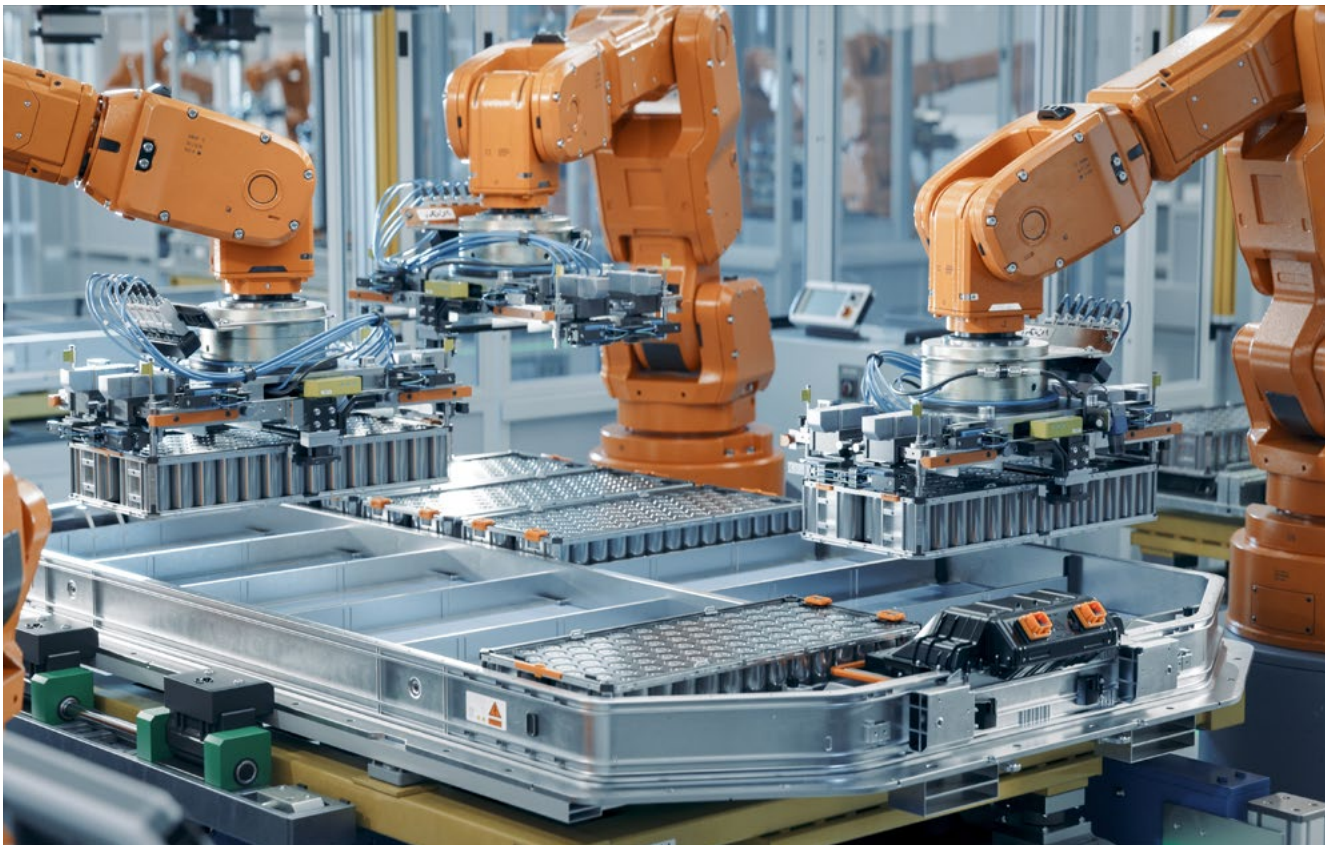
40%
stake for a consideration of ₹ 45 Crores

Leadership

Himadri
will have two nominee directors on the Board of Invati

Synergies with Himadri

Alignment
with our vision of producing high-quality LiB materials and innovating in the battery material segment



Football is not just a game; it's an art form. You have to be creative, think outside the box, and always be one step ahead of your opponent.

— Ronaldinho

Innovation

Transformation powered by focused innovation

We have added new brands with multiple grades of Speciality Carbon Black which cater to diverse application segments. We have a competent R&D team that conducts extensive research to develop innovative products. These advancements include leveraging various blends of Coal Tar and Coal Tar-based oils in diverse proportions, either independently or with petroleum-based feedstock.

Innovative Product Offerings

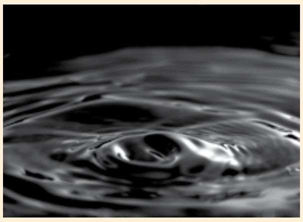
Anode Materials

Silicon-based Anode Materials

Cathode Materials

Graphene

Speciality Oil

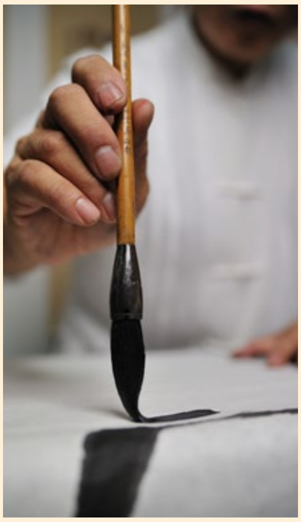


Hybrid Polycarboxylate Ether (PCE)

Anthraquinone

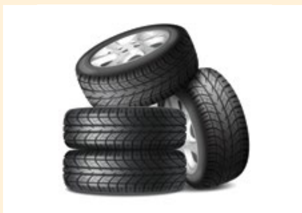
Carbazole

COLORX



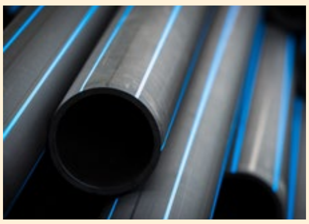
BARONX

VIRTEX



ONYX

JETEX

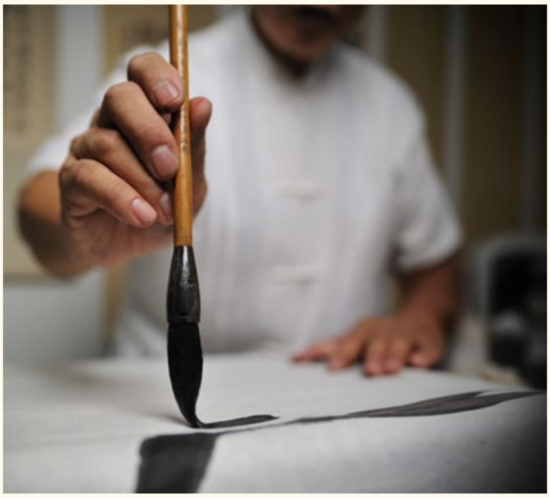


ELECTRA

KLAREX

Case Studies

COLORX



Context

Certain colorant chemicals were always being imported into India, which find special use across industries. Through our regular interactions with stakeholders, listening to their feedback and demands, we realized there was a need for a product in the market that can help fill this demand gap.

Solution

We at Himadri, using our R&D capabilities, used the colorant as a reference, and added our innovative processes to it, boosting the color value and its dispersibility.

COLORX is a powder black that functions exceptionally well as a colorant for premium grade inks, paints, adhesives, sealants, and coatings, offering high jetness, smooth processing, and better dispersibility.

BARONX

Context

In terms of speciality chemicals for paints, the market was predominantly dominated by imports. Understanding the market needs, speaking to our customers and research, we realized that a gap existed for a product that can possess the desired Thixotropic properties needed by industries.

Solution

BARNOX is the latest innovation in speciality blacks which helps increase the color value and Thixotropy in both solvent and aqueous-based coatings and industrial decorative paints. It is a premium-grade pigment that is highly valued for the industries with their use cases.

VIRTEX

Context

Considering the ever-changing dynamic geopolitical landscape of the world coupled with India's shift towards indigenous products- we spotted an opportunity to cater to the ever-growing OTR segment of tyres.

Solution

VIRTEX black carbon series is for high performance speciality tyres application which provides large range of surface area, structure and ASD optimizing grip, rolling resistance & mechanical performance. This is an indigenous product, a result of our research capabilities and commitment towards constant innovation.

VIRTEX finds it use particularly in OTR tyre where it adds value by improving cut resistance and low rolling resistance of the tyres.

Speciality Oil

Context

With the growing climate concerns, we are constantly researching of ways through which we can reduce our carbon footprint and manage energy needs. Through our industrial interactions, we became aware that this need and concern is felt across industries, where a need for a relatively less harmful fuel is deeply felt.

Solution

Based on our expertize across the speciality chemicals value chain, we were able to create a unique fuel by blending different aromatic, aliphatic and alicyclic oils. This oil has high calorific value and minimal soot content, making it relatively better energy source for the environment.

Hybrid Polycarboxylate Ether (PCE)

Context

Under traditional PCE applications, in order to better water reduction and slump retention, two different polymers had to be utilized and mixed. As part of our customer feedback drive, we realized that under specific cases customers wished for a single molecule which can provide these benefits, while helping them save costs.

Solution

We developed hybrid PCE, which improves water reduction and slump retention property, thereby delivering the same benefit but at lower cost to our customers.

Portfolio of few products

2010

Offering essential elements to several industries

Until 2010, our focus was on supplying key raw materials to multiple core industries.

We supplied coal tar pitch to aluminium and graphite electrode industries and carbon black to tyre industries. As we specialised in providing vital components to numerous sectors, we quickly rose to prominence in the chemical manufacturing sector.

Core products

- Coal Tar Pitch- Binder Grade
- Coal Tar Pitch – Impregnating
- Carbon Black
- Naphthalene
- SNF
- C.B. Oil

From Growing Carbon Value Chain to Promising Mobility and Energy Storage Opportunity

2011 to 2021

Value-added products

Himadri has constantly evolved towards an integrated business model, which thrives on a product portfolio full of value-added products.

- Aluminium Grade Pitch
- Graphite Grade Binder Pitch
- Graphite Grade Zero QI (Quinolene Insoluble) coal tar impregnated pitch
- Advanced Carbon Material for Lithium-ion Batteries
- Special Pitch
- Naphthalene
- Refined Naphthalene
- Light Creosote Oils
- Heavy Creosote Oils
- Anthracene Oil/Carbon Black Oil/ CT Oil
- SNF
- PCE
- Carbon Black
- Speciality Carbon Black
- Himcoat enamel
- Himcoat Primer-B
- Himtape
- Himwrap

Promising Growth Opportunity

2022 onwards

Products forming the critical raw materials for Lithium-Ion Batteries to be included in the Portfolio

Charging Ahead The growth of the lithium-ion battery market

The rising popularity of electric vehicles and other forms of energy storage have been major factors contributing to the rapid evolution of the lithium-ion battery sector. Himadri plans to be pioneer supplier in this segment.

- Products forming critical raw materials for lithium-ion batteries

CAPEX TO MORE THAN DOUBLE SPECIALITY CARBON BLACK PRODUCTION CAPACITY

Brownfield expansion of a new speciality carbon black line of
70,000 MTPA

Estimated capex of
₹ 220 Crores

Scheduled to be operational within
18 months

Increasing the total speciality carbon black capacity to
1,30,000 MTPA
making it world's largest speciality carbon black capacity at single site

Environmental, social and governance

From seats made of sugarcane to an entire stadium powered by renewable energy, there are many

venues

in the world that showcase that football can also be a sustainability game.

Our sustainability initiatives are fueled by our ambition to achieve

Vision Zero

- By 2025, Loss Time Injury Frequency Rate below 1 (Vs 2021)

Business Value Chain

- By 2025, conduct sustainability assessment of our business value chain partners covering at least 70% of group spend (Vs 2021)
- By 2025, introduction of carbon neutral product to customers by 0.1 % in Variants/ % RM in MT

Planet, People, Community and Governance

We have undertaken multiple initiatives to enhance the quality of our Planet, People, Community and the governance mechanism around these

Net Zero by 2050

- By 2025, Reduce Energy Intensity/MT of product sold (Vs 2021) by 10%
- By 2025, Reduce Scope 1&2 CO_2e emission intensity/MT of product sold (Vs 2021) by 25%
- By 2025, Reduce scope 3 CO_2e emission intensity/MT of product sold (Vs 2024) by 5%
- Reduce solid waste (Hazardous and sent to landfill)/MT of product sold (Vs 2021) by <1%

Excelling while safeguarding our planet

Energy management

At Himadri, we are dedicated to integrating eco-friendly practices to reduce our energy usage. Through the application of data analytics, process improvements, and state-of-the-art technology, we ensure that sustainability is at the core of our operations.

A prime example of our commitment is our initiative for generating clean, green energy in an eco-friendly manner, where we harness low-caloric waste gas from our carbon black process using custom designed boilers.

Moreover, we've adopted several measures to enhance energy efficiency and holistic sustainability such as establishment of our Captive Power Plant of 28 MW capacity which completely meets our power requirement to operate and helps lower GHG Emission. Moreover, we also have implemented a high performance multi-functional fuel additive across our reduction processes. At Himadri, we continue to explore, innovate and invest in sustainable energy solutions to help us further minimise our environmental footprint while maximising efficiency and productivity.

9,396.77

Energy intensity (per rupee to turnover) (J/INR)

12.29%

Energy Intensity reduced by

Water management

Our commitment to sustainable and responsible water management across all our operations is evident in our adoption of industry-leading technologies and methodologies. Staying true to the transformation journey we have embarked upon, we have taken many initiatives, One of which is the effective condensate recovery system, which allows us to reclaim 60% of the low-pressure steam from our operations, including equipment, pipeline tracing, and heating coils. Furthermore, we've implemented a Water Recovery Plant (WRP) that processes and recycles wastewater collected from a variety of processes such as the effluent treatment plant (ETP), demineralization (DM) plant backwash, reverse osmosis (RO) plant reject, and cooling tower blowdown.

The treated water from the WRP is then repurposed for use in the cooling towers, as part of the manufacturing process, and as feed for the RO plant. To ensure judicious use of water, we have equipped our facilities with flow meters across different water channels, enabling precise monitoring and regulation of our water usage. During the current reporting year, we have increased Zero Liquid Discharge (ZLD) plant's capacity. The recovered water will be utilized in domestic usages which will further reduce dependency on freshwater. Additionally, our management has included water consumption in KPIs up for monthly review.

16.4%

Water Intensity reduced (per MT of product sold)

Waste **management**

Our approach to waste management is rooted in innovation, aiming to reduce waste production and maximise resource efficiency. Our 'Scrap to By-Product' strategy is a testament to our commitment to recycling, promoting the principles of a circular economy.

Collaborating closely with our value chain partners, we have achieved an impressive recycling rate exceeding 99% for our by-products significantly diminishing our ecological impact

Moreover, our facility now features a Bio-gas plant with the capacity to process 200kg of kitchen waste daily, yielding 20m2 of bio-gas. This eco-friendly process segregates waste and transforms it into a slurry through mixing, offering an effective solution for managing and treating organic waste.

Social

The team has to outsmart the rival and steal the show together. Every player has to back up his teammate, snatch the

ball

from the challenger and move forward. It's a game where individual brilliance has to complement the team's effort.

Empowering our communities

Education

In our pursuit to broaden educational opportunities, we provide scholarships and books to learners at every educational stage, from early childhood to advanced degrees. Our efforts reach beyond our immediate vicinity, touching the lives of students in adjacent villages by fostering their academic and professional aspirations. This is in line with our commitment towards advancing UN Sustainable Development Goal of Quality Education, through our CSR funds. Moreover, we are committed to infrastructural enhancement, which includes the construction and refurbishment of educational facilities and libraries, reinforcing our dedication to educational advancement. Moreover, during the year we have continued to deliver on our commitment by investing in initiatives such as providing Scholarship Distribution for Medicine Study and Biotechnology.

Healthcare

In line with our commitment towards creating a sustainable future and to improving the social, economic & environmental well-being of communities in the region of our operations , we provide complimentary Free Periodic Eye Check-up Camps & Homeopathy clinics outdoor service. These initiatives are supplemented by our efforts for investing in construction of hospital for the community residing in local villages and contributing to development of a paediatric super speciality cancer hospital. Our goal with these programs is to make vital healthcare services available to the underserved populations.

Community development

Our focus on societal welfare transcends our corporate activities, encompassing initiatives aimed at uplifting the communities we serve and operate in. We actively pursue a range of welfare programs, with the objective of improving the quality of living for community members. Our initiatives include providing healthcare and secure housing solutions to economically weaker individuals. In addition to constructing durable homes, the company has also set up kitchens and sanitation facilities to meet the essential needs of underprivileged villagers, promoting sports and physical activities, distribution of free food, clothes, blankets, plantation of trees, animal welfare and much more. These efforts are focused on improving the overall quality of life and hygiene standards within the community, fostering an environment where sustainable employment can flourish, thereby promoting inclusive progress.

Homeward Bound: Transforming lives with new foundations- Himadri's housing initiative

Building home to stand the test of time

We had kacha mud house. Himadri built a concrete house with two rooms, stairs, bathroom and a kitchen. We faced a lot of bad situations previously, when we were living in the kacha mud house. Now we are very happy staying in this new home with our family.

Mrs Chaitali Pal w/o Sukumar Pal
Residing under Chandanpur Gram Panchayet

Providing higher quality of life

We had a kacha mud house where our family was staying in an adverse situation. We suffered a lot especially during rainy & winter seasons. Now we are very happy living in this house built by Himadri. Many many thanks to Himadri

Mrs Mridula Pakhira w/o Sailen Pakhira
Residing under Chandanpur Gram Panchayet


HIMADRI
FOUNDATION


CSR INDIA
AWARD 2023
WINNER
HIMADRI SPECIALITY CHEMICAL LTD.
MAHISTIKRY UNIT
KOLKATA
Sonmarg


HIMADRI

Nurturing talent

Talent management

At the heart of our operations lies our most precious resource—our employees. Their welfare is our top priority, and we approach it with the highest level of care and attention. Annually, we engage in a comprehensive employee satisfaction survey to hear directly from our team. This initiative allows us to get their feedback, address their grievances, identify and work on areas for improvement. Our robust talent management strategy is designed to nurture a work environment that promotes the professional development of our staff. We are committed to attracting youthful talent and investing in their future through targeted training programs, shaping them into proficient and skilled professionals. We also facilitate interactive sessions that empower our employees to set and pursue clear career goals, tailored to their personal ambitions and professional interests. This holistic approach to employee engagement not only reflects our appreciation for our workforce but also reinforces our dedication to their continuous growth and satisfaction.

71

Employees supported through career development programmes

Diversity and inclusion

Our recruitment strategies are designed to forge a robust workforce. We are committed to fostering a workplace that thrives on diversity, as it brings a wealth of viewpoints, skills, and creativity, thereby enhancing our company culture.

In honor of our female colleagues, we commemorate their accomplishments and fortitude with yearly events on International Women's Day. Acknowledging the distinct challenges, they encounter, we have instituted a leave policy that accommodates menstrual-related needs by offering paid time off. Furthermore, our 'Momazing' initiative provides dedicated support to pregnant employees, delivering both prenatal and postnatal aid. This initiative champions women during this pivotal transition in their lives. We also provide a six-month paid maternity leave, affirming our commitment to our employees' personal milestones alongside their career progression.

Learning and development

Our digital platform serves as a gateway to a wealth of resources, streamlining the employee experience from start to finish Focused on hiring the right talent, we ensure that our e-onboarding, performance management and e-learning practices are available across all locations. helping streamline processes and reducing delays. This strategic approach positions us as a forward-thinking organization, equipped for uninterrupted success.

We engage in regular evaluations and feedback mechanisms, including the analysis of crucial metrics and performance indicators. These assessments empower our team members to recognize their capabilities and pinpoint opportunities for growth.

Moreover, we have established a comprehensive mentoring network, blending formal and informal interactions with seasoned experts. Our mentors are a wellspring of wisdom, offering personalized advice and support that enriches the professional journeys of our employees. This initiative is a testament to our investment in their continuous advancement and our commitment to fostering a culture of lifelong learning.

909

Training programs conducted

25,965

Number of training hours

91

No. of Internal Trainers

Occupational Safety

Our employees are our most valuable asset, and as an employer, we are fully committed to delivering a duty of care by ensuring the right person is in the right job, providing adequate training, maintaining safe work processes, and ensuring a safe work environment.

Occupational Health and Safety (OHS) is an integral part of our business framework and the core of our culture. We regularly implement comprehensive training sessions aimed at enhancing employee awareness regarding individual safety protocols and the correct application of personal protective equipment (PPE). We also encourage and ensure meticulous record-keeping of all hazardous chemicals utilized within our facilities, in compliance with established regulations. As a testament to our constant endeavor, LTIFR reduced from 2.27 (FY23) to 1.18 (FY24). Accompanying every dangerous material is a detailed Safety Data Sheet (SDS), outlining its characteristics, potential risks, and safety measures. To continually elevate our safety standards, we systematically conduct surveys and audits related to safety, environmental impact, and occupational health, alongside thorough risk evaluations.

48%

LTIFR Reduced by (Base year 2022-23)

Corporate Overview
Statutory Reports
Financial Statements

Governance

When the referee blows the whistle, every player has to abide by it. He is not part of the game, nor the roaring audience, not even a cheerleader, but

oversees

the show from the start to finish. Ensuring the game has been played well; and also played by the book. The unsung hero!

Effective governance in letter and spirit

A robust corporate governance structure guides the implementation of our strategies. It ensures appropriate risk management and performance evaluation across all facets of our business.

Our diverse Board, consisting of both Executive and Independent Directors, provides comprehensive guidance, aligning resource utilization with our vision. A robust governance and compliance culture ensures adherence to regulations, strengthens relationships, fosters trust, and sustains our organization for the long term. By promoting an anti-bribery and anti-corruption culture, maximizing data security and transparency, and establishing ourselves as the industry standard for ethical business conduct, we believe we will be able to fulfil conformance to our objectives.

As the purveyor of the highest standard of business ethics, Himadri expects all employees, suppliers, and customers to conduct business per the highest ethical standards and in full compliance with all applicable anti-bribery laws and regulations. To reinforce this expectation, we have developed detailed policies, compliance procedures, and training programs.

Data ethics have now been at the forefront of the minds of organizations worldwide particularly due to the rapid digitization of the global economy. Our goal is for to be a trusted entity that safeguards and respects the data of our customers, business partners, and employees. Additionally, we leverage AI capabilities to advance our decarbonisation ambitions. We are enhancing our existing governance framework by automating preventive controls, embedding risk management institutionally, and exploring governance technologies in anticipation of AI regulation. As a testament to our commitment and determination to foster robust practices involving cyber security, we secured ISO 27001 certification.

At Himadri, we take personal responsibility for conducting ourselves ethically and honestly in all business activities. We have implemented a comprehensive Code of Conduct that applies to all employees, officers, and directors.

Governance structure

Board of Directors

Audit Committee

Responsible for supervising the financial reporting procedure, ensuring the accuracy, adequacy and credibility of the Company's financial statements.

Nomination and Remuneration Committee

It is responsible for defining the criteria to assess qualifications, positive attributes and independence of directors, establishing guidelines for evaluating director performance, creating a board diversity policy and identifying suitable candidates for directorship.

Stakeholders Relationship Committee

Has been assigned the task of addressing the concerns of the Company's security holders and reviewing the actions taken to resolve stakeholder concerns.

Corporate Social Responsibility (CSR) Committee

Tasked with the development of the Company's CSR Policy and Annual Action Plan, approving CSR projects and activities, determining expenditure for CSR initiatives and overseeing their implementation and progress periodically.

Risk Management Committee

Is responsible for developing a comprehensive risk management policy, including the Business Continuity Plan, overseeing the implementation of the risk management policy and assessing the effectiveness of risk management systems.

Environment, Social and Governance (ESG) Committee

Has been assigned the responsibility of aiding the Board in fulfilling its duties concerning Environment, Social and Governance (ESG) matters, reviewing policies, standards and guidelines related to the sustainable development of the Company's projects and operations.

We have multiple policies in place to direct our operations and ensure adherence to relevant laws and regulations. These policies demonstrate our dedication to sound corporate governance principles and informed decision-making throughout our organisation.

Policies

- Anti-Bribery Policy
- Archival Policy
- Board Diversity Policy
- Business Continuity Policy
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Human Rights Policy
- Material Subsidiary Policy
- Nomination and Remuneration Policy
- Related Party Transaction Policy
- Stakeholder Engagement Policy
- Whistleblower Policy

Awards and accolades

When the team lifts the

trophy,

it is cheered by a standing ovation from the crowd inside the stadium and thousands outside... Every moment there feels like an eternity.

Received the Best Workplace Practices award at the 12th edition of the Golden Globe Tigers Awards for Excellence and Leadership in CSR

Received the Carbon Footprint Accounting award at the 12th edition of the Golden Globe Tigers Awards for Excellence and Leadership in CSR

Received the Best Corporate Social Responsibility Practices award at the 12th edition of the Golden Globe Tigers Awards for Excellence and Leadership in CSR

Declared Winner for outstanding achievements in Rural Development at the 10th Greentech CSR India award 2023

Declared Winner for outstanding achievements in Environmental Excellence at the 23rd Annual Greentech Environment Award 2023

Received The Eastern India Best Employer Brand Awards 2023 at the 18th Employer Branding Awards 2023-2024

Management Discussion and Analysis

Global economic overview[1]

In CY23, global economic optimism surged despite the ongoing geopolitical challenges. Inflation dropped notably to 6.8% in CY23 and GDP rose by 3.2%, exceeding forecasts. Strict monetary policies led to reduced energy prices, while increased government and private spending fuelled consumption. Economic growth surpassed expectations, especially in the US and major emerging markets. In the East Asia and Pacific region, excluding China, growth was subdued in 2023, primarily due to a decline in goods exports due to muted global demand. China is also facing a prolonged downturn in economic activities, primarily owing to the flight of foreign capital from China to other safe havens such as India, Mexico and Vietnam. Despite geopolitical tensions causing volatility in commodity prices, supply chains have normalised due to reduced shipping costs.

Going forward, governments in advanced economies are expected to ease fiscal policies. The United States, whose GDP had already surpassed its pre-pandemic level, relaxed fiscal policies more than the Euro area and other economies where the recovery was ongoing. In the EMDEs, where productivity has declined below pre-pandemic levels, the fiscal stance has remained neutral.

Outlook

The global growth estimate for 2023, at 3.2%, is anticipated to remain same across 2024 and 2025. Despite the resilient performance of the global economy, the projected growth remains below historical averages. However, the US economy is expected to perform better than expected, although downside risks to growth persist. Contributing factors to this trend include the implementation of stringent monetary policies, the withdrawal of fiscal support and subdued productivity growth. Advanced economies are expected to witness a modest decline in economic growth before rebounding in 2025, whereas emerging markets and developing economies (EMDEs) are anticipated to maintain stable growth. Additionally, global headline inflation is forecast to decrease from 6.8% in 2023 to 5.9% in 2024 and further decline to 4.5% by 2025, indicating positive supply-side trends.

[1] https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024

WORLD ECONOMIC OUTLOOK, IMF April 2024

GROWTH PROJECTIONS (in %)

International Monetary Fund

*United States, Euro Area, Japan, UK, Canada

**Emerging and Developing Asia, Emerging and Developing Europe, Latin America and the Caribbean, Middle East and Central Asia, Sub-Saharan Africa

Indian economic overview

During FY24, the Indian economy managed to sustain its position as one of the world's fastest-growing economies. It has surpassed its global counterparts and has recorded a GDP growth rate of 7.6% during the period under review. This growth is propelled by increase in public investments, a burgeoning service sector, stable reform-focused governance and sustained domestic demand for consumer services, coupled with robust export demand for business services.[2] Leveraging its G20 presidency, India has facilitated meaningful multilateral initiatives. The financial sector has also remained resilient amid global challenges. Despite tightened fiscal policies, consumer price inflation has remained below the targeted range of 6%.[3] In the coming years businesses are expected to perform better with stable interest rates and deleveraged balance sheets.

Growing credit demand in India further indicates the intrinsic potential of the Indian economy. The uptick in the industrial manufacturing sector has garnered the interest of major international technology giants such as Apple, who are interested in extending their supply within India. The implementation of state-level policies that align with industry-specific incentive schemes has contributed to this upsurge. In addition, substantial investments in transport and infrastructure, such as building new highways, railways and roads, are a testament to the government's steadfast commitment to developing this vital sector.

India GDP Growth (in %)

Outlook[3]

India is poised for continued growth in the upcoming fiscal year, buoyed by robust financial and macroeconomic conditions. GDP is forecasted to remain strong at 7.0%, while inflation is expected to fall, although current volatility persists due to higher food prices. The government's emphasis on public infrastructure development is also offering a favourable environment for growth.

Estimates indicate that India will experience sustained growth, driven by contributions from labour and human capital. The country is anticipated to maintain its growth momentum, supported by a robust foundation laid by digital public infrastructure and substantial governmental investments in infrastructure sectors. However, global headwinds may pose challenges, potentially leading to a slowdown in global economic activity, which could impact India's financial and trade channels. Weather-related inconsistencies may also impact food prices, worsening inflationary pressures.

Despite these potential headwinds, forecasts suggest a significant surge in demand for consumption and private investments, which are expected to drive growth in the upcoming fiscal year.

Growth is expected to remain strong, supported by macroeconomic and financial stability.

— **IMF Executive Board,** December 2023

Company overview

Himadri Speciality Chemical Ltd (Himadri or the Company) was founded as a private company in 1987 and commenced operations in 1990. Through its journey it has established a robust domestic and international presence. The Company operates seven manufacturing facilities across India and has set up a state-of-the-art manufacturing unit in China. Himadri has fortified its stance as a key player accross product segments, including battery materials, coal tar pitch, carbon black, naphthalene, refined naphthalene, SNF, speciality oils and more. Its vast clientele is spread across diverse sectors such as lithium-ion batteries (LiB), paints, plastics, tyres, aluminium, graphite electrodes, agrochemicals, defence, construction chemicals and more.

[2] https://pib.gov.in/PressReleasePage.aspx?PRID=2010223

[3] https://m.rbi.org.in/scripts/BS_ViewBulletin.aspx?Id=22514

Product portfolio

Battery materials

Carbon black

Speciality carbon black

Coal tar pitch

Refined naphthalene

SNF & PCE

Speciality oils

Clean Energy

Anticorrosion products

36+ Years

Of Experience

Battery materials for EV and ESS

India is on the cusp of a major reformation in the EV and ESS ecosystem.

In keeping with the national policy on Climate Change and Net Zero emission by 2070, the pledge to reduce Carbon Intensity by more than 45% by 2030, there is a major thrust on the electrification of Vehicles and the generation of renewable energy. This is expected to give a steady rise in the demand for Battery energy in the coming years which will inflect to a surge by the turn of this decade and will continue to grow in the years ahead. The raw materials and components will also see a huge opportunity.

As a stimulant to these ambitious goals, the government has taken the lead and has announced opportunities and subsidies for the end users and the producers dovetailing it with its Self-reliant India accent, an economic development plan. Further various fiscal incentives and consumer awareness-building initiatives are being adopted as important drivers.

For example, implementation of the FAME II scheme, allocating INR 10,000 Crores to bolster the electric vehicle (EV) ecosystem and the Production-Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC) battery storage, providing an incentive of INR 18,100 Crores, have been pivotal in encouraging domestic manufacturing. These policies also align with India's ambitious goal of raising the adoption of EVs to 30% by 2030; consequently boosting the demand for lithium-ion batteries as reliable energy storage solutions.[4]

Global Li-ion industry

The comprehensive lithium-ion (Li-ion) battery industry, encompassing activities ranging from mining to recycling, is forecast to witness an annual growth rate exceeding 30% from 2022 to 2030. By 2030, it is anticipated to achieve a market value surpassing USD 400 billion, with a capacity of 4.7 TWh with mobility application alone accounting for 4.3 Twh . The 3 key drivers are (a) decision by 13 out of the top 15 OEMs to ban ICEs , (b) customer adoption rates and (c) regulatory shift and governmental support . The Recycling business will pick up momentum with a lag but will throw up its distinct potential by the next decade. The International Energy Agency (IEA) reports a 65% increase in demand for automotive lithium-ion batteries, reaching 550 GWh in 2022. This surge could be primarily attributed to the increasing sales of electric passenger cars, with new registrations soaring by 55% in 2022 compared to the preceding year.[5]

The Asia-Pacific region, particularly China, emerged as a prominent leader in the global Li-ion battery market.

4 https://www.astuteanalytica.com/industry-report/india-lithium-ion-battery-market#:~:text=India%20lithium%2Dion%20battery%20market%20generated%20a%20revenue%20of%20US,the%20forecast%20period%202024-2032.

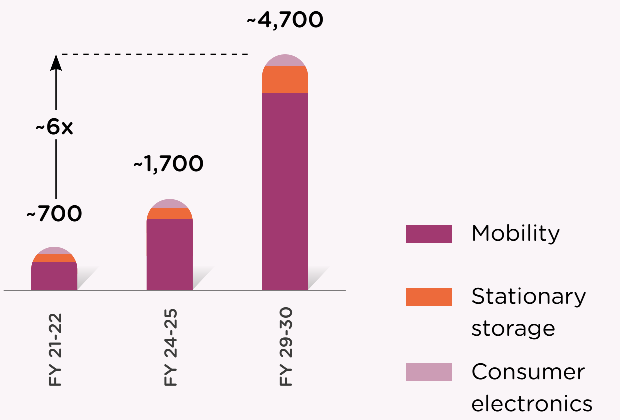
5 https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/battery-2030-resilient-sustainable-and-circular

Besides substantial manufacturing capacities, ongoing advancements and investments make this region well-positioned for sustained growth in the foreseeable future. This optimistic outlook for electric vehicles (EVs) presents promising avenues for expansion within the Li-ion battery market. Additionally, the anticipated fall in lithium prices is poised to further bolster market expansion.[6]

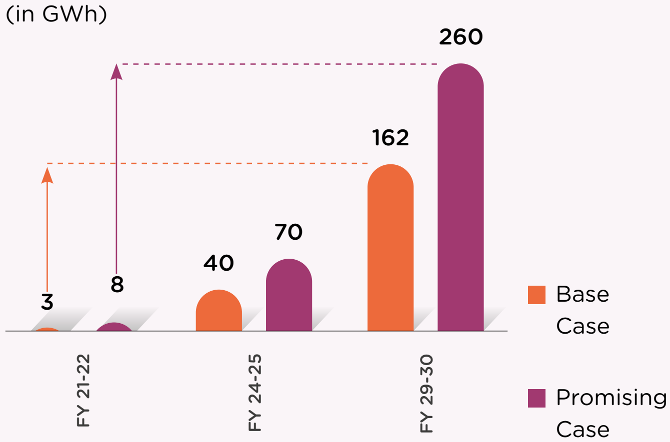
Positioned strong to cater the global demand for LiB raw materials

LiB Growth Potential

Li-ion battery demand is expected to grow by about 33% annually to reach around 4,700 GWh by 2030.



India Battery Energy Storage Demand (in GWh)



India's Li-ion battery industry

The surge in electric vehicle uptake, along with the burgeoning sector of renewable energy production, the necessity for energy storage, consumer electronics, and the rising call for sustainable energy storage options, have catalysed the expansion of India's lithium-ion (Li-ion) battery industry. With a valuation of USD 2.5 billion in 2023, the industry is forecasted to surpass USD 5 billion over the ensuing five years.

Demand for LiB batteries is expected to grow, reaching 260 GWh by 2030, driven by the increasing adoption of EVs in India. By FY33, this spike in demand will necessitate an additional 330 GWh of capacity, considering an average utilisation rate of 75%. The estimated capital expenditure (capex) for the next ten years is between USD 30-33 billion, with an assumed USD 90-100 million for the establishment of 1 GWh of battery capacity.[7]

Anode

Anode materials form crucial components of Lithium-Ion Batteries (LiBs), which power smartphones, EVs and renewable energy storage systems. The selection of anode material is critical as it directly influences factors such as discharge capacity, cycle life and the charging rate of LiBs.

Graphite materials are predominantly used as anode materials in the majority of LiBs worldwide due to their inherent structural stability, low electrochemical reactivity and optimal alignment for storing lithium ions. As the anode material, graphite facilitates the flow of electric current through the battery while enabling the reversible storage and release of lithium ions received from the cathode.

The recent advances in Silicon Anode Graphite promises higher Energy Density implying more range and capacity, lighter EVs for the same range, smaller batteries and reduced cost of Lithium Ion Battery storage.

During the charging process of a LiB, lithium ions are stored within the anode, while during discharging, these ions flow back to the cathode through the electrolyte. This cyclic movement of lithium ions between the anode and cathode is essential for the battery's operation and energy storage capabilities.

[6] https://www.iea.org/reports/global-ev-outlook-2023/trends-in-batteries

[7] https://mnre.gov.in/document/need-for-advanced-chemistry-cell-energy-storage-in-india-part-i-by-niti-aayog-3/

Cathode

In Lithium-ion batteries (Li-ion), the cathode plays a vital role in determining the battery's performance and characteristics. One commonly used cathode material is lithium iron phosphate (LFP), which is paired with a graphite electrode having a metallic backing serving as the anode. Unlike several other cathode materials, LFP exhibits a unique atomic arrangement, forming a crystalline structure that results in a three-dimensional network of lithium ions. This distinctive structure enhances electrical conductivity compared to other cathode materials like nickel, manganese and cobalt, which typically feature two-dimensional slabs.

One notable advantage of LFP cathodes is the non-toxic nature of phosphate, as opposed to cobalt oxide found in other cathode materials. Additionally, LFP batteries have the ability to maintain a constant voltage across higher charge cycles. These attributes make LFP cathodes a favourable choice for various applications, including EVs, renewable energy storage systems and consumer electronics. Overall, the increasing selection of cathode materials considerably influences the performance, safety and longevity of Lithium-ion batteries.

The recent advances in technology promises use of Manganese injected into the LFP to build LMFP, which promises long distance travel without potential toxicity and fire hazards in use of batteries involving Nickel and Cobalt whose availability poses a challenge too.

Global electronic vehicle (EV) market[8]

The year 2023 witnessed a sharp increase in electric vehicle (EV) sales, with volumes skyrocketing in nations like Thailand, Indonesia and India. Forecasts for EV sales in the Rest of the World category are promising; a jump to 8,40,000 units is anticipated, contradicting the assumption that EV adoption is limited to wealthy countries. Also, sales of commercial EVs are predicted to double from over 5,00,000 in 2023 to about 1 million in 2024, making this another historic year for the industry.

The global electric vehicle sales exhibiting optimism and is projected to increase, reaching around 17 million by the end of 2024. Still, the environment is supported by ongoing developments in battery technology, falling prices and the installation of almost 4 million public charging stations worldwide. These patterns are expected to continue, creating a framework for future expansion in 2025 and 2026, especially with the introduction of numerous reasonably priced models in Western markets.

The electronic vehicles (EV) market in India[9]

The market for EV batteries in India was valued at USD 16.77 billion in 2023 and is expected to reach USD 27.70 billion by 2028. This is a compound annual growth rate (CAGR) of 10.56% from 2023 to 2028. The fact that 60-65% of India's battery pack components are imported, highlights the country's enormous potential market. India's EV market, estimated to be worth USD 3.21 billion in 2022, is expected to register a remarkable CAGR of 66.52% to reach USD 113.99 billion by 2029. The government of India has set an ambitious goal to achieve 30% electrification of the country's vehicle fleet by 2030, in light of the growing sales of EVs nationwide.

The number of registered EVs in India as of the end of 2023 was around 3.5 Million. In 2022 and 2023, the EV sales were 1.0 and 1.5 Million respectively with a penetration of around 5% (Corresponding percentage of penetration at USA was 6% in 2023) . It is expected that by 2030, the Indian market will see EV sales exceeding USD 70 million with 4 Wheelers accounting for 10%, 3 Wheelers accounting for 15% and the remaining 75% contributed by 2 Wheelers.

Government's push for battery material is evident by these undertakings

- In 2019, the Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) Scheme was launched with a budget allocation of INR 10,000 Crores over a span of five years. To date, the FAME INDIA scheme has facilitated the sale of 11,18,682 vehicles, resulting in the conservation of 3,07,44,598 litres of fuel and a reduction of 6,20,60,142 kilograms of carbon emissions.
- The government initiated a Production Linked Incentive (PLI) scheme for the Automobile and Auto Component industry, allocating a budget of INR 25,938 Crores for 5 years staring from FY23.

[8] https://www.bloomberg.com/news/newsletters/2024-01-09/electric-vehicle-market-looks-headed-for-22-growth-this-year

[9] https://www.thehindubusinessline.com/companies/indian-ev-battery-market-to-grow-to-28-billion-by-2028-report/article67426649.ece

Carbon Black[10]

Carbon black, a variant of elemental carbon, is synthesized through the controlled vapour-phase pyrolysis of hydrocarbons and, through tight control of the manufacturing process, delivers a range of features including reinforcement, conductivity, pigmentation, rheology control, and many other properties. As a result, carbon black finds wide application in industries such as tyre manufacturing, plastics, coatings, printing inks, paints, batteries, rubber compounds, conductive packaging, film, and fibres. Recognized for its cost-effectiveness, versatility, and durability, carbon black extends the performance of tyres, reinforces rubber goods, acts as a colorant in coatings, provides conductivity in plastics, and delivers many other benefits across a range of applications.

Growth in carbon black is driven by a number of trends including adoption of electric vehicles (EVs), infrastructure investments, automotive lightweighting, and other trends. Carbon blacks are helping extend the life of EV tyres, which require enhanced reinforcement due to the additional torque from the electric motor. They are also extending the life of polyethylene pressure pipes by replacing aging water pipes, reducing water loss, enhancing agricultural production through protection of agricultural film and pipes from UV degradation, and providing other benefits that enhance sustainability across a range of end-uses. Significant investments in R&D are also helping develop high-quality carbon black with new uses such as increasing lithium-ion battery performance by enabling faster charging.

Speciality carbon black

Speciality carbon black is an engineered particle that provide additional features beyond ASTM commodity carbon black such as superior aesthetics in terms of colour, higher UV stability and conductivity and other benefits while being easier to process with less defects. Speciality blacks are tailored to specific industry applications to help end-users achieve higher performance in their production. In addition to plastics, coatings, printing inks, paints, specialised tyres, conductive packaging, film and fibres, speciality blacks are also used in belts, hoses, boots, fascia, gaskets, grommets, diaphragms, air springs, conveyor wheels and vibration isolation devices. Its value in various industrial processes is highlighted by its versatility.

Speciality carbon black has grown almost 6%, attributed to a surge in demand in batteries, heightened requirements for plastics and rubber products, increased demand for packaging inks and coatings, and a growing awareness of the properties that carbon black offers across various materials. Himadri has been part of this growth through the expansion of its portfolio with new products for synthetic fibre, food contact applications, inks & coatings, and engineering plastics.

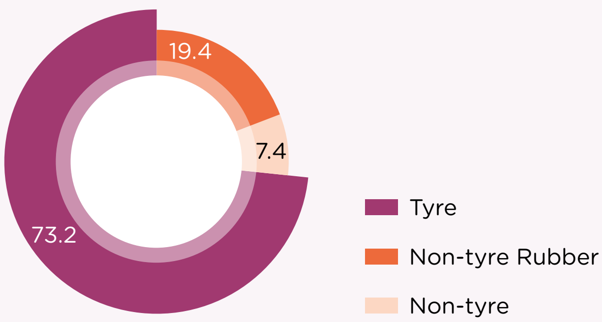
Allied industries

Tyre industry

In 2023, the global tyre market size totalled 1,859 million units as per Notch data. Looking ahead, the market is expected to expand further, reaching 2,260 million units by 2027. This growth trajectory reflects a CAGR of 3.8% during the period from 2022 to 2027. Several factors are propelling this growth. These include rapid advancements in tyre manufacturing technologies, robust expansion within the automotive industry, the enforcement of stringent regulatory policies, increasing consumer preferences for specialized and environmentally friendly tyres, and the escalating impact of urbanization and infrastructure development.

The global tyre industry is the largest consumer of carbon black, accounting for over 70% of global production, while the non-tyre rubber industry uses about 20%, the rest is taken by plastics, inks, coatings, and many other non-rubber applications.

Global Carbon Black Demand by Application



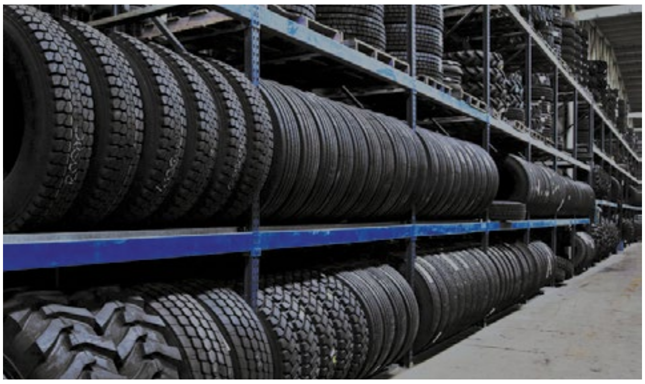
Overall Global Demand:14,006 kMT

Source: Notch Consulting

[10] https://www.imarcgroup.com/carbon-black-market

This breakdown by application is similar within India. After China, India stands out as one of the major producers and consumers of rubber in the Asia-Pacific region. The automotive sector in India plays a major role in the nation's economic performance, wielding substantial influence over technological advancements and macroeconomic expansion. Further, the sector's performance serves as a crucial gauge of tyre demand within the Indian market.

As of June 2023, the Indian automobile industry contributes approximately 6.4% to India's GDP and 35% to the manufacturing GDP, establishing itself as a principal source of employment. Notably, vehicle production in India surged to 5.75 million units in 2023, marking a 5% increase compared to the previous year. This upsurge in automobile production signifies heightened demand for tyres and related materials, including carbon black, within the automotive sector. Given these factors, the demand for carbon black in India's tyre industry is anticipated to remain robust in the coming years

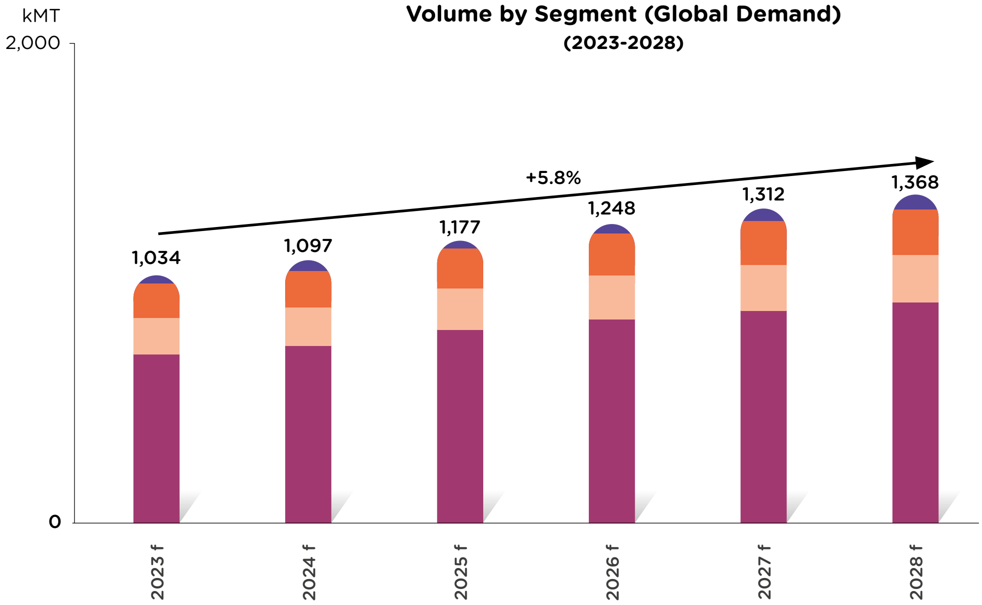


Mechanical rubber goods

In 2023, the global industrial rubber market was worth around USD 29.7 billion. It is expected to expand further, reaching USD 40.0 billion by 2032. This growth trajectory is expected to register a CAGR of 3.3% during the period from 2024 to 2032. Mechanical rubber goods (MRG) constitute a significant segment of the market, accounting for approximately 20% of overall demand. Similar to tyres, carbon black plays a crucial role in MRG by optimizing performance through its reinforcing properties. This contributes to improved functionality in various applications, such as retreading, hoses, seals, belts, and other rubber goods.

Plastics, Ink and Coatings

Plastics, inks, & coatings are the largest applications for speciality carbon black in non-rubber applications. In plastics, it is used in electrostatic dissipative (ESD) plastics, agricultural films, plastic pressure pipes, moulded parts, food contact packaging, automotive, and consumer goods, as well as wires and cables. Its versatile properties enhance the aesthetics of plastic products but also extend the performance life. The inks and coatings industry leverages specialized grades of carbon black to achieve deep black pigmentation and exceptional UV stability in inks, paints, and coatings. This versatility of carbon black facilitates the creation of vivid and durable prints as well as surface finishes for diverse applications and promotes its demand. The key drivers for growth encompass infrastructure investments such as upgrading aging water pipes, expanding electrification to support EV charging stations, automotive lightweighting initiatives, and urbanization driving middle-class expansion. These growth drivers are expected to deliver almost 6% growth for non-tyre, non-rubber applications.



	CAGR ('23-'28)
Batteries	16.4%
Other Applications	7.2%
Inks & Coatings	3.2%
Plastics	5.5%

Source: Notch Consulting

Other Applications: Adhesives & Sealants, Mulch, Graphite/ Carbon, Metallurgy

Coal Tar Pitch

Coal Tar Pitch (CTP) is a complex chemical generated by distilling coal tar and is a crucial raw material in various industries including aluminium smelting, graphite electrode production, surface coating of industrial material and chemical industries. Currently, the aluminium industry solely relies on coal-tar pitch as the primary binder for producing carbon anodes. Coal-tar pitch is widely used as the preeminent binder in anode production, primarily due to its effective interaction with coke particles during the mixing phase. It has the ability to wet the surface of coke particles and permeate their open pores, thereby facilitating the transformation of dry particles into a malleable paste conducive to shaping in the desired form.[11]

Coal Tar Pitch is a highly specialised chemical which has a significant impact on the aluminium production process. The pitch's quality directly impacts specific power consumption and carbon consumption in the electrolysis process. It also impacts the purity of the metal itself which makes it very critical in the process – especially for high value-added products. With its superior quality driven by world-class in-house technology, state-of-the-art infrastructure, customer specific customisations and thorough robust processes, Himadri offers unmatched advantages to the customers. Himadri's technology and sustainability drive has also enabled it to derive advantages in product yield, conversion cost optimisation and energy efficiencies which results in sustainable price advantages for the customers.

India, being one of the major global producers of aluminium, exhibits a substantial demand for CTP. As a critical component in aluminium production, CTP significantly influences both the quality and cost of aluminium manufacturing processes. A significant variation of CTP is used to impregnate graphite electrodes used in electric arc furnaces for steel manufacturing. It serves as a binding and impregnating agent in the production of graphite electrodes essential for EAFs in steel plants. Coal tar pitch is also used to make high technology products like carbon fibres, anode for lithium-ion batteries (LiB), and more. Additionally, CTP acts as a foundational material for coatings and paints and finds applications in roofing and paving, thereby serving as a binder in various tar products. Coal tar pitch serves as a feedstock in the production of various chemicals, including naphthalene, phenol, and creosote. These chemicals are utilized in diverse industries, such as pharmaceuticals, textiles, and wood preservation.

Himadri Speciality Chemical Ltd is committed to sustainable business practices and environmental stewardship. The company adheres to stringent environmental regulations and continues to invest in eco-friendly technologies and processes aimed at minimizing its ecological footprint and addressing associated environmental and health challenges.

[11] https://www.sciencedirect.com/science/article/abs/pii/S0016236120308711

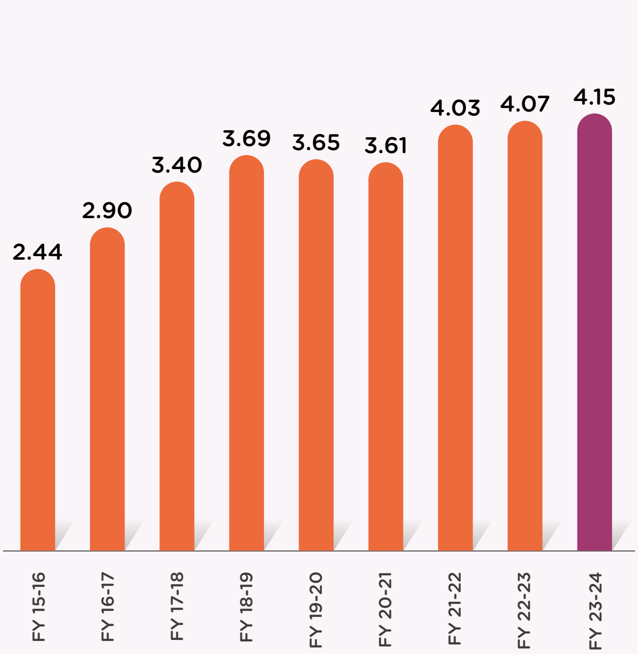
Allied industries

Aluminium industry

The aluminium smelting sector is the primary demand driver in the CTP market, due to the prevalent requirement for aluminium across diverse industries. Globally, aluminium ranks as the second-most-utilised metal, following steel, with an annual consumption totalling 88 million metric tonnes, inclusive of scrap. Aluminium is a recyclable environment-friendly metal which has a host of applications in a number of diverse sectors - power, transportation, building, construction, packaging and many more. Increasing application, growing environmental concerns & a shift towards greater use of recyclable materials are driving growth in the aluminium market. The surge in infrastructure projects and automotive manufacturing is fostering growth within the metals and mining industries in India

Today aluminium manufacturing in India has a critical role for all the key sectors that will aid in it's becoming a USD 5 trillion economy. India has the second-largest production capacity of aluminium in the world-about 4 million tonnes per annum (MTPA). The production of aluminium was 4.15 lakh tonnes in FY24. India being among the lowest-cost producers of aluminium holds a fair advantage in cost of production and conversion costs in steel and alumina.

Aluminium production (million tonnes)



CARE Ratings, Ministry of Mines, DGCIS, News Articles

It is predicted that India will be the "stand-out growth market" for aluminium consumption in the coming years as it continues to pursue construction projects to resolve an infrastructure deficit, which sees usage more than tripling to 9.5 million tonnes by 2030 from 2.6 million tonnes in 2021.

Multiple initiatives and focus of Govt. of India like Make in India, 100% rural electrification, Housing for All, Smart Cities, National infrastructure pipeline of Rs 100 lakh Crore, renewable energy and FAME (Faster adoption of manufacturing of Hybrid and EV) schemes for electric vehicles, increase in FDI etc. are some of the influencing factors that will boost the consumption of the metal in the country and further strengthen the future demand for aluminium.

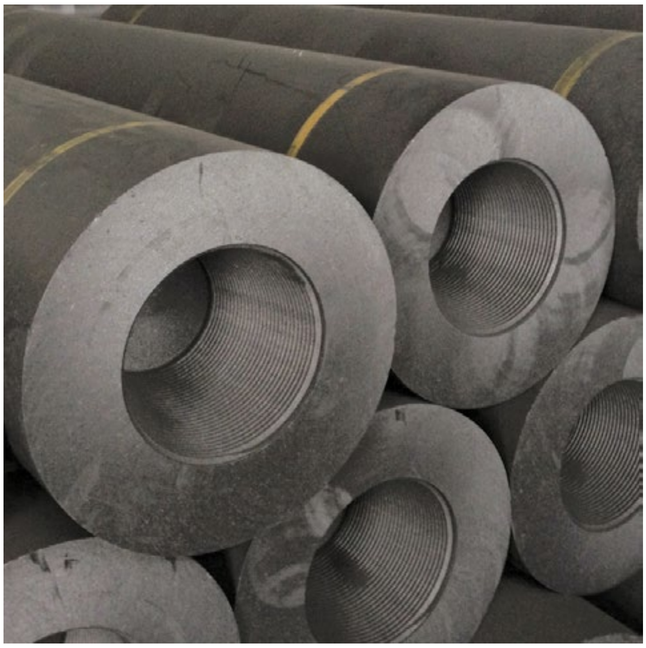
Extensive growth in electric vehicles, renewables, modern infrastructure, energy-efficient consumer goods and greater dependence on strategic sectors such as aerospace defence, will drive Aluminium consumption to grow at a CAGR of more than 10%.

With its growing production capacity and competitive advantage in terms of raw material availability and low labour costs, India has emerged as a significant player in the aluminium global trade.

Graphite industry

Graphite electrodes are essential in Electric Arc Furnace (EAF) and Laddle Furnace (LF) processes, enabling the production of steel and non-ferrous metals. These electrodes act as consumables, conducting high current at low voltage for melting and alloying procedures.

Graphite electrodes typically consist of binder-graded coal tar pitch, calcined needle coke and impregnation-grade coal tar pitch. The healthy growth observed in end-user industries sets the stage for promising prospects in the near future for coal tar pitch, given its integral role in the production of graphite electrodes.



The metallurgy segment within the market encompasses electrodes and refractories, casting and foundries, with graphite electrodes playing a pivotal role in various industrial processes. The anticipated increase in steel production, particularly through the electric arc furnace process, is poised to drive demand for graphite. In refractories, natural graphite is used in the fabrication of crucibles and mag-carbon bricks, It is also used as a lining material in steel converters and electric arc furnaces. Moreover, graphite plays a vital role in steel moulding applications, where different forms of alumina-graphite are employed in continuous casting ware such as nozzles and troughs.[12]

According to the April 2023 Short Range Outlook (SRO) released by the World Steel Association, steel demand is forecast to rebound by 2.3% in 2023, reaching 1,822.3 million metric tonnes (Mt), followed by a projected 1.7% growth in 2024 to reach 1,854.0 Mt. Further, total world crude steel production amounted to 1,878.5 Mt in 2022, reflecting a 4.2% decrease compared to the previous year.[13]

Growth drivers[14]

- The recent reduction in subsidies by the Chinese government for EVs with a range exceeding 400 kilometres, from CNY 50,000 to CNY 25,000, has resulted in heightened demand for graphite electrodes within the coal tar pitch market in China.
- The Asia-Pacific region has the largest automotive sector globally and holds a significant portion of the aluminium market share, primarily due to extensive industrial growth.
- The Asia-Pacific is expected to dominate the global coal tar pitch market owing to the rising demand for aluminium from the aerospace, automobile and space industries.

Refined naphthalene

Naphthalene is primarily produced through the distillation of coal tar or petroleum fractions. It is a volatile, fragrant, white and crystalline substance, can be extracted from petroleum or coal tar. It is primarily used in the production of phthalic anhydride, insecticides, low-volatile solvents, naphthalene sulfonates and moth repellents. Naphthalene is an essential manufacturing intermediary in the production of dyes, resins, insect repellents and plasticisers. It is particularly renowned as a key industrial compound utilised in the large-scale synthesis of plasticisers. The growing demand for Naphthalene, as an intermediate in the manufacturing of construction chemicals, is expected to drive the demand for this market. Textile industry is the leading end-user industry for Naphthalene in India. Refined form of naphthalene is used for domestic purposes as moth balls.

Naphthalene-based compounds find application across diverse sectors, serving as chemical intermediaries in textiles, pharmaceuticals, rubber-based products, imaging, agricultural chemicals, laundry detergents and construction. The global naphthalene market reached 2,250 thousand metric tonnes in 2023 and is projected to grow at a CAGR of 3.1% by 2032.[15]

Overall, the outlook for the naphthalene industry in India is positive. It is expected to continue to grow in the coming years due to the increasing demand from end-user industries and ongoing investments in manufacturing capacity and technology. The Indian government has also taken initiatives to support the growth of the naphthalene industry by providing various incentives to encourage investment in the sector.

Sulphonated Naphthalene Formaldehyde (SNF) and Polycarboxylate Ether (PCE)[16]

The global market for naphthalene and PCE-based admixtures witnessed substantial growth, reaching USD 15,360 million in 2022, at a CAGR of 4.85%. By 2028, it is estimated to reach USD 20,436.03 million. This expansion can be attributed to the exceptional properties of naphthalene and PCE-based admixtures, including enhanced mechanical strength, durability and reduced water retention. These characteristics have led to increased utilisation of naphthalene and PCE-based admixtures across diverse industries such as construction, paints, textiles, paper and rubber.

[12] https://www.mordorintelligence.com/industry-reports/graphite-market

[13] https://www.mordorintelligence.com/industry-reports/graphite-market

[14] https://www.mordorintelligence.com/industry-reports/coal-tar-pitch-market

[15] https://www.chemanalyst.com/industry-report/naphthalene-market-565#:~:text=The%20global%20Naphthalene%20market%20stood,from%20petroleum%20or%20coal%20tar

[16] https://www.globenewswire.com/news-release/2023/02/23/2614676/0/en/Naphthalene-and-PCE-Based-Admixtures-Global-Market-Report-2023-Increasing-Demand-from-Construction-Industry-Bolsters-Sector.html

Heightened global infrastructure and construction activities are the primary drivers fuelling the demand for naphthalene and PCE-based admixtures. With a rapidly growing global population, there is a corresponding surge in residential and commercial constructions. Admixtures play a pivotal role here by altering and enhancing the chemical and physical attributes of construction materials, particularly in reducing water usage for concrete while maintaining structural integrity.

It's clear from the 2024-25 interim Union budget that the government is prioritizing inclusive growth, particularly focusing on health, infrastructural development, and rural upliftment. The significant increase in the outlay for infrastructure by 11.1% to ₹ 11,11,111 Crores, equivalent to 3.4% of GDP, is indeed noteworthy.[17]

Such a substantial investment in infrastructure is expected to have a ripple effect across various sectors of the economy. One sector that stands to benefit from this increased focus on infrastructure is the construction industry. With more funds allocated for infrastructure projects, there will likely be a surge in construction activities, including the development of roads, bridges, airports, and other public infrastructure.

As infrastructure projects gather pace, the demand for admixtures is expected to rise, driven by the need for high-performance concrete solutions.

The Indian cement industry is indeed aligned with the growth vision outlined in the interim Union budget. With a projected addition of 150-160 million metric tonnes per annum (MTPA) in capacity, the sector is poised for significant expansion. It's anticipated that 70-75 million tonnes (MT) of this capacity addition will be commissioned in the next fiscal year alone.[18]

Notably, large players are expected to account for a substantial portion, approximately 50-55%, of the planned capacity addition. This indicates the confidence of major cement manufacturers in the growth prospects of the industry and their commitment to capitalizing on emerging opportunities.

The market for naphthalene and PCE-based admixtures is expected to further develop due to their special qualities and critical role in resolving emerging concerns in the construction sector. During the projected period of 2023 to 2028, there will be attractive prospects for market participants caused by the growing demand for these admixtures as global infrastructure development accelerates and worries regarding water scarcity escalate.

Speciality oils

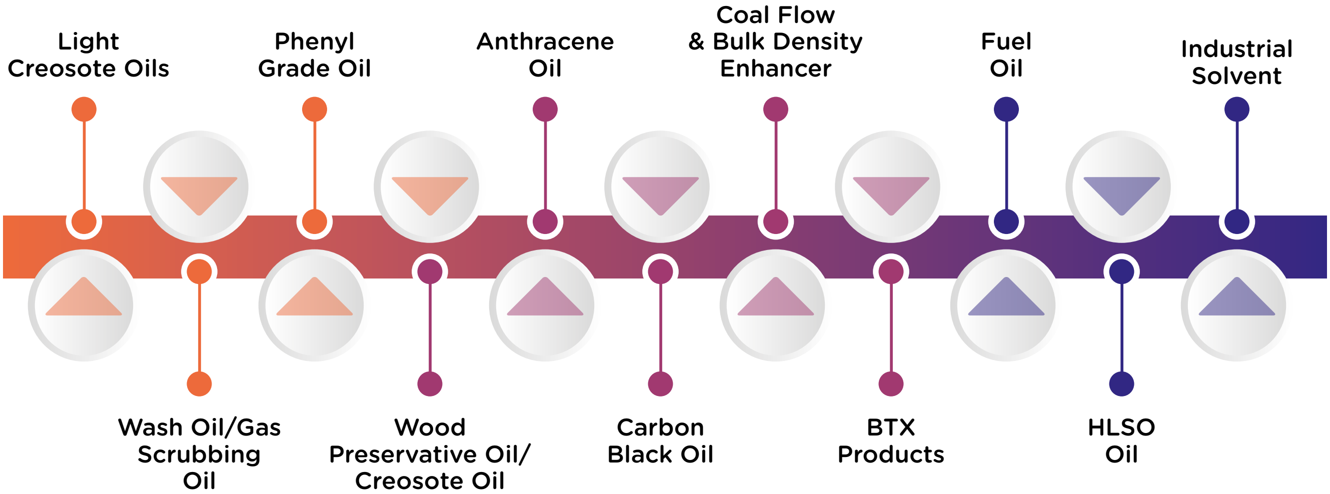
The Company produces several oils that cater to the specific requirements of various industries. These oils are derived as by-products of the Company's advanced multi-stage coal tar distillation process. Himadri's state-of-the-art coal tar distillation facilities employ a sophisticated multiphase technique, ensuring the extraction of different types of oils.

Leveraging a continuous distillation approach, the Company achieves consistent cuts of distillates using a series of fractional distillation columns throughout the operation. This method facilitates the separation of oils into distinct grades based on their boiling ranges. Subsequently, these different grades of oils are meticulously blended in precise proportions through the Company's operational processes to meet the exacting demands of different industries.

[17] https://www.cmaindia.org/interim-budget

[18] https://www.crisil.com/en/home/newsroom/press-releases/2024/01/cement-makers-to-add-150-160-mtpa-capacity-by-fiscal-2028.html?utm_source=crisil&utm_medium=social-media&utm_campaign=cement-makers-to-add-150-160-mtpa

Our Speciality Oils product portfolio



Growth drivers[19]

- The global wood preservatives market is projected to be valued at USD 2.91 billion in 2024 and is anticipated to reach USD 3.64 billion by 2029, exhibiting a CAGR of 4.56% during the forecast period (2024-2029).
- The Asia-Pacific region is poised to witness significant expansion, driven by the flourishing housing construction markets in China and India.
- The Government of India has lowered the Goods and Services Tax (GST) on housing from 12% to 5%. This tax reduction is expected to stimulate the construction market, particularly for middle-class housing.
- India is expected to receive an investment of around USD 1.3 trillion in housing over the next seven years.

Clean Energy

Himadri is dedicated to providing sustainable energy solutions by leveraging cleaner alternative energy sources. As part of this commitment to conserve energy and safeguard the environment, the Company prioritises the reuse of industrial energy that would have otherwise been wasted.

To this end, the Company adopts an innovative approach by recycling the low-calorific waste gas generated during the carbon black process. Specially designed boilers are used to convert this waste gas into steam under high pressure and temperature. Subsequently, the high-pressure, high-temperature steam is used to power turbogenerators, effectively producing energy. This energy is supplied to the local electricity grid, thereby benefiting the wider community and is also internally deployed to power various operations within the Company. Over 90%[32] of the power requirement is fulfilled by internally generated, clean energy sources. This integrated approach underscores the Company's commitment to sustainable energy practices and its ongoing efforts to minimise its environmental footprint.

Anti-corrosion products

The Company offers a selection of anti-corrosive products crafted from premium-grade high-temperature carbonisation coal tar. Renowned for their resistance to

[19] https://www.mordorintelligence.com/industry-reports/wood-preservatives-market

acid and alkali attacks, these materials are specifically engineered to provide superior protection against corrosion. The Company's anti-corrosion products ensure prolonged durability owing to their capacity to withstand diverse climatic conditions and the harsh salinity of seawater.

Ideal for various applications, including petrochemical plants, ships, water purification facilities, distilleries and milk chilling facilities, the temperature and pressure specifications of these products are meticulously calibrated to deliver optimal performance and reliability.

Our offerings

01 Himcoat Enamel

02 Himcoat Primer-B

03 Himtape

04 Himwrap

Financial Highlights

(₹ in Crores)

Particulars	Standalone		Consolidated	
	FY24	FY23	FY24	FY23
Revenue from operations	4,184.89	4,171.84	4,184.89	4,171.84
Earnings before interest, tax, depreciation, amortisation and foreign exchange fluctuation (EBITDA)	632.37	408.17	635.39	419.00
Profit Before Tax (PBT)	573.14	271.81	573.86	280.25
Profit After Tax (PAT)	411.00	207.81	410.68	215.86
Basic Earnings Per Share (EPS) (In ₹)	9.17	4.94	9.16	5.13
Diluted Earnings Per Share	9.16	4.94	9.16	5.13

Changes in financial ratios and changes in return on interest

During FY 2023-24, the significant changes in the financial ratios of the Company and change in Return on Net worth as compared to that of the previous year are summarised below:

Details of Key Financial Ratios

		FY 2023-24	FY 2022-23	Variance (%)	Explanation for change in the ratio by more than 25%
1	Debtors Turnover (Sales/Average Debtors)	7.09	8.10	(12.47%)	Not applicable
2	Inventory Turnover (COGS/Average Inventory)	4.85	4.96	(2.22%)	Not applicable
3	Interest Coverage Ratio (EBITDA/Interest)	10.99	8.39	30.99%	Increase in profitability resulting into improvement in Interest service coverage ratio
4	Current Ratio (Current assets/Current liabilities)	1.93	1.51	27.81%	Increase in current assets resulting in improvement in current ratio
5	Debt Equity Ratio (Net Debt/Equity)	(0.05)	0.09	(155.56%)	Reduction in net debt & increase in shareholders equity on account of higher profitability.
6	Operating Profit Margin (%) (EBITDA/Revenue)	15.11%	9.78%	54.50%	Increase in operating profitability resulting into overall improvement in operating profit ratio
7	Net Profit Margin (%) (PAT/Revenue)	9.82%	4.98%	97.16%	Increase in operating profitability resulting into overall improvement in net profit ratio
8	Return on equity (PAT/Average equity)	15.82%	10.34%	53%	Increase in profitability resulting into overall improvement in return on equity ratio

Research and Development (R&D)

The Company has a strong team of scientists and engineers who deploy best-in-class technologies to enable consistent innovation. It is this R&D team that helps the Company offer customised products and solutions that cater to changing market demands. The National Accreditation Board for Testing and Calibration Laboratories (NABL) has accredited the Company's state-of-the-art laboratories, which are powered by cutting-edge technology.

Product

Over the years, the Company has undertaken focused R&D efforts to develop products across the entire product value chain. Through forward integration, the Company has continuously introduced new innovative products at regular intervals.

Process

The Company's steadfast commitment to process improvement enhances its efficiencies. This dedication has resulted in better product yield, improved throughput and higher energy efficiency.

Technology

The Company's in-house technology development differentiates and enables it to compete in global markets. This capability helps the Company sustain its competitive edge consistently.

Process of R&D for product development

- Conceiving the product based on market trend
- Bench scale study
- Pilot production for establishing the process
- Production
- Product offering
- Customer feedback
- Commercialisation

PILLERS OF R & D

- Global knowledge bank
- Techno-commercial team
- World class laboratory
- Consistent R&D
- An innovative mindset

Quality

Himadri ensures that its products undergo stringent quality controls, with an emphasis on achieving consistency and precision. Maintaining quality remains paramount across all operations, including product development and manufacturing, as this enables the Company to deliver on the expectations of global clients. The Company has an independent Quality Assurance (QA) team in place, which prioritises documentation and data control.

The Company's focus on product quality has resulted in partnerships with various organisations and garnered recognition from the Indian government. To ensure adherence to quality standards, the QA team undergoes regular training and conducts audits at the Company's advanced research lab, accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). It has streamlined processes across verticals- ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System), ISO 45001:2018 (Occupational health and safety management system), IATF 16949:2016 (International Automotive Task Force), ISO 27001:2013 (Information security Management System), ISO 50001:2018 (Energy Management System), ISO 37001:2016 (Anti-bribery management system), ISO 17025:2017 (NABL Lab Accreditation), SA 8000:2014 (Social Accountability) and more. These are a testament to it's commitment to constantly add value to it's clients while never compromising on quality, and it's ability to manage the operations across workstreams. In addition to compliance with established regulations, processes and standards, Himadri prioritises environmental sustainability by manufacturing eco-friendly products through sustainable processes. This comprehensive approach to quality assurance underscores Himadri's dedication to delivering excellence while minimising environmental impact.

Opportunities

Battery Materials

The battery materials sector is experiencing a surge in opportunities, primarily driven by the global shift towards EVs and a strong commitment to sustainability creating a vast market for companies in battery materials, especially those that can innovate and supply materials sustainably. As governments and consumers push for greener technologies, companies that provide low-carbon footprint materials are poised to gain a competitive edge. Furthermore, the need for a sustainable supply chain is prompting advancements in battery recycling and second-life applications, opening new business avenues. Overall, the convergence of EV adoption and sustainability initiatives is fostering a fertile ground for businesses in the battery materials space to grow and thrive.

Growth in allied industries

As the Indian economy continues to expand, there is growth expected in various application industries like construction, infrastructure, rubber industry, paints and many more. With the government's strong focus on infrastructure expansion including highway and construction, we are expecting a downstream demand impeatus for need to speciality chemicals to aid the construction processes.

Building partnerships

The Company's recent investments and acquisitions- Birla Tyres as a strategic partner, Sicona and Invati Creations are anticipated to help create a favourable market environment for the company's future growth. These would allow the company to not just foray into the B2C segment, but would also present opportunities for the company to broaden its customer base.

Sustainable product and service diversification

The surge in demand for sustainable and eco-friendly products presents a significant opportunity for the Company to capitalise on. By developing and manufacturing such products, the Company can better align itself with current market trends and cater to the evolving preferences of eco-conscious consumers, thereby potentially expanding its market share and enhancing its competitive edge.

Diversification in product line

The Company has diversified its product line and forayed into new markets that present promising growth opportunities. Particularly, the expansion into the lithium-ion batteries and coal tar segments holds significant potential for capturing new market share and driving revenue growth. This strategic move will further enable the Company to tap into emerging market trends and leverage the increasing demand for advanced energy storage solutions.

Exports

A major chunk of the global market now looks at diversifying its supply chain, reducing overdependence on select geographies/ supplier base, to better navigate probable geopolitical and regional challenges. This positions Inida in a favourable position, as an able alternative to many other asian countries.

Challenges

The Company's growth also depends on the growth of its downstream industries. Any technological economic disruption across these industries can pose a threat to its progress. The Company can ensure robust performance even during a downturn in the downstream industries by continuing to expand its product offerings, exploring new markets, and reaching out to new customers.

Human Resource

Human Capital Management: Our Commitment and Practices

The company's approach towards Human Capital is built on a commitment to not only attract and retain the best talent but also to foster an environment where innovation, diversity, transparency and productivity thrive. Over the past year, the Company continued to enhance it's Human Capital Management practices to support our workforce and drive organizational success.

The company's Talent acquisition strategies helps it to attract diverse professionals at various levels who align with it's corporate values and business objectives as it continues to venture into new business territories across it's value chain. It's retention efforts are supported by

competitive compensation, comprehensive benefits, opportunities for career development and sound engagement practices.

The Company believes that capability enhancement programs are imperative to business success and thus last Financial Year, it has launched several programs focused on leadership, Process excellence, Digital competence and multiskilling, supporting continuous learning and adaptability in it's rapidly evolving growth path. The Company believes that recognizing employees' contributions and achievements at the right time is vital for fostering a positive work environment, motivating them, improving job satisfaction, enhancing performance, and commitment & loyalty towards the organization.

With its structured and transparent initiatives such as The Avengers (Best Team), The Pinnacle (Best of the Best Employee), The Shining Star (Best Employee of the Year), The Game Changer (Significant Contributor), The Rising Star (Best Debut), and more, the company has witnessed enhancement in employee performance level. These programs and recognition initiatives are designed around the belief that when employees feel they are heard or valued, they contribute more effectively which enhances transparency and alignment with organizational goals.

Diversity and Inclusion (D&I) are not just part of the Company's policy but are embedded in it's culture. This year, it has established a new D&I team to oversee it's initiatives, which include bias training, mentoring programs for underrepresented groups, and partnerships with diverse suppliers.

Looking Forward

As the Company look to the future, it is excited about the opportunities to further integrate technology into it's HCM practices leveraging new age technologies such as predictive analytics and machine learning. These will enable it to better predict staffing needs, understand employee behaviour, and personalize employee experiences, ensuring that Himadri remains a competitive and desirable place to work.

The Company are proud of the strides it has made in human resource practices and is committed to continuing it's investment in the employees. The Company's people are the cornerstone of it's success, and it believes that by supporting them, it are building a stronger, more sustainable business. An effective human capital practice demonstrates how organization values its people and contributes to overall business success.

Corporate Social Responsibility (CSR)

Himadri is committed to making a positive impact on society through its Corporate Social Responsibility (CSR) initiatives. The Company believe that businesses have a responsibility to contribute to the well-being of the communities in which they operate, and this belief is deeply ingrained in it's corporate culture. As a socially responsible organization, it has integrated the United Nations Sustainable Development Goals (UNSDGs) into every aspect of it's operations. The Board is directly responsible for designing CSR activities, and advancing relevant UNSDGs is a key element of it's corporate strategy.

One of Himadri's flagship CSR activities is its focus on Science-Technology-Engineering-Medicine (STEM education. Recognizing the importance of quality education in empowering individuals and communities, Himadri has undertaken various initiatives to support education in rural and underprivileged areas. The company has established schools, and provided scholarships to deserving students. Quality life through quality education is one of foundational understandings of Himadri's business ethics.

Supporting rural developments

The Company has initiated a rural development program around all its manufacturing plants. This holistic approach includes constructing RCC houses, ensuring clean sanitation, providing drinkable water, and ensuring a reliable power supply.

Himadri's CSR activities go beyond these areas with a focus on community development, women's empowerment, and skill development, among other initiatives. Through its CSR programs, it aims to create a positive impact on society while upholding its core values of integrity, respect, and responsibility.

The Company's ongoing rural development project near the Mahistikry plant has brought significant benefits to several underserved villagers, facilitating the construction of Pucca (RCC) houses in place of Kutcha (mud) homes; thereby enhancing their quality of life. The Company remains resolute in its commitment to the effective and responsible administration of essential urban resources and facilities.

Through its CSR wing, the Himadri Foundation, the Company organises camps in various nearby village areas, providing support- food and clothing during various festivals and at times of disasters or natural calamities.

Promoting Healthcare

The Company is committed to promoting healthcare in the communities it serves and operates in. It has set up healthcare facilities, conducted medical camps, and supported healthcare infrastructure development to ensure access to quality healthcare services for all. One of the key highlights of this commitment is its investment in developing a paediatric speciality cancer hospital.

The Company also helps with the provision of ambulances, medical equipment, and other essential supplies to the Lion's Club Hospital in Dhanakhali, making a meaningful impact on the local healthcare system. These diverse efforts underscore the Company's commitment to the well-being of communities, making a tangible and enduring difference in healthcare accessibility.

Promoting Education

The Company offers educational books spanning all academic levels, to promote education among students from underserved communities. The Company also acknowledges the accomplishments of exceptional students by bestowing them with various prizes and sponsorships. Additionally, contributions have been made towards the construction of new school buildings and the establishment of a library.

Environmental, Health and Safety

To ensure the health and safety of the employees, customers, and stakeholders, the Company implemented a robust Occupational Health and Safety Management System (OHSMS). This system identifies, assesses, and mitigates risks associated with it's operations, creating a safe and healthy work environment for everyone involved.

Our OHSMS implementation began with a thorough assessment of workplace hazards and risks, including machinery, hazardous materials, ergonomic challenges, and environmental factors. Through a comprehensive approach, it evaluates the likelihood and severity of these risks, prioritizing them based on their potential impact.

Following the risk assessment, the Company developed and implemented comprehensive Policies and Standards aimed at controlling and minimizing these risks. These policies cover various areas, including workplace safety, training, incident reporting, health and wellness, and compliance.

The Company's OHSMS is a dynamic system that evolves with changing circumstances, technological advancements, and organizational growth. It actively seeks feedback from employees and stakeholders to continuously improve the safety performance and foster a culture of safety throughout the organization

By implementing an OHSMS, the Company is not only meeting legal and regulatory requirements but also demonstrating it's commitment to prioritizing the well-being of it's workforce and the communities in which it operates. Since 2019, the ISO 45001-2018 Management System has been implemented covering the entire process and all seven plants of manufacturing and all layers of Employees and Workers. Health and safety is integral part of the Company's organizational values, and it strives to uphold these principles in everything it does.

The Company remains fundamentally committed to protecting the health and safety of all individuals affected by it's activities. It's Zero Accident/Incident vision aims to eliminate all workplace risks, and underscored by a significant reduction in the Lost Time Injury Frequency Rate (LTIFR) since its launch.

The Company acknowledges and understands that good health and safety practices are essential for business success. As part of it's commitment, it has introduced various non-negotiable standards that cover work practices, equipment requirements, emergency preparedness, and more. These standards have and continue to play a critical role in promoting a culture of safety and responsibility in all facets of the Company's business.

Continual improvement is at the core of it's OHSMS, and the Company will continue to focus on achieving our vision of zero accidents and incidents. Therefore, it provides provide continuous training and awareness programs to all employees, contractors and visitors on safety protocols, emergency procedures and the use of personal protective equipment (PPE). It's Board of Directors provides invaluable direction and assistance to ensure that safety and sustainability are at the heart of all the strategic initiatives.

In conclusion, the Company's commitment to health and safety is embedded throughout the organization,

and are dedicated to delivering value to it's people by providing development opportunities and a safe working environment.

Industrial relations

The foundation of any industry is strengthened by its labour relations. The Company maintains open lines of communication with its personnel, ensuring they are informed about its objectives to foster a positive employer-employee relationship. This approach facilitates efficient operations with fewer disagreements between workers and management. Additionally, the Company conducts several development programs for its employees at various levels, creating a pleasant work environment. Through the implementation of productive and performance based policies, workplace relations remain positive. The Company's current policies prioritise the development and well-being of its talent pool while also safeguarding its broader interests. This alignment makes it easier for the Company and its employees to work together toward common goals.

Statutory compliance

The role of the Company Secretary as the Compliance Officer is to ensure the Company's compliance with SEBI requirements and listing regulations. In addition to the Company Secretary, the Chief Financial Officer (CFO), Chief Executive Officer (CEO) and Managing Director (MD) also function as compliance officers to prevent insider trading. Internal auditors have been recruited by the Company to ensure timely reporting of any potential non-compliance with the Companies Act, 2013, SEBI instructions and Listing Regulations, thereby mitigating associated risks. Compliance certifications are obtained from various management personnel, affirming adherence to key statutes.

Internal control system

The Company's Board of Directors holds responsibility for ensuring and establishing internal financial controls. Within the Company, internal control mechanisms for business processes, operational efficiency and compliance with all applicable rules and regulations are firmly in place. The Board also evaluates the adequacy and effectiveness of such controls. Policies, procedures, control structures and management systems align with the concept of Internal Financial Controls under the Companies Act, 2013, established at both entity and process levels to ensure compliance, regulatory adherence and accurate financial and operational data recording.

Regular internal inspections and audits are conducted to ensure the efficient execution of obligations. A comprehensive assessment of the Company's internal controls, accounting procedures and policies is undertaken. Senior Management evaluates and certifies the effectiveness of internal control mechanisms over financial reporting, adherence to the code of conduct and Company policies and compliance with established procedures in financial or commercial transactions, especially in cases of personal interest or potential conflicts of interest.

To strengthen the internal control process, independent internal auditors are engaged. The Company has well-established and comprehensive internal control systems, processes, rules, policies and procedures in place for monitoring and controlling operations across the entire organization and its subsidiaries. The Audit Committee reviews and approves the audit plan, meeting regularly throughout the year to discuss auditors' reports and important findings. It receives reports on audit findings and corresponding measures taken.

The Company has implemented an internal control and audit system appropriate for its size and industry. The Audit Committee engages with the Company's statutory auditors to gather insights on financial statements, including the financial reporting system, compliance with accounting policies and procedures and the adequacy and effectiveness of internal controls and systems. The Management considers the Audit Committee's views and recommendations in its decision-making processes.

Risk management

The organization has established risk management committees that identify internal and external risks which are unique including Occupational Health and Safety (OH & S), financial, operational, sectorial, sustainability (especially ESG-related concerns), informational, cyber security and others. The committee is responsible for monitoring and guiding the application of the risk management procedures and recommendation/ suggestion towards the risk management approaches. This includes assessing the effectiveness of risk management processes and systems of risk reduction, methods and procedures for the control of identified risks. In a dynamic operating environment, Himadri has been able to solidify its position a pioneer in its industry by adhering to its robust risk management framework.

Risk mitigation

The Company evaluates and reviews risks periodically to develop new strategies in response to evolving market conditions. The organization believes in mitigating risks at the rudimentary stage so that operations can continue uninterrupted without harming the People and Property. Through the combined efforts of the Audit Committee and the Management, risks are identified and minimised to the levels which can be predicted with reasonable accuracy. The following are some of the business risks and mitigation strategies adopted by the Company.

Macroeconomic Risks

Risk Description

A downturn in India's economy could result in lower revenues for the Company, thereby leading to lower profitability. Risk also can arise from changing consumer preferences, where the consumer wishes to select products which are environment friendly/ cause less impact to the environment.

Mitigation

It believes in constantly reviewing and optimising its operations- the main driver for reducing costs. The Company is committed to investing in R&D that enables it to innovate and stay competitive in the market, and further helps in opening up new revenue streams. Having an agile approach towards re-evaluation and recalibration of the sales mix, both at the geography and product segment level, to balance demand-supply requirements.

Supply Chain Risks

Risk Description

The Company operates in an uncertain environment. Its regular business operations may be impacted through unavailability of raw material and fluctuating price of the same. Raw material price volatility and fluctuations in their availability could impact the margins for some of our product offerings.

Mitigation

It has built a robust supplier base, to help it navigate through issues arising from a particular geography/ region. Moreover, it is constantly on the lookout to build new partnerships with competent suppliers, to help it deliver sustained quality. Moreover, it aims to maintain up to 60 days of inventory to ensure smooth operations at all times. Moreover, the Company keeps a sufficient safety stock of strategic raw materials and completed items.

Operational Risks

Risk Description

IT System failures, Data breaches, cyber threats and so on, can cause the Company harm and also pose a threat to its information, practices and processes and affect overall operations with disruptions.

Mitigation

Through its learning & development initiatives, it tries to keep its employees aware of such threats, while constantly auditing its own systems and processes. The Company understands that cyber threats are evolving at a brisk rate. However, it believes it can navigate this risk effectively by continuing to adhere to safety protocols, and constantly upgrading its systems and processes.

Capacity Expansion Risks

Risk Description

Any deviations from realizing the projected values of the Company's expansion projects can affect its future financial projections and planning.

Mitigation

It has always followed a phased expansion approach, which has allowed it to continually expand its capacity and outreach. The Company closely monitors and tracks the progress of its new expansion projects. This will ensures visibility across the project stakeholders, concerning interdependencies and other associated risks. will closely monitor and track the progress of our new expansion projects, ensuring visibility across the project stakeholders, concerning interdependencies and other associated risks.

Obsolescence Risks

Risk Description

The Company's manufacturing operations are subject to operating risks. Any usage of obsolete process or manufacturing of obsolete products could affect its operations by causing production halt at our manufacturing facilities.

Mitigation

To overcome this, the Company's R&D labs are constantly involved in the process of finding innovative ways to bring about new processes, products, or methodologies. It is their endeavour that has helped the Company to be at the forefront of many technological breakthroughs in our domain.

Market Presence Risks

Risk Description

The Company operates in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. With strategic facility location, the company's presence in the market also matters.

Mitigation

The Company operates a fully dedicated fleet of tankers to ensure timely delivery and procurement. It also owns several customised tankers catering to the client's demand. To remain competitive in the market we continuously strives to reduce its production and distribution costs, while improving its operating efficiencies and innovating overall product offering. Himadri enjoys a market presence of over 30 years. This presence has reaped goodwill for the Company across industries. Several aluminium and graphite companies in India have been customers of Himadri for the past 20 years. Moreover, leveraging its expertise, it is entering new businesses, which are in line with the push for sustainable development, helping us stay relevant in new growing markets.

Quality Risks	Environment, Health and Safety (EHS) Risks
Risk Description All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company.	**Risk Description** Every process-related activity across industries and domains has its inherent associated risks which can affect plants or properties in terms of Accidents/Incidents at the workplace and the ill health of its employees.
Mitigation The Company has its own distillation facility, enabling the usage of raw materials for in-house production. Forward integration further enables the Company to develop and produce a rich quality base of value-added products. These products also help retain the key customers ensuring customer loyalty and low marketing cost.	**Mitigation** Himadri has created a sustainable business by complying with established regulations to ensure all its activities are socially and environmentally responsible. The Company has made significant investments towards undertaking eco-friendly measures which has helped in making its facilities 'Zero Discharge Plant'. With the same impetus, we are on our way to fulfilling our ambitions-Vision Zero (Accident Incident) and Net Zero by 2050.

Cautionary statement

Any forward-looking statements regarding expected future events and the financial and operating results of the Company are based on certain assumptions, the fulfilment of which the Company does not guarantee. These statements are subject to risks and uncertainties and the actual results may materially differ from those expressed or implied. Important developments that could affect the Company's operations include industry downtrends, whether global or domestic, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Board's Report

Dear Members,

Your Board of directors ("the Board") take pleasure of presenting the Board's Report as a part of the 36th Annual Report of your Company ("the Company" or "Himadri"), together with the Audited Financial Statements (Standalone and Consolidated) and the Auditor's Report thereon for the financial year ended 31 March 2024.

1. Financial Highlights

The Company's financial performance for the financial year ended 31 March 2024 are summarized below:

Amount in ₹ Lakhs

Sl. No.	Particulars	Standalone		Consolidated	
		2023-24	2022-23	2023-24	2022-23
I.	Revenue from operations	4,18,489.03	4,17,184.13	4,18,489.03	4,17,184.13
II.	Other income	4,255.06	2,797.46	4,251.77	2,797.46
III.	**Total income (I + II)**	**4,22,744.09**	**4,19,981.59**	**4,22,740.80**	**4,19,981.59**
IV.	**Expenses**				
	Cost of materials consumed	3,07,184.52	3,29,728.25	3,06,697.60	3,28,453.74
	Changes in inventories of finished goods and work-in-progress	(3,670.28)	(3,013.87)	(3,670.28)	(3,013.87)
	Employee benefits expense	10,996.88	9,094.78	11,048.10	9,151.30
	Finance costs	6,371.76	6,587.51	6,386.74	6,606.90
	Depreciation and amortisation expense	4,774.78	4,865.73	4,985.87	5,084.76
	Other expenses	39,772.69	42,537.96	39,907.16	42,673.79
	Total expenses (IV)	**3,65,430.35**	**3,89,800.36**	**3,65,355.19**	**3,88,956.62**
V.	Profit before exceptional items and tax (III-IV)	57,313.74	30,181.23	57,385.61	31,024.97
VI.	**Exceptional Items**	-	(3,000.00)	-	(3,000.00)
VII.	**Profit before tax (V-VI)**	**57,313.74**	**27,181.23**	**57,385.61**	**28,024.97**
VIII.	**Tax expenses**				
	Current tax	10,003.48	4,745.61	10,096.88	4,784.30
	Deferred tax	6,210.72	1,654.77	6,210.72	1,654.77
	Income tax related to earlier years	-	-	9.83	-
IX.	**Profit for the year (VII-VIII)**	**41,099.54**	**20,780.85**	**41,068.18**	**21,585.90**

2. Performance Highlights

i) Financial Performance - Standalone

The Company has achieved total revenue from operations of ₹ 4,18,489.03 lakhs for the financial year ended 31 March 2024 as against ₹ 4,17,184.13 lakhs for the financial year ended 31 March 2023 representing an increase of 0.31%. Sales volume increased by 18%, but revenue is almost at same level due to reduction in raw material prices which were reflected in finished product pricing. The earnings before interest, taxes, depreciation, and amortization ('EBITDA') for the year, excluding the effect of foreign exchange fluctuation loss/ (gain) and other income was ₹ 63,236.24 lakhs as compared to ₹ 40,817.36 lakhs for the previous financial year. EBITDA for the year increased by 54.92% due to the increase in volume, change in product mix and operational efficiencies. During the financial year 2023-24, the Company earned a profit after tax of ₹ 41,099.54 lakhs as compared to ₹ 20,780.85 lakhs in the previous financial year representing an increase of 97.78%.

ii) Financial Performance - Consolidated

On a consolidated basis, the total revenue from operations in the financial year 2023-24 increased by 0.31% to ₹ 4,18,489.03 lakhs from ₹ 4,17,184.13 lakhs in the previous financial year. EBITDA for the year, excluding the effect of foreign exchange fluctuation loss/ (gain) and other income, was ₹ 63,537.59 lakhs as compared to ₹ 41,899.31 lakhs for the previous financial

Board's Report (Contd.)

year. EBITDA for the year increased by 51.64% due to an increase in volume, change in product mix and operational efficiencies. During the financial year 2023-24, the Company earned a profit after tax of ₹ 41,068.18 lakhs as compared to ₹ 21,585.90 lakhs in the previous financial year representing an increase of 90.25%.

3. Dividend

In terms of Dividend Distribution Policy of the Company, the Board has recommended a dividend of ₹ 0.50 per equity share having face value of ₹ 1 each (i.e. @ 50% per equity share of face value ₹ 1 each) for the financial year ended 31 March 2024 (Dividend for financial year 2022-23 @ ₹ 0.25 per equity share of ₹ 1 each) out of its' current profits, subject to the approval of Members at the ensuing Annual General Meeting (hereinafter referred to as 'AGM') of the Company. The Dividend payout during the financial year ended 31 March 2024 was ₹ 1,081.95 lakhs (previous year: ₹ 838.68 lakhs).

The Register of Members and Share Transfer Books of the Company will remain closed for ascertainment of shareholders eligible to receive dividend for the financial year ending 31 March 2024 and the AGM. Book closure date has been indicated in the Notice convening AGM.

In compliance with the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), the Board has, formulated a Dividend Distribution Policy, which is available on the website of the Company at: https://www.himadri.com/home/corporate_governance

Pursuant to the provisions of the Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, your Company shall make the payment of the dividend after the necessary deduction of tax at source at the prescribed rates, wherever applicable. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961 and amendments thereof.

4. Reserves and Surplus

During the financial year 2023-24, the Company has not transferred any amount to the General Reserve.

5. Subsidiaries

The Company has five Subsidiary Companies:

Indian Subsidiaries	Foreign Subsidiaries
Combe Projects Private Limited – Wholly Owned Subsidiary	AAT Global Limited in Hong Kong - Wholly Owned Subsidiary
Himadri Clean Energy Limited – Wholly Owned Subsidiary	Shandong Dawn Himadri Chemical Industry Limited in China (Step down Subsidiary) in which the Company holds 94% equity through its Wholly Owned Subsidiary Company, AAT Global Limited.
Himadri Future Material Technology Limited (Step down Wholly Owned Subsidiary) in which the Company holds 100% equity through its Wholly Owned Subsidiary Company, Himadri Clean Energy Limited.	

During the financial year 2022-23 and 2023-24, AAT Global Limited was material subsidiary pursuant to Regulation 16 of SEBI Listing Regulations.

The Company has formulated a policy for determining material subsidiaries. The Policy is available on the website of the Company at https://www.himadri.com/home/corporate_governance

A report on the performance and financial position of each of the subsidiaries as per provisions of sub section (3) of Section 129 of the Companies Act, 2013 (hereinafter referred to as 'Act') read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is annexed to this Report as **Annexure I**.

Further, pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2024, along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at www.himadri.com.

- **Names of the Companies which become or ceased to be its Subsidiaries, Joint Ventures or Associates**

  During the financial year, Combe Projects Private Limited, Himadri Clean Energy Limited and Himadri Future Material Technology Limited have become subsidiaries of the Company.

  Other than the Companies mentioned above, no other Company has become or ceased to be a subsidiary or joint venture or associate of the Company during this financial year.

Board's Report (Contd.)

6. Consolidated Financial Statements

The consolidated financial statements of the Company for the financial year ended 31 March 2024, have been prepared in accordance with the Indian Accounting Standards (IND AS) 110 - "Consolidated Financial Statements" as notified by Ministry of Corporate Affairs and as per the general instructions for preparation of consolidated financial statements given in Schedule III and other applicable provisions of the Act, and in compliance with the SEBI Listing Regulations. The financial statements of the subsidiaries and the related detailed information will be made available to the Members of the Company seeking such information.

The financial statements of the subsidiaries are available at the Website of the Company at www.himadri.com

The Audited Consolidated Financial Statements along with the Auditor's Report thereon forms part of the Annual Report.

7. Preferential Issue

Pursuant to the approval of the Board at its meeting held on 14 July 2022 and approval of the Members of the Company at their Extra-Ordinary General Meeting ('EGM') held on 08 August 2022, upon receipt of 25% of the issue price per warrant (i.e. ₹ 17.50 per warrant) as upfront payment ("Warrant Subscription Price"), the Company, on 22 August 2022 had allotted 7,25,50,000 warrants, on preferential basis to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity, at a price of ₹ 70 each payable in cash ("Warrant Issue Price").

Each warrant, so allotted, is convertible into one fully paid-up equity share of the Company having face value of ₹ 1 (Rupee One only) each in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on payment of the balance consideration of ₹ 52.50 per warrant ("Warrant Exercise Price"), being 75% of the issue price per warrant from the Allottees pursuant to exercise of conversion option against each such warrant, within 18 months from the date of allotment of warrants.

During the financial year 2022-23 the Company has allotted 1,33,00,000 fully paid-up equity shares against conversion of equal no. of warrants exercised by the warrant holder upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant).

During the financial year 2023-24 the Company has allotted 5,92,50,000 fully paid-up equity shares against conversion of equal no. of warrants exercised by the warrant holders upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant).

There are no warrants outstanding as on 31 March 2024.

The details of utilization of funds raised during the financial year 2023-24 against conversion of warrants are given hereunder:

Particulars	**Amount in ₹ Lakhs**
Funds raised through allotment of 5,92,50,000 fully paid-up equity shares against conversion of equal number of warrants during financial year 2023-24	31,106.25
Funds utilized during the year ended 31 March 2024	31,106.25

There is no deviation or variation in the use of proceeds from the allotment of 5,92,50,000 fully paid-up equity shares against conversion of equal number of warrants during financial year 2023-24 from the objects as stated in the Explanatory Statement to the Notice of the EGM dated 14 July 2022.

Further the Board at its meeting held on 20 March 2024 *inter-alia* has approved the following:

i) Issuance of 1,08,47,000 (One Crore Eight Lakhs Forty-Seven Thousand) Warrants each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Company, having a face value of ₹ 1/- within a period of 18 months (eighteen months) in accordance with the applicable laws ("Warrants") at a price of ₹ 316/- (Rupees Three Hundred Sixteen only) each payable in cash ("Warrant Issue Price"), aggregating upto ₹ 3,42,76,52,000 (Rupees Three Hundred Forty-Two Crores Seventy Six Lakhs Fifty Two Thousand Only) to the Promoters and certain other identified persons by way of preferential issue, subject to the approval of the Members and such other regulatory or statutory approvals as may be required.

ii) Issuance of 7,96,446 (Seven Lakhs Ninety-Six Thousand Four Hundred Forty-Six) equity shares of the Company having face value of ₹ 1/- each, at a price of ₹ 316/- (Rupees Three Hundred Sixteen only) per equity share on a preferential basis for consideration other than cash towards payment of ₹ 25,16,76,936 (Rupees Twenty-Five Crores Sixteen Lakhs Seventy Six Thousand

Board's Report (Contd.)

Nine Hundred Thirty Six only) ("Purchase Consideration"), payable by the Company for acquisition of 2,709 (Two Thousand Seven Hundred Nine) equity shares of ₹ 10/-(Rupees Ten only) each, representing 22.29% paid-up equity capital of Invati Creations Private Limited ("Target Company"), subject to the approval of the Members and such other regulatory or statutory approvals as may be required.

8. Share Capital

The paid-up share capital of the Company at the beginning of the financial year was ₹ 4,327.07 lakhs consisting of 4,32,707,198 equity shares of ₹ 1 each.

During the financial year 2023-24, the Company has allotted:

(i) 73,461 equity shares of ₹ 1 each of the Company to the eligible employees on exercise of options pursuant to "Himadri Employee Stock Option Plan 2016" on 27 April 2023.

(ii) 62,15,000 equity shares of ₹ 1 each of the Company on 17 June 2023 towards conversion of warrants issued on preferential basis.

(iii) 4,63,000 equity shares of ₹ 1 each of the Company on 22 August 2023 towards conversion of warrants issued on preferential basis.

(iv) 5,63,914 equity shares of ₹1 each of the Company to the eligible employees on exercise of options pursuant to "Himadri Employee Stock Option Plan 2016" on 22 September 2023.

(v) 6,72,000 equity shares of ₹1 each of the Company on 3 November 2023 towards conversion of warrants issued on preferential basis.

(vi) 3,80,50,000 equity shares of ₹ 1 each of the Company on 19 January 2024 towards conversion of warrants issued on preferential basis.

(vii) 1,38,50,000 equity shares of ₹ 1 each of the Company on 2 February 2024 towards conversion of warrants issued on preferential basis.

As a result of the above allotment the paid-up capital of the Company as at the end of the financial year increased to ₹ 4,925.94 lakhs consisting of 49,25,94,573 equity shares of ₹ 1 each.

9. Working Capital

The Company continues to enjoy working capital facilities under multiple banking arrangements with various banks including Axis Bank Limited, Bank of Baroda, Citi Bank N.A., DBS Bank India Limited, HDFC Bank Limited, ICICI Bank Limited, IDFC First Bank Limited, IndusInd Bank Limited, Kotak Mahindra Bank Limited, RBL Bank Limited, Standard Chartered Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited and Yes Bank Limited. The Company has been regular in servicing these debts.

10. Credit Rating

The Company has obtained Credit Rating of its various credit facilities and instruments from ICRA Limited. During the year the Company has also obtained rating on the Commercial paper Programme from India Ratings and Research Private Limited (Ind-Ra). The details about the ratings assigned by the above-mentioned agencies are clearly elaborated in the Corporate Governance report forming part of the Board's Report.

11. Capital Expenditure

During the financial year 2023-24, the Company incurred capital expenditure on account of addition to fixed assets aggregating to ₹ 5,274.77 lakhs (including capital work in-progress and capital advances).

During the financial year 2023-24, the Board has approved setting up of the Manufacturing facility for the production of Lithium-ion Battery (LiB) components with total annual production capacity of 2,00,000 MTPA with an estimated project cost of ₹ 4,800 Crores in phases over a period of 5 to 6 years.

The Board at its meeting held on 25 April 2024 has approved brownfield expansion of a new speciality carbon black line of 70,000 MTPA (increasing the total speciality carbon black capacity to 1,30,000 MTPA) at an estimated capex of ₹ 220 crores.

12. Directors and Key Managerial Personnel

- **Changes in Board Composition and Key Managerial Personnel**

During the financial year 2023-24, Mr. Santosh Kumar Agrawala (DIN: 00364962) Independent Director has resigned from the Directorship of the Company with effect from 07 August 2023. Mr. Agrawala informed the Board that his resignation was purely on account of personal reasons. He has also confirmed that there were no other material reasons attributable / connected with the Company for his resignation. The Board places on record its deep appreciation for the contributions of Mr. Agrawala during his tenure as Independent Director of the Company.

Further, Mr. Sakti Kumar Banerjee (DIN: 00631772) has ceased to be an Independent

Board's Report (Contd.)

Director of the Company upon completion of his second and final term as an Independent Director and consequently ceased to be a Director of the Company w.e.f. the close of business hours on 31 March 2024. The Board places on record its deep appreciation for the contributions of Mr. Banerjee during his tenure as Independent Director of the Company.

During the financial year 2023-24, the constitution of the Board complies with the requirements of the Act, and the SEBI Listing Regulations. There were no change in Key Managerial Personnel of your Company during the financial year 2023-24.

- **Director retiring by rotation:**

Pursuant to the provisions of the Act, the Members of the Company at the 35th AGM held on 22 June 2023, re-appointed Mr. Anurag Choudhary (DIN: 00173934) Chairman Cum Managing Director & CEO of the Company, who was liable to retire by rotation.

In accordance with the provisions of the Act, Mr. Amit Choudhary (DIN: 00152358), Executive Director retires from the Board by rotation and being eligible and offers himself for re-appointment. The Board recommends the said re-appointment at the 36th AGM.

Further, the brief resume and other details relating to the Director seeking re-appointment, as stipulated under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard 2, are provided in the Notice convening the ensuing AGM.

None of the Directors of your Company is disqualified under the provisions of Section 164(2) of the Act. A certificate dated 18 April 2024 received from Mr. Rajarshi Ghosh, Company Secretary in Practice (CP No 8921) certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India ("SEBI")/Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

During the year under review, none of the Directors of the Company is disqualified as per the applicable provisions of the Act.

13. Meetings of the Board

The Board met 7 (Seven) times during the financial year 2023-24. The dates of meetings of the Board and its Committees and attendance of each of the Directors thereat are provided separately in the Corporate Governance Report.

The maximum gap between two Board meetings held during the year was not more than 120 days.

14. Declaration from Independent Directors

During the financial year 2023-24, all the Independent Directors of the Company have given necessary declarations regarding their Independence to the Board as stipulated in Section 149(6) & 149(7) of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and 25(8) of the SEBI Listing Regulations.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Act with regard to integrity, expertise and experience (including the proficiency) of an Independent Director and are independent of the management.

15. Material Changes and Commitments affecting the financial position of the Company & Change in nature of business

There were no material changes and commitments that occurred after the close of the year till the date of this Report, which affected the financial position of the Company.

During the year under review, there was no change in the nature of the business of the Company.

16. Directors' Responsibility Statement

Based on internal financial controls, work performed by the Internal Auditors, Statutory Auditors, Cost Auditors and Secretarial Auditors, the reviews performed by the management, with the concurrence of the Audit Committee, pursuant to Section 134(3)(C) read with Section 134(5) of the Act and as per Schedule II Part C(A)(4)(a) of the SEBI Listing Regulations, the Board states the following for the year ended 31 March 2024:

a. In the preparation of the annual accounts for the year ended 31 March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The Directors have selected suitable accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and

Board's Report (Contd.)

fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors have prepared the annual accounts on a going-concern basis;

e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

17. Nomination & Remuneration Policy

Pursuant to the provisions of Section 178 of the Act, and in terms of Regulation 19 read with Part D of Schedule-II of the SEBI Listing Regulations, the Company has a Nomination and Remuneration Policy for its Directors, Key Managerial Personnel and Senior Management which also provides for the diversity of the Board and provides the mechanism for performance evaluation of the Directors and the said Policy was amended from time to time and may be accessed on the Company's website at the following link: https://www.himadri.com/pdf/nomination-and-remuneration-policy-10.02.2023.pdf.

18. Loans, Investments and Guarantee

The Company has not given any loans, guarantees or securities during the year that would attract the provisions of Section 185 of the Act.

During the financial year 2023-24 the Company has made investment in Sicona Battery Technologies Pty Ltd ("Sicona"). Sicona is an innovative Australian startup specializing in high-capacity silicon anode technology for lithium-ion batteries. Sicona has developed next-generation battery materials technology used in the anodes (negative electrodes) of lithium-ion ("Li-ion") batteries that enable electric mobility and storage of renewable energy.

Further the Company as a Strategic Partner with Resolution Applicant - Dalmia Bharat Refractories Limited (DBRL) participated in the corporate insolvency resolution process of Birla Tyres Limited. The Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), vide its order dated 19 October 2023 has approved the resolution plan submitted jointly by the Company and DBRL for acquisition of Birla Tyres Limited under the corporate insolvency resolution process ("CIRP") in terms of the Insolvency and Bankruptcy Code, 2016 ("IBC").

The Company has given a Corporate Guarantee to its Wholly Owned Subsidiary AAT Global Limited for its business purpose.

The Company has also given loans to its Wholly Owned Subsidiaries Combe Projects Private Limited ànd Himadri Clean Energy Limited for business purpose.

The details of loans granted, guarantee given, and investments made during the year under review, covered under the provisions of Section 186 of the Act, are provided in the notes to the financial statements of the Company forming part of this Annual Report.

Further, subject to the approval of the Members and such other regulatory or statutory approvals as may be required, the Board at its meeting held on 20 March 2024 has *inter-alia* approved acquisition of 40% paid-up equity share capital of Invati Creations Private Limited ("Target Company"), for a total purchase consideration of ₹ 45,16,12,800 (Rupees Forty-Five Crores Sixteen Lakhs Twelve Thousand Eight Hundred Only ("Purchase Consideration") which is to be discharged in the following manner -

(i) ₹ 19,99,35,864 (Rupees Nineteen Crores Ninety-Nine Lakhs Thirty-Five Thousand Eight Hundred Sixty-Four Only) will be paid in cash against issue of fresh 2,152 (Two Thousand One Hundred Fifty-Two) equity shares of ₹ 10/- (Rupees Ten only), constituting 17.71% stake, of the Target Company; and

(ii) ₹ 25,16,76,936 (Rupees Twenty-Five Crores Sixteen Lakhs Seventy-Six Thousand Nine Hundred Thirty-Six only) payable for acquiring 2,709 (Two Thousand Seven Hundred Nine) equity shares of ₹ 10/-(Rupees Ten only) each, constituting 22.29% stake, of the Target Company from the existing shareholders of the Target Company for consideration other than cash to be settled by way of issue and allotment of 7,96,446 (Seven Lakhs Ninety Six Thousand Four Hundred Forty Six) equity shares of the Company having face value of ₹ 1/-(Rupee One Only) each, at a price of ₹ 316/- (Rupees Three Hundred Sixteen only) per equity share (including a premium of ₹ 315/- (Rupees Three Hundred Fifteen only) per equity share to the existing shareholders of the Target Company.

Board's Report (Contd.)

19. Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31 March 2024 is available on the website of the Company at the link https://www.himadri.com/home/uploads/shareholder_info/sholder_meeting_agm_doc/1716200611_Annual_Return_in_Form_MGT_7_for_the_FY_2023-24.pdf

The annual return uploaded on the website is a draft in nature and the final annual return shall be uploaded at the same link on the website of the Company once the same is filed with Ministry of Corporate Affairs after the AGM.

20. Particulars of Remuneration of Managerial Personnel and Employees and related disclosure

Disclosures pertaining to remuneration and other details as required under Section 197(12), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure II** enclosed hereto and forms part of this Report. In accordance with the provisions of the Section, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid rules form part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company, excluding the aforesaid information. Copies of said statement are available at the registered office of the Company during the designated working hours from 21 days before the AGM till the date of the AGM. Any Members interested in obtaining such details may write to the corporate secretarial department of the Company.

21. Risk Management (Risk Assessment and Minimization Procedure)

The Company has a policy on Risk Management (Risk Assessment and Minimization Procedure) to identify various kinds of risks in the business of the Company. The Board and the Senior Management review the Policy from time to time and take adequate steps to minimize the risk in business. There are no such risks, which, in the opinion of the Board, threaten the existence of your Company. However, some of the risks which are inherent in business and the type of industry in which it operates are elaborately described in the Management Discussion and Analysis forming part of this Report.

22. Employee Stock Option Plan (ESOP)

Your Company has adopted the Himadri Employee Stock Option Plan ("ESOP 2016") for granting options to eligible employees of your Company as approved by the Members of your Company at the 28th AGM held on 24 September 2016.

The applicable disclosures as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the details of stock options as at 31 March 2024 under the ESOP 2016 are set out in the Report as **Annexure III** and the same forms part of this Report and is also available on the Company's website at the link https://www.himadri.com/home/shareholder_information

23. Auditors and Auditors' Report

(i) Statutory Auditors

M/s Singhi & Co, Chartered Accountants (FRN: 302049E), the Statutory Auditors of the Company were appointed at the 34th AGM held on 28 September 2022 for the term of 5 (Five) consecutive years from the conclusion of the 34th AGM till the conclusion of the 39th AGM to be held for the financial year 2026-27.

The Report given by M/s Singhi & Co, Chartered Accountants on the financial statements of the Company for the financial year 2023-24 is part of the Annual Report and there is no qualification, reservation, adverse remark, or disclaimer given by the Auditors in their Reports. The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.

(ii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Arun Kumar Maitra & Co, Practising Company Secretaries (ICSI Unique Code P2015WB086500), were appointed as Secretarial Auditors to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report, pursuant to Section 204(1) of the Act for the financial year ended 31 March 2024 is annexed to this Report as **Annexure IV** and forms part of this Report. There is no qualification, reservation, adverse remark, or disclaimer given by the Secretarial Auditors in their Reports.

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2023-24 pursuant to Regulation 24A (2) of the SEBI Listing Regulations. The Annual Secretarial Compliance Report for the financial year ended 31 March 2024 has been submitted

Board's Report (Contd.)

to the Stock Exchanges and the said report may be accessed on the Company's website at the link https://www.himadri.com/home/stock_exchange_compliance

(iii) Cost Auditor

Mr. Sambhu Banerjee, Cost Accountant, the Cost Auditor of the Company submitted the Cost Audit Report for the year 2022-23 within the time limit prescribed under the Act and Rules made thereunder.

During the Period under review, pursuant to Section 148 of the Act read with the Rules framed thereunder, the Board has re-appointed Mr. Sambhu Banerjee, Cost Accountants, to conduct an audit of the cost records of the Company for the financial year 2023-24.

Pursuant to Section 148 of the Act, read with the rules framed thereunder, the Board at its meeting held on 25 April 2024, upon the recommendation of the Audit Committee, re-appointed Mr. Sambhu Banerjee as the Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2024-25. The Company has received the necessary consent from Mr. Sambhu Banerjee to act as the Cost Auditor of the Company for the financial year 2024-25 along with the certificate confirming that his appointment would be within the applicable limits.

Further, pursuant to Section 148 of the Act, read with the rules framed thereunder, the remuneration payable to Cost Auditor for the financial year 2024-25 is required to be ratified by the Members of the Company at the ensuing AGM. Accordingly, an ordinary resolution seeking approval of Members for ratification of payment of remuneration payable to the Cost Auditor is included in the Notice convening the ensuing AGM of the Company.

24. Maintenance of Cost Records

The Company is duly maintaining the cost accounts and records as specified by the Central Government in compliance with Section 148 of the Act.

25. Vigil Mechanism / Whistle Blower Policy

The Company has formulated a Vigil Mechanism / Whistle Blower Policy in terms of Section 177 of the Act and Regulation 22 of the SEBI Listing Regulations for the employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct by means of protected disclosure to the Vigilance Officer or the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy may be accessed on the Company's website at https://www.himadri.com/home/corporate_governance

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo for the financial year ended 31 March 2024, as required to be given pursuant to Section 134(3)(m) of the Act read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report as **Annexure V**.

27. Details in respect of adequacy of Internal Financial Controls with reference to the financial statements

The Company has laid down adequate internal financial controls and checks which are effective and operational. The Internal Audit of the Company for financial year 2023-24 was carried out by M/s Ernst & Young LLP ("EY"), Chartered Accountants, Internal Auditor for all divisions and units of the Company. The Audit Committee regularly interacts with the Internal Auditors, the Statutory Auditors and Senior Executives of the Company responsible for financial management and other affairs. The Audit Committee evaluates the internal control systems and checks & balances for continuous updation and improvements therein. The Audit Committee also regularly reviews and monitors the budgetary control system of the Company as well as the system for cost control, financial controls, accounting controls, physical verification, etc. The Audit Committee regularly observes that proper internal financial controls are in place including with reference to financial statements. During the year, such controls were reviewed, and no reportable material weakness was observed.

28. Related Party Transactions

Your Company has Policy on materiality of related party transactions and on dealing with related party transactions policy. The Audit Committee reviews this policy periodically and also reviews and approves all related party transactions, to ensure that the same are in line with the provisions of applicable law and the Related Party Transactions Policy.

The Audit Committee approves the related party transactions and wherever it is not possible to

Board's Report (Contd.)

estimate the value, approves limit for the financial year, based on best estimates.

The related party transactions that were entered into by the Company during the financial year 2023-24, were on an arm's length basis. Further, no material related party transactions were entered into by the Company during the financial year 2023-24. The disclosure under Section 134(3)(h) read with Section 188 (2) of the Act in form AOC-2 is given in **Annexure VI** forming part of this Report.

The details of the transaction with related parties during financial year 2023-24 are provided in the accompanying financial statements.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board in terms of Regulation 23 of the SEBI Listing Regulations is posted on the website of the Company and can be accessed through the following link: https://www.himadri.com/home/corporate_governance

29. Corporate Social Responsibility (CSR)

Your Company believes that it has a responsibility to bring enduring positive value to the communities it works with. In line with Company's core theme to keep India moving, it has and will continue to build enduring and engaging relationships with key stakeholders.

The Board, in compliance with the provisions of Section 135(1) of the Act and Rules made thereunder has formulated the CSR Committee and CSR Policy. Further, the CSR policy has been placed on the website of the Company and can be accessed through the following link: https://www.himadri.com/home/corporate_governance

The Company's key objective is to make a difference to the lives of the underprivileged and help them to bring a self-sustaining level. There is a deep commitment to CSR engagement. The Company has following ongoing CSR projects:

(i) Rural development project for constructing Pucca houses in place of Kutcha houses for Economically Weaker Sections (EWS) of the society in village area surrounding or adjoining to Company's plant at Mahistikry as well as surrounding villages, setting up of rural electrification facility, setting up of drainage system, setting up of water supply tanks including pipeline connectivity to the villages involving a large amount of outlay and same are under process.

(ii) Heath Care Project for Setting up of Nursing Home at Dist. Hooghly by construction of building - facilities of Kidney dialysis, eye testing, spectacles distribution, medicine distribution, Ayurvedic, naturopathic and homeopathy treatment for the betterment of local people surrounding the plant at Mahistikry as well as surrounding villages.

During the financial year 2023-24, the Company was required to spend ₹ 316.39 lakhs, the minimum amount to be spent on CSR activity. The Company has spent ₹ 562.03 lakhs during the financial year 2023-24. There was no amount unspent for the year ended 31 March 2024. The Company has spent an excess amount ₹ 245.64 lakhs in CSR which is eligible for set off in three succeeding financial years.

The Annual Report on CSR activities in terms of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith and marked as **Annexure VII** forming part of this Report.

30. Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Independent Directors at their meeting have evaluated the performance of executive directors after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity, and timeliness of flow of information between the Company's Management and the Board.

The evaluation process focused on various aspects of the Board and Committees' functioning such as composition of the Board and its Committees, experience and competencies, performance of specific duties, obligations and governance issues. A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and exercise of independent judgement.

Further, the Board, upon recommendation of the Nomination and Remuneration Committee and as per the criteria and manner provided for the annual evaluation of each member of the Board and its Committees, has evaluated the performance of the entire Board, its Committees, and individual directors. During the financial year 2023-24, all the members of the Board and its Committees met the criteria of performance evaluation as set out by the Nomination and Remuneration Committee.

Board's Report (Contd.)

31. Public Deposit

During the financial year 2023-24, the Company has not accepted any deposits from public within the meaning of Section 73 and Section 74 of the Act, therefore the disclosure pursuant to Rule 8 (5)(v) & (vi) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

32. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future

There are no significant/ material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations. During the year under review, no Corporate Insolvency Resolution application was made, or proceeding was initiated, by/against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended). Further, no application / proceeding by / against the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended) is pending as on 31 March 2024.

33. Transfer of Unclaimed Dividend and Unclaimed Shares to Investor Education & Protection Fund (IEPF)

Pursuant to applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF" or "Fund") established by the Central Government, after completion of seven years from the date the dividend is transferred to unpaid/ unclaimed account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

The Company had sent individual notices and advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Thereafter, the Company transferred such unpaid or unclaimed dividends and corresponding shares to IEPF.

During the financial year 2023-24, pursuant to provision of Section 124 of the Act, the Company has transferred a sum of ₹ 3,16,140.00 to the IEPF, the amount of dividend which was unclaimed/ unpaid for a period of seven years declared for the financial year 2015-16.

During the financial year 2023-24, the Company has transferred 2,48,787 shares in respect of which dividend has not been paid or claimed for seven consecutive years or more pursuant to Section 124 of the Act to the IEPF.

Shareholders/claimants whose shares or unclaimed dividend, have been transferred to the IEPF may claim those dividends and shares from the IEPF Authority by complying with prescribed procedure and filing the e-Form- IEPF-5 online with MCA portal.

The dividend declared for the financial year ended 31 March 2017 and which is remain unpaid/ unclaimed is due to be transferred to IEPF within statutory timelines, upon expiry of the period of seven years. The due dates for transfer of unclaimed dividend to IEPF are provided in the report on Corporate Governance.

Further the shares in respect of which dividend has not been paid or claimed for seven consecutive years will also be transferred to IEPF.

Shareholders are requested to ensure that they claim the unpaid dividends referred to above before the dividend and shares are transferred to the IEPF pursuant to the provision of Section 124 of the Act.

34. Corporate Governance

In terms of the provisions of Regulation 34(3) of the SEBI Listing Regulations, the Corporate Governance Report together with a certificate from a firm of Practising Company Secretaries confirming compliance, is annexed herewith and marked as **Annexure VIII** forming part of this Report.

35. Management Discussion and Analysis

The Management Discussion and Analysis as required under Schedule V of the SEBI Listing Regulations forms an integral part of the Annual Report.

36. Business Responsibility and Sustainability Reporting (BRSR)

The Business Responsibility and Sustainability Reporting (BRSR) of the Company for the financial year ended 31 March 2024 as required pursuant to the Regulation 34(2)(f) of the SEBI Listing Regulations is annexed herewith and marked as **Annexure IX** forming part of this Report and the same is also available on the Company's website at www.himadri.com.

Board's Report (Contd.)

37. Listing on Stock Exchanges

There were 49,25,94,573 equity shares of the Company as on 31 March 2024. However, out of 49,25,94,573 equity shares of the Company, 47,87,44,573 equity shares were listed with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The difference in the issued and listed capital is because of 1,38,50,000 number of equity shares which were allotted on 2 February 2024 and subsequently listed on 1 April 2024.

The Company has paid the annual listing fees to these stock exchanges.

38. Dematerialisation of Shares

There were 49,25,94,573 equity shares of the Company as on 31 March 2024, out of the 49,25,94,573 equity shares of the Company 49,04,00,411 shares were held in electronic form representing 99.55% to the total paid up share capital, whereas balance of 21,94,162 shares were held in physical form representing 0.45% to the total paid up share capital of the Company. The Company's equity shares are compulsorily required to be traded in dematerialised form, therefore, Members are advised to speed up converting the physical shareholding into dematerialised form through their DP(s).

39. E-voting facility at AGM

In terms of Regulation 44 of SEBI Listing Regulations and in compliance with the provisions of Section 108 of the Act read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 (as amended), the items of business specified in the Notice convening the 36th AGM of the Company shall be transacted through electronic voting system only and for this purpose the Company is providing e-Voting facility to its' Members whose names will appear in the register of members as on the cut-off date (fixed for the purpose), for exercising their right to vote by electronic means through the e-voting platform to be provided by National Securities Depository Ltd ("NSDL"). The detailed process and guidelines for e-Voting have been provided in the notice convening the meeting.

40. Prevention of Sexual Harassment at Workplace

Your Company firmly believes in providing a safe, supportive, and friendly workplace environment – a workplace where its values come to life through supporting behaviors. A positive workplace environment and great employee experience are integral parts of its culture. Your Company continues to take various measures to ensure a workplace free from discrimination and harassment based on gender.

Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment. Your Company has created the framework for individuals to seek recourse and redressal to instances of sexual harassment.

Your Company has a Sexual Harassment Prevention and Grievance Handling at the Workplace Policy in place to provide clarity around the process to raise such a grievance and how the grievance will be investigated and resolved. An Internal Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. There are regular sessions offered to all employees to increase awareness of the topic and the Committee and other senior members have undergone training sessions.

During the financial year 2023-24, the Committee submitted its Annual Report as prescribed in the said Act and there was no complaint as regards sexual harassment received by the Committee during the year.

During the financial year 2023-24, initiatives were taken to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment, which included easy to understand training and communication material which was made easily accessible. The Company has also conducted online training for the employees to cover various aspects of this matter.

41. Compliance of Secretarial Standards

The Company has followed the applicable Secretarial Standards, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

42. Green Initiatives & Acknowledgement

As a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to Members at their e-mail address registered with the Depository Participants ("DPs") and RTAs. To support the 'Green Initiative', Members who have not registered their email

Himadri

Board's Report (Contd.)

addresses are requested to register the same with the Company's Registrar and Share Transfer Agent ("RTAs")/Depositories for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically.

Pursuant to the MCA Circular No. 09/2023 dated 25 September 2023 and SEBI Circular dated 07 October 2023, the Annual Report of the Company for the financial year ended 31 March 2024 including therein the Audited Financial Statements for the financial year 2023-24, will be sent only by email to the Members.

The Board of the Company wish to place on record their sincere appreciation of the dedication and commitment of all employees in continuing their achievements and excellence in all areas of the business. The Board thanks the shareholders, customers, suppliers, bankers, other stakeholders and various departments of the State Government and the Central Government for their continuous support to the Company.

Your Board appreciate and value the contribution made by every member of the Himadri family.

For and on behalf of the Board

	Sd/-	Sd/-
	Anurag Choudhary	**Shyam Sundar Choudhary**
	Chairman cum Managing Director	Executive Director
Place: Kolkata	& Chief Executive Officer	(DIN: 00173732)
Date: 25 April 2024	(DIN: 00173934)	

Annexure I

of the Board's Report

Form AOC-1

Statement containing salient features of the Financial Statements of Subsidiaries

(Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Amount in ₹ Lakhs

	1		2		3	4	5
Name of the Subsidiary Company	**AAT Global Ltd, Hongkong**		**Shandong Dawn Himadri Chemical Industry Ltd, China***		**Combe Projects Private Limited**	**Himadri Clean Energy Limited**	**Himadri Future Material Technologies Limited#**
Financial year ending on	**31 March 2024**		**31 March 2024**		**31 March 2024**	**31 March 2024**	**31 March 2024**
Reporting Currency	**INR**	**USD**	**INR**	**RMB**	**INR**	**INR**	**INR**
Share Capital	7,621.94	91.42	5,396.77	470.00	1.63	1.00	1.00
Other Equity	(16,023.61)	(192.19)	(10,055.93)	(875.76)	(3.08)	(0.85)	(0.69)
Total Assets	20,820.77	249.73	6,065.54	528.24	103.66	5.27	0.33
Total Liabilities	29,222.44	350.50	10,724.70	934.00	105.11	5.12	0.02
Investments	-	-	-	-	82.23	1.00	-
Turnover / Total Income	105,445.94	1,274.54	125.13	10.92	2.23	-	-
Profit/(Loss) before Taxation	672.32	8.11	(149.67)	(12.99)	(3.63)	(0.07)	(0.09)
Provision for Taxation	103.22	1.24	-	-	-	-	-
Profit/(Loss) after Taxation	569.10	6.87	(149.67)	(12.99)	(3.63)	(0.07)	(0.09)
Proposed Dividend	-	-	-	-	-	-	-
% of Shareholding		100%		94%	100%	100%	100%

* Shandong Dawn Himadri Chemical Industry Ltd ("SDHCIL") in China, in which the Company holds 94% equity through its wholly owned subsidiary Company, AAT Global Limited.

Himadri Future Material Technologies Limited in which the Company holds 100% equity through its wholly owned subsidiary Company, Himadri Clean Energy Limited.

1. Names of subsidiaries which are yet to commence operations- Nil

2. Names of subsidiaries which have been liquidated or sold during the year- Nil

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director
& Chief Executive Officer
(DIN: 00173934)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 25 April 2024

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Annexure II
of the Board's Report

Details pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2023-24:**

Name	Designation	Ratio
Mr. Anurag Choudhary	Chairman cum Managing Director & Chief Executive Officer ("CMD & CEO")	79:1
Mr. Shyam Sundar Choudhary	Executive Director	68:1
Mr. Amit Choudhary	Executive Director	68:1
Mr. Sakti Kumar Banerjee*	Independent Director	3:1
Mr. Santimoy Dey	Independent Director	3:1
Mr. Girish Paman Vanvari	Independent Director	2:1
Mr. Gopal Ajay Malpani	Independent Director	1:1
Ms. Rita Bhattacharya	Independent Director	1:1

*Mr. Sakti Kumar Banerjee (DIN: 00631772) Independent Director has ceased to be an Independent Director upon completion of his second and final term and consequently ceased to be a Director of the Company w.e.f. close of business hours on 31 March 2024.

Note: Mr. Santosh Kumar Agrawala (DIN: 00364962), Independent Director has resigned from the Board of Directors of the Company w.e.f. 07 August 2023, hence his remuneration was not considered for above.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2023-24:**

Name	Designation	% Increase in remuneration
Mr. Anurag Choudhary	Chairman Cum Managing Director & Chief Executive Officer ("CMD & CEO")	40
Mr. Shyam Sundar Choudhary	Executive Director	50
Mr. Amit Choudhary	Executive Director	50
Mr. Kamlesh Kumar Agarwal	Chief Financial Officer	39
Ms. Monika Saraswat	Company Secretary & Compliance Officer	26
Independent Director (Sitting Fee)		
Mr. Sakti Kumar Banerjee*	Independent Director	35
Mr. Santimoy Dey	Independent Director	33
Mr. Girish Paman Vanvari	Independent Director	25
Mr. Gopal Ajay Malpani	Independent Director	80

*Mr. Sakti Kumar Banerjee (DIN: 00631772) Independent Director has ceased to be an Independent Director upon completion of his second and final term and consequently ceased to be a Director of the Company w.e.f. close of business hours on 31 March 2024.

Note:

(i) Mr. Santosh Kumar Agrawala (DIN: 00364962), Independent Director has resigned from the Board of Directors of the Company w.e.f. 07 August 2023, hence his remuneration was not considered for above.

(ii) Ms. Rita Bhattacharya was appointed w.e.f. 11 August 2022 hence her remuneration was not considered for above.

Annexure II

of the Board's Report (Contd.)

3. **The percentage increase in the median remuneration of employees in the financial year 2023-24:**

   The percentage increase in the median remuneration of employees is 13%.

4. **The number of permanent employees on the rolls of the Company:**

   There were 920 number of permanent employees on the rolls of the Company as on 31 March 2024.

5. **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 percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 was 16% whereas the increase in the managerial remuneration for the same financial year was 21%.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

   It is affirmed that the remuneration paid to Directors, Key Managerial Person and other employees are as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel, and other employees.

   Note: The Independent Directors of the Company are entitled to sitting fees as per the terms approved by the Members of the Company. The criteria for making payments to the Independent Directors and details of remuneration paid to them have been provided in the Corporate Governance Report.

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 25 April 2024

Annexure III
of the Board's Report

Disclosure as required under Section 62(1)(b) of the Act read with Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are appended as below:

Sl. No	Particulars	Himadri Employee Stock Option Plan 2016	
1	**Date of Shareholders' Approval**	24 September 2016	
2	**Total No of Options approved under ESOS**	40,00,000	
3	**Vesting Requirements**	The Options granted under ESOP 2016 would vest after one year but not later than five years from the date of grant of such option. Vesting of Options would be subject to continued employment with the Company and Options would vest on passage of time and also fulfilment of certain performance parameters.	
4	**Date of Grant**	5 January 2017	8 May 2018
5	**Exercise price or pricing formula**	₹ 19 (Exercise Price)	₹ 140 (Exercise Price)
6	**Maximum term of options granted**	9.65 years from the date of grant	4.57 years from the date of grant
7	**Source of Shares**	Primary	Primary
8	**Variation in terms of option**	Not Applicable	Not Applicable
9	**Method of Option Valuation**	Black Scholes Merton Model	Black Scholes Merton Model
10	**Option Movement during the year**		
	- **Number of Options outstanding at the beginning of the period**	1,16,729	9,61,000
	- **Number of Options granted during the year**	-	-
	- **Number of Options forfeited / lapsed during the year**	3,905 (lapsed)	
	- **Number of Options vested during the year**	-	-
	- **Number of Options exercised during the year**	1,03,022	5,34,353
	- **Number of Shares arising as a result of exercise of options**	1,03,022	5,34,353
	- **Money realized by exercise of options (Amount in ₹ lakhs)**	19.57	748.09
	- **Loan repaid by the Trust during the year from exercise price received**	-	-
	- **Number of Options outstanding at the end of the year**	9,802	426,647
	- **Number of Options exercisable at the end of the year**	9,802	426,647
11	**Weighted average exercise price of Options granted during the year whose**		
	(a) Exercise Price equals market price	-	-
	(b) Exercise Price is greater than market price	-	-
	(c) Exercise Price is less than market price	-	-
12	**Weighted average fair value of Options granted during the year whose**		
	(a) Exercise Price equals market price	-	-
	(b) Exercise Price is greater than market price	-	-
	(c) Exercise Price is less than market price	-	-

Annexure III

of the Board's Report (Contd.)

13 Employee wise details of Options granted during the financial year 2023-24 to:

i. Senior Management Personnel

Name	Designation	Options granted during the year	Exercise Price
		None	

ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year; and

Name	Designation	Options granted during the year	Exercise Price
		None	

iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant

Name	Designation	Options granted during the year	Exercise Price
		None	

Note:

(1) Other details as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any amendment thereof are mentioned in the notes to the financial statements, the same forms part of this Annual Report.

(2) There were no material changes in the scheme and the scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any amendment thereof.

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 25 April 2024

Annexure IV

of the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

To
The Members,
Himadri Speciality Chemical Ltd
Kolkata

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HIMADRI SPECIALITY CHEMICAL LIMITED (CIN: L27106WB1987PLC042756)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and 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 & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities & Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   b) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   c) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   d) The Securities & Exchange Board of India (Buy-back of Securities) Regulations, 2018;

   e) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   f) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   g) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, which are as under:

   i. The Petroleum Act, 1934 and Rules made thereunder;

   ii. The Legal Metrology Act, 2009;

   iii. The Public Liability Insurance Act, 1991,

   iv. The Bengal Electricity Duty Act, 1935 and Rules made thereunder;

   v. The Boilers Act, 1923;

   vi. The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

   vii. The Environment (Protection) Act, 1986;

Annexure IV

of the Board's Report (Contd.)

viii. The Water (Prevention and Control of Pollution) Act, 1974;

ix. The Air (Prevention and Control of Pollution) Act, 1981.

x. Indian Electricity Act, 2003.

xi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We have also examined the Structured Digital Database pursuant to Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 maintained by the Company for the financial year ended on 31 March 2024 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions pursuant to Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015, during the aforesaid audit period.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors.

b) 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.

c) 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.

d) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We 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.

We further report that during the Audit Period, the Company has not undertaken any specific event/ action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., except as follows:

I. Approval of Resolution Plan by the Hon'ble NCLT, Kolkata Bench for acquisition of Birla Tyres Ltd:

The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated 19 October 2023 has approved the resolution plan jointly submitted by the Company ("Strategic Partner") and Dalmia Bharat Refractories Limited ("DBRL"/ "Resolution Applicant") for acquisition of Birla Tyres Limited under the corporate insolvency resolution process.

II. During the financial year, the Company has allotted:

(i) 73,461 equity shares of ₹ 1 each of the Company to the eligible employees on exercise of options pursuant to "Himadri Employee Stock Option Plan 2016" on 27 April 2023.

(ii) 62,15,000 equity shares of ₹ 1 each of the Company on 17 June 2023 towards conversion of warrants issued on preferential basis.

(iii) 4,63,000 equity shares of ₹ 1 each of the Company on 22 August 2023 towards conversion of warrants issued on preferential basis.

(iv) 5,63,914 equity shares of ₹ 1 each of the Company to the eligible employees on exercise of options pursuant to "Himadri Employee Stock Option Plan 2016" on 22 September 2023.

(v) 6,72,000 equity shares of ₹ 1 each of the Company on 3 November 2023 towards conversion of warrants issued on preferential basis.

(vi) 3,80,50,000 equity shares of ₹ 1 each of the Company on 19 January 2024 towards conversion of warrants issued on preferential basis.

(vii) 1,38,50,000 equity shares of ₹ 1 each of the Company on 2 February 2024 towards conversion of warrants issued on preferential basis.

Annexure IV

of the Board's Report (Contd.)

As a result of the above allotment the paid-up capital of the Company as at the end of the financial year increased to ₹ 4,925.94 lakhs consisting of 49,25,94,573 equity shares of ₹1 each.

III. Acquisition of Subsidiary:

(i) Combe Projects Private Limited has become the Wholly Owned Subsidiary ("WOS") of the Company w.e.f. 20 July 2023.

(ii) Himadri Clean Energy Limited has become the Wholly Owned Subsidiary ("WOS") of the Company w.e.f. 30 November 2023.

(iii) Himadri Future Material Technology Limited has become a Wholly Owned Subsidiary ("WOS") of Himadri Clean Energy Limited and a step down wholly owned subsidiary of the Company w.e.f. 01 February 2024.

This report is to be read with our letter of even date which is annexed as **Annexure – I**, which forms an integral part of this report.

For **Arun Kumar Maitra & Co.**
Practicing Company Secretaries

Sd/-
ARUN KUMAR MAITRA
Partner
Membership No. A-3010
C.P. No. 14490
UDIN: A003010F000234274
Date: 25 April 2024

Annexure IV
of the Board's Report (Contd.)

Annexure- I

To
The Members,

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an 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 **Arun Kumar Maitra & Co.**
Practicing Company Secretaries

Sd/-
ARUN KUMAR MAITRA
Partner
Membership No. A-3010
C.P. No. 14490
UDIN: A003010F000234274
Date: 25 April 2024

Himadri

Annexure V
of the Board's Report

Information as per Section 134(3)(m) of the Act read with the Rule 8(3) of Companies (Accounts) Rules, 2014 for the year ended 31 March 2024:

A. Conservation of energy

Sl.No	Particulars	Description
1	**Steps taken or impact on conservation of energy**	i) The Company has installed 5 nos. of Active Front VFD panel for 500KW process air blower motor having harmonic filter protection replacing the previous ii) The Company has implemented energy saving drive belt in all belt driven equipment in plant. iii) Unloading time has been reduced by putting optimizer compressor. iv) The Company has implemented Energy Management System of L&T for monitoring and analysis of day-to-day plant load.
2	**Steps taken by the Company for utilizing alternate source of energy**	The Company has installed backpressure turbine to resist enthalpy loss in PRDS and convert it to produce additional energy.
3	**Capital investment on energy conservation equipment.**	Additional investments during the year was ₹ 200 lakhs.

B. Technology absorption

Sl.No	Particulars	Description
1	**Efforts made towards technology absorption**	In-house Research & Development play a vital role in the following areas:- i) Improvement in quality and enhanced output by process control; ii) Finding alternate means to save energy and cost; iii) Development of new products and grades; iv) Developing new technologies or improving existing ones; v) Establishing processes for continuous improvement and optimisation of technology absorption processes; vi) Re-cycling the waste and optimum utilization thereof;
2	**Benefits derived like product improvement, cost reduction, product development, import substitution**	i) Maintenance of leading position in market; ii) Reduction in cost of fuel consumption and other operational costs ; iii) Improvement in quality of output in line with global standards; iv) Optimum utilization of resources by improving the quality of output and refining process technology; v) Development and evolution of various kind of value-added products
3	**In case of imported technology**	The Company has not imported any technology.

Annexure V

of the Board's Report (Contd.)

Sl.No	Particulars	Description
4	**Expenditure incurred on Research and Development**	Capital expenditure as well as recurring expenditure incurred from time to time during the year on laboratory items, tools, spares, handling equipment, trial run expenses and salaries of research personnel remain merged with various heads, as per established accounting policy and expenditures incurred during the year under review, on Research & Development are as follows: i) Capital expenditure: ₹ 445.29 lakhs; ii) Revenue expenditure: ₹ 3,206.38 lakhs; iii) Total Research & Development expenditure: ₹ 3,651.67 lakhs; iv) Total R&D expenditure as a percentage of total turnover: 0.87%

C. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned during the year

Amount in ₹ Lakhs

Particulars	2023-24	2022-23
Total foreign exchange outgo in terms of actual outflow	1,17,518.60	68,515.52
Total foreign exchange earned in terms of actual inflows	52,284.95	55,078.51

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 25 April 2024

Annexure VI
of the Board's Report

Form No. 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)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

a. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	There were no contracts or arrangements, or transactions entered into during the year ended 31 March 2024, which were not at arm's length basis.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

b. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	There were no material contracts or arrangements, or transactions entered into during the year ended 31 March 2024.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board	
(f)	Amount paid as advances	

Note: The above disclosures on material transactions are based on the principle that transactions with wholly-owned subsidiaries are exempt for the purpose of Section 188 (1) of the Companies Act, 2013.

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 25 April 2024

Annexure VII
of the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. Brief outline on CSR Policy of the Company:

Himadri as a conscientious corporate citizen, recognizes the corporate social responsibility to address some of India's most challenging issues relating to education, health, equality and development of the weaker section of the society and always endeavors to contribute to the welfare and development of the society, in which it operates. The Company had adopted CSR Policy as recommended by the CSR Committee and duly approved by the Board of Directors, pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.The scope of the Policy is given hereunder:

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) (a) contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

(x) rural development projects;

(xi) slum area development;

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities;

(xiii) such other projects or purposes as may be notified by the Government from time to time.

Annexure VII

of the Board's Report (Contd.)

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Santimoy Dey	Independent Director, Chairman	2	2
2	Mr. Sakti Kumar Banerjee*	Independent Director, Member	2	2
3	Mr. Shyam Sundar Choudhary	Executive Director, Member	2	2

*Ceased to be an Independent Director w.e.f. the close of business hours on 31 March 2024

Note: Mr. Gopal Ajay Malpani has been appointed as member of CSR Committee w.e.f 01.04.2024.

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

Composition of CSR Committee:	https://www.himadri.com/home/uploads/govnce_report/others/1713356702_List_of_Committee_of_Directors.pdf
CSR Policy:	https://www.himadri.com/pdf/corporate-social-responsibility-policy_10.02.2023.pdf
CSR Projects approved by the Board:	https://www.himadri.com/csr.php

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

			Amount in ₹ Lakhs
5	(a)	**Average net profit of the company as per section 135(5)**	15,819.52
	(b)	**Two percent of average net profit of the company as per section 135(5)**	316.39
	(c)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	Nil
	(d)	**Amount required to be set-off for the financial year, if any**	Nil
	(e)	**Total CSR obligation for the financial year [(b)+(c)-(d)]**	316.39

			Amount in ₹ Lakhs
6	(a)	**Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**	562.03
	(b)	**Amount spent in Administrative Overheads**	Nil
	(c)	**Amount spent on Impact Assessment, if applicable**	Nil
	(d)	**Total amount spent for Financial Year [(a)+(b)+(c)]**	562.03

Annexure VII

of the Board's Report (Contd.)

(e) CSR amount spent or unspent for the financial year:

Amount in ₹ Lakhs

Total Amount Spent for the Financial Year	Amount Unspent				
	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
562.03	Not Applicable	-	Not Applicable	-	-

Details are also provided in Note 32 of the standalone financial statements.

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

Sl. No.	Particulars	Amount in ₹ Lakhs
(i)	Two percent of average net profit of the Company as per section 135(5)	316.39
(ii)	Total amount spent for the Financial Year	562.03
(iii)	Excess amount spent for the financial year [(ii)-(i)]	245.64
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	245.64

7. Details of Unspent CSR amount for the preceding three financial years:

Amount in ₹ Lakhs

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2020-21	892.27	424.26	424.26	-	-	-	-
2	2021-22	331.21	219.41	116.61	-	-	102.80	-
3	2022-23	39.39	39.39	-	-	-	39.39	-

8. Whether any capital assets have been created or acquired through CSR spent in the financial year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section135(5): Not Applicable

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Santimoy Dey
Chairman – CSR Committee
Independent Director
(DIN: 06875452)

Place: Kolkata
Date: 25 April 2024

Annexure VIII
of the Board's Report

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') the details of compliance by the Company with the norms on Corporate Governance are as under:

1. Company's philosophy on Code of Governance:

Corporate Governance at Himadri has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top-level executives, inducting, competent professionals across the organization and putting in place appropriate systems, process, and technology. The essence of Corporate Governance lies in the maintenance of integrity, transparency, and accountability in the management's higher ranks.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from Himadri's culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development, which benefits all the stakeholders. The Company also aims to increase and sustain its corporate values through growth and innovation.

Your company ensures that it evolves and follows not just the stated Corporate Governance guidelines, but also global best practices. Your Company's inherent responsibility is to protect the rights of its shareholders and disclose timely, adequate and accurate information regarding its financials and performance, as well as the leadership and governance of the Company.

The Company conforms to the requirements of the Corporate Governance as stipulated in Part C of the Schedule V of the SEBI Listing Regulations that are implemented in a manner so as to achieve the objectives of the principles stated in the clause with respect to rights of shareholders, role of stakeholders in Corporate Governance, Disclosure and Transparency, responsibilities of the Board and other responsibilities prescribed under these regulations.

A Management Discussion and Analysis Report has been given as a separate Section forming part of the Annual Report.

2. Board of Directors ("the Board"):

The Company recognizes the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities, and duties. SEBI Listing Regulations mandate that the Board of Directors of top 2000 listed entities shall comprise of not less than 6 (six) directors with an optimum combination of executive and non-executive directors with at least one independent woman director (for top 1000 listed entities) and not less than fifty percent of the Board of Directors shall comprise of non-executive directors and for a Company with a non-executive chairman, at least one-third of the Board should comprise of independent directors and where the listed entity does not have a regular non- executive chairperson, at least half of the Board of Directors shall comprise of independent directors and where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors. The Board is at the core of our Corporate Governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders.

The Company believes that an active, well - informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

a) Composition of the Board:

The Company has a balanced mix of Executive and Non-Executive Independent Directors in accordance with SEBI Listing Regulations. As on 31 March 2024, the Board comprised of 8 (Eight) Directors, out of which 3 (Three) Directors were Executive and 5 (Five) were Independent Directors including one Independent Woman Director.

Annexure VIII

of the Board's Report (Contd.)

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act") and Regulation 17 of SEBI Listing Regulations. The Company has passed special resolution for Independent Director, who has attained the age of seventy-five years, in compliance with Regulation 17(1A) of the SEBI Listing Regulations and also passed special resolution for Executive Director who has attained the age of seventy years, in compliance with Section 196 of the Act.

Based on the declarations received from the Independent directors, the Board has confirmed that all the Independent Directors of the Company satisfy the criteria/conditions of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they have also registered in the data bank of Independent Director and renewed their registrations as required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. All the Independent Directors of the Company have complied with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 by passing online proficiency self-assessment test or exempted therefrom as per the Rule. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or affect their ability to discharge their duties.

During the financial year 2023-24, Mr. Santosh Kumar Agrawala (DIN: 00364962) Independent Director has resigned from the Directorship of the Company with effect from 07 August 2023 due to personal reasons. He has also confirmed that there are no other material reasons attributable / connected with the Company for his resignation.

Further, Mr. Sakti Kumar Banerjee (DIN: 00631772) has ceased to be an Independent Director of the Company upon completion of his second and final term as an Independent Director and consequently ceased to be a Director of the Company w.e.f. the close of business hours on 31 March 2024.

In compliance with Regulation 17A of the SEBI Listing Regulations none of the Directors including Independent Directors on the Board hold directorship in more than 7 (Seven) listed entities and none of the Executive Directors is an Independent Director in any listed Company. None of the Directors on the Board is a member of more than 10 (Ten) Committees or act as chairperson of more than 5 (Five) Committees across all the Companies in which he/she is a director, in compliance with Regulation 26(1) of the SEBI Listing Regulations. For the purpose of determination of limit of chairpersonship and membership, the Audit Committee and the Stakeholders' Relationship Committee alone have been considered.

All the Directors possess requisite qualifications and experience in general corporate management, risk management, finance, marketing, legal and other allied fields, which enable them to contribute effectively to your Company by providing valuable guidance and expert advice to the Management and enhance the quality of Board's decision-making process. Detailed profiles of the Directors are available on the Company's website at www.himadri.com.

b) Disclosure of Relationships between Directors inter-se:

Sl. No.	Name of the Director	Category	Relationship between Directors inter-se*
1	Mr. Anurag Choudhary	Promoter, Chairman cum Managing Director & Chief Executive Officer	• Son of Mr. Shyam Sundar Choudhary • Brother of Mr. Amit Choudhary
2	Mr. Shyam Sundar Choudhary	Promoter, Executive Director	• Father of Mr. Anurag Choudhary and Mr. Amit Choudhary
3	Mr. Amit Choudhary	Promoter, Executive Director	• Son of Mr. Shyam Sundar Choudhary • Brother of Mr. Anurag Choudhary
4	Mr. Girish Paman Vanvari	Independent Director	NA
5	Mr. Sakti Kumar Banerjee1	Independent Director	NA

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Sl. No.	Name of the Director	Category	Relationship between Directors inter-se*
6	Mr. Santimoy Dey	Independent Director	NA
7	Ms. Rita Bhattacharya	Independent Director	NA
8	Mr. Gopal Ajay Malpani	Independent Director	NA

*Relative as per Section 2(77) of the Act.

[1]Mr. Sakti Kumar Banerjee (DIN: 00631772) ceased from directorship with effect from w.e.f. the close of business hours on 31 March 2024..

Apart from the relations mentioned hereinabove, there is no inter-se relation among the Directors of the Company.

c) Board procedure and access to information:

The Board is responsible for the management of the business of the Company and meets regularly to discharge its role and functions. The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the stakeholders is served. The Chairman and Managing Director is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board of the Company reviews all information provided periodically for discussion and consideration at its meetings as provided under the Act (including any amendment and re-enactment thereof) and SEBI Listing Regulations *inter-alia* the agendas mentioned in Part A of Schedule II of SEBI Listing Regulations.

Detailed agenda, setting out the business to be transacted at the meeting(s) is circulated to the Directors well in advance as stipulated under the Act and Secretarial Standard – 1 ("SS-1"). All material information is incorporated in the detailed agenda for facilitating meaningful and focused discussion at the meetings. Where it is not practicable to enclose any document on the agenda, the same is placed before the meeting. Additional item(s) on the agenda, if required, can be discussed at the meeting.

Board makes timely strategic decisions, to ensure operations are in line with strategy to ensure the integrity of financial information and the robustness of financial and other controls to oversee the management of risk and review the effectiveness of risk management processes and to ensure that the right people are in place and coming through. Independent Directors are expected to provide an effective monitoring role and to provide help and advice as a sounding Board for the Executive Directors. All this is in the long-term interest of the Company and should be based on the optimum level of information, through smooth processes, by people with the right skills mixed and in a constructive manner. The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, and management.

The Board meets at least once in a quarter to approve the quarterly results and other items on the agenda. Additional meetings are held, as and when necessary. The meetings of the Board are generally convened at the Company's Corporate Office at Kolkata. All divisions/ departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/ approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings. In case of urgency or when the Board meeting is not practicable to be held, the matters are resolved through circulation, which is then noted by the Board in its next meeting.

Options of attending the meeting(s) and the facility to participate in meeting(s) through video conferencing (VC) or by other audio-visual means (OAVM) is provided to Directors in every Board Meeting and Committee Meeting to the extent permissible.

The minutes of the Board Meetings are circulated in advance as per the requirement of SS-1 to all the Directors and confirmed at subsequent meeting.

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The Board also periodically reviews compliance by the Company with the applicable laws/ statutory requirements concerning to the business and affairs of the Company and reviews the declarations made by the Managing Director & CEO / Chief Financial Officer / Unit Heads of the Company regarding compliance of all applicable laws on a quarterly basis. The Board is also provided with Audit Committee observations on the Internal audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.

d) Meetings of the Board of Directors:

During the financial year 2023-24, the Board met 7 (Seven) times, i.e., on 28 April 2023, 18 July 2023, 27 July 2023, 17 October 2023, 05 December 2023, 16 January 2024 and 20 March 2024. The maximum gap between two Board meetings held during the year was not more than 120 days.

e) Separate Meeting of Independent Directors:

Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations mandates the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the management. During the financial year 2023-24, 1 (One) separate meeting of Independent Directors was held on 15 January 2024 without the presence of the Non-Independent Directors and the members of the Management. The Independent Directors discussed on the matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole including the Chairperson of the Company (considering the views of the Executive Directors), assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board, so that the Board can effectively and reasonably perform its duties.

f) Performance Evaluation:

Pursuant to the provisions of the Act and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI Listing Regulations, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board. The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually, as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The Directors have expressed their satisfaction with the evaluation process.

The details of composition of the Board as at 31 March 2024, the attendance record of the Directors at the Board Meetings held during financial year 2023-24 and at the last Annual General Meeting (AGM), the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies, the names of the listed entities, where the Director is a director and the category of directorship and number of shares and convertible instruments held by Directors are given herein below:

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Sl. No.	Directors' Name & DIN	Category	No of shares held	Attendance			Directorship in Public Companies*	No. of Committee position held in all Companies#	
				Board Meetings held	Board Meetings Attended	Last AGM Attendance		As Member	As Chairman
1	Mr. Anurag Choudhary (DIN: 00173934)	Promoter, Chairman cum Managing Director & Chief Executive Officer	3,30,00,000	7	7	Y	9	3	-
2	Mr. Shyam Sundar Choudhary (DIN: 00173732)	Promoter, Executive Director	82,50,000	7	5	Y	10	1	-
3	Mr. Amit Choudhary (DIN: 00152358)	Promoter, Executive Director	1,37,50,000	7	7	Y	10	1	-
4	Mr. Santimoy Dey (DIN: 06875452)	Independent Director	-	7	7	Y	3	4	3
5	Mr. Girish Paman Vanvari (DIN: 07376482)	Independent Director	-	7	7	Y	7	8	5
6	Mr. Gopal Ajay Malpani (DIN: 02043728)	Independent Director	-	7	7	Y	2	2	-
7	Ms. Rita Bhattacharya (DIN: 03157199)	Independent Director	-	7	7	Y	1	-	-
8	Mr. Santosh Kumar Agrawala[1] (DIN: 00364962)	Independent Director	-	3	3	Y	-	-	-
9	Mr. Sakti Kumar Banerjee[2] (DIN: 00631772)	Independent Director	-	7	7	Y	1	2	-

The Directorships/Committee Memberships are based on the latest disclosures received by the Company.

*Directorship in Public Companies includes listed as well as reporting entity.

Pursuant to Regulation 26 of the SEBI Listing Regulations, Memberships of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (including Himadri Speciality Chemical Ltd) have been considered and Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all Listed Public Limited Companies (including Himadri Speciality Chemical Ltd) have been considered.

[1]Mr. Santosh Kumar Agrawala (DIN: 00364962), Independent Director has resigned from the Board of Directors of the Company w.e.f. 07 August 2023.

[2] Mr. Sakti Kumar Banerjee (DIN: 00631772) Independent Director has ceased to be an Independent Director upon completion of his second and final term and consequently ceased to be a Director of the Company w.e.f. the close of business hours on 31 March 2024.

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the SEBI Listing Regulations.

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The details of the Board of Directors holding Directorship in other listed companies along with the category of directorship as on 31 March 2024 are given herein below:

Sl. No.	Name of the Director	Names of other listed entities holding directorship	Category
1	Mr. Anurag Choudhary#	Himadri Credit & Finance Limited	Promoter, Managing Director
2	Mr. Shyam Sundar Choudhary#	-	-
3	Mr. Amit Choudhary#	Himadri Credit & Finance Limited	Promoter, Non-Executive Director
4	Mr. Sakti Kumar Banerjee*	-	-
5	Mr. Santimoy Dey	Himadri Credit & Finance Limited	Independent Director
6	Mr. Girish Paman Vanvari	1. Aurobindo Pharma Ltd; 2. Tarsons Products Ltd; 3. Rategain Travel Technologies Ltd; 4. Kolte-Patil Developers Limited 5. Blue Jet Healthcare Limited	Independent Director
7	Mr. Gopal Ajay Malpani	1. MPL Plastics Limited	Independent Director
8	Ms. Rita Bhattacharya	-	-

* Mr. Sakti Kumar Banerjee (DIN: 00631772) Independent Director has ceased to be an Independent Director upon completion of his second and final term and consequently ceased to be a Director of the Company w.e.f. close of business hours on 31 March 2024

#Mr. Anurag Choudhary, Mr. Shyam Sundar Choudhary and Mr. Amit Choudhary have been appointed as Non-Executive Directors of Birla Tyres Limited w.e.f. 07.11.2023. Birla Tyres Limited is under process of delisting vide order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 19 October 2023 approving the resolution plan for acquisition of Birla Tyres Limited under the corporate insolvency resolution process of the Insolvency and Bankruptcy Code 2016.

g) **Formal Letter of Appointment to the Independent Directors:**

No Independent Directors were appointed/re-appointed during the financial year 2023-24. The Company has issued appointment/re-appointment letters as per provisions of Schedule IV of the Act to the Independent Directors on their appointment/re-appointment containing the detailed terms and conditions of their appointment/re-appointment, role, duties and liabilities, evaluation process, code of conduct, etc. The letter of appointment/re-appointment issued to the Independent Directors has been posted on the Company's website at https://www.himadri.com/home/corporate_governance

h) **Familiarisation Programme for Independent Directors:**

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, during the financial year 2023-24, the Company imparted Familiarization Programme to Independent Directors to familiarize them about their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, review of investments of the Company, business model of the Company, Prohibition of Insider Trading Regulations, SEBI Listing Regulations, etc. The details of the familiarisation programme are available on the website of the Company at https://www.himadri.com/home/corporate_governance

Further, in the opinion of the Board, all the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the management.

i) **Codes and Policies:**

The Board has adopted all applicable codes and policies as per the requirement of the Act, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Listing Regulations. The requisite codes and policies are posted on the Company's website at https://www.himadri.com/home/corporate_governance and references thereof have been given elsewhere in this Annual Report.

j) **Code of Conduct for all Directors and Senior Management Personnel:**

Regulation 17(5) of the SEBI Listing Regulations requires every listed company to have a Code of Conduct for its directors and senior

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management. Further, Schedule IV of the Act requires the appointment of the Independent Director to be formalised through a letter of appointment, which shall set out the Code for Business Ethics that the Company expects its Directors and Senior Management to follow. The said Schedule also requires the Independent Directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

In terms of the above, there exists a Code of Conduct for all the Board Members and Senior Management of the Company. The Board of Directors has laid down a separate Code for the Independent Directors of the Company. The aforesaid Codes are available on the Company's website at www.himadri.com. All Directors and Senior Management Personnel of the Company as of 31 March 2024, have individually affirmed compliance with the said Codes in terms of Regulation 26 of the SEBI Listing Regulations. A declaration signed by the Chairman cum Managing Director & Chief Executive Officer to this effect is enclosed at the end of this Report as Annexure I. The Code of Conduct for the Independent Directors is in line with the provisions of Section 149(8) and Schedule IV of the Act and contains brief guidance for professional conduct by the Independent Directors.

- **Code of Conduct to regulate, monitor and report trading by Designated Persons, and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company have formulated the Code of Conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these Regulations and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure timely and adequate disclosure of price sensitive information to the Stock Exchange(s) by the Company to enable the investor community to take informed investment decisions with regard to the Company's securities.

k) Brief Note on the Director seeking re-appointment at the 36th AGM:

As required under Regulation 36(3) of SEBI Listing Regulations, the Company has furnished information relating to the Directors retiring by rotation and seeking re-appointment in the Notice convening the 36th AGM. Shareholders may kindly refer to the same. The names of the companies in which the Director hold directorships and the details of membership of committees of the Board are given separately in the Notice convening the 36th AGM.

l) List of core skills/expertise/competencies identified by the Board of Directors:

The Board has identified the below mentioned core skills/expertise/competencies as required by the Company in the context of its business(es) and sectors(s) for it to function effectively and those actually available with Board.

Sl. No.	Skills / Expertise / Competencies required by the Board of Directors	
1	**Understanding of Business/Industry**	Experience and knowledge of the area of operation and associated businesses.
2	**Strategy and strategic planning**	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.
3	**Critical and innovative thoughts**	The ability to critically analyse the information and develop innovative approaches and solutions to the problems.
4	**Financial understanding**	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.
5	**Market understanding**	Understanding of Market.
6	**Risk and compliance oversight**	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, monitor risk and compliance management frameworks.

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The table below expresses the specific areas of focus or expertise of individual Board members:

Name of director	Understanding of Business/ Industry	Strategy and strategic planning	Critical and innovative thoughts	Financial understanding	Market understanding	Risk and compliance oversight
Mr. Anurag Choudhary	✓	✓	✓	✓	✓	✓
Mr. Shyam Sundar Choudhary	✓			✓	✓	✓
Mr. Amit Choudhary	✓	✓	✓	✓	✓	✓
Mr. Sakti Kumar Banerjee*	✓			✓		✓
Mr. Santimoy Dey	✓			✓		✓
Ms. Rita Bhattacharya		✓			✓	✓
Mr. Girish Paman Vanvari	✓	✓	✓	✓		✓
Mr. Gopal Ajay Malpani	✓			✓		✓

* Mr. Sakti Kumar Banerjee (DIN: 00631772) Independent Director has ceased to be an Independent Director upon completion of his second and final term and consequently ceased to be a Director of the Company w.e.f. close of business hours on 31 March 2024

m) Committees of Board:

The Board has constituted various committees as mandated under Chapter IV of the SEBI Listing Regulations to function in specific areas and to take informed decisions within delegated powers. Each Committee exercises its functions within the scope and area as defined in its constitution guidelines. The Company Secretary acts as the Secretary to all the Committees of the Board. These Committees are constituted in conformity of the SEBI Listing Regulations and the Act and are mentioned as follows:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee ("CSR Committee");
- Risk Management Committee.

n) Other Board Committees:

The Board, in addition to the mandatory Committees under Chapter IV of the SEBI Listing Regulations has constituted various other committees namely:

- Environment, Social and Governance Committee ("ESG Committee");
- Share Transfer Committee;
- Finance and Management Committee;
- Strategy & Investment Committee;
- Internal Complaint Committee;
- Commodity Committee;
- Share Issue & Allotment Committee;
- Project Committee.

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3. Audit Committee:

a. Composition, Meetings and Attendance:

The Board of the Company has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors and the Board. As on 31 March 2024, the Audit Committee comprises of 4 (Four) Directors including 3 (Three) Independent Director and 1 (One) Executive Director. Mr. Girish Paman Vanvari, Chairman of the Committee is an Independent Director with decades of experience in Corporate Law, Accounting and Taxation. All the members of the Audit Committee are financially literate with majority having accounting or related financial management expertise and the composition of the Committee complies with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

The Statutory Auditors, Internal Auditors and Chief Financial Officer (CFO) are invited to attend meetings of the Audit Committee. The Executive Directors and Key Managerial Personnels are also invited from time to time as required by the Chairman upon necessity of agenda items. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met 7 (Seven) times during the year i.e., 28 April 2023, 30 June 2023, 18 July 2023, 17 October 2023, 05 December 2023, 16 January 2024 and 20 March 2024.

The Committee in its meetings inter alia reviews the results of operation and the statement of related party transactions submitted by management.

The composition of the Audit Committee and the details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings held	No of meetings attended
1	Mr. Girish Paman Vanvari	Chairman, Independent Director	7	7
2	Mr. Santosh Kumar Agrawala (upto 07 August 2023)	Member, Independent Director	3	3
3	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director	7	7
4	Mr. Santimoy Dey	Member, Independent Director	7	7
5	Mr. Anurag Choudhary	Member, CMD & CEO	7	3

Note: The Audit Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Gopal Ajay Malpani, Independent Director as a member of the Committee in place of Mr. Sakti Kumar Banerjee.

b. Terms of reference:

The present terms of reference of the Audit Committee are aligned as per the provisions of Section 177 of the Act and include the roles as laid out in Part C of Schedule II of the SEBI Listing Regulations. The brief description of the terms of reference of the Audit Committee are in conformity with the Act and the SEBI Listing Regulations and the same are as follows:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;

b) Changes, if any, in accounting policies and practices and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgment by management;

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d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions;

g) Modified opinion(s) in the draft audit report;

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Reviewing 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;

(xiv) Discussion with internal auditors of any significant findings and follow up there on;

(xv) Reviewing 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;

(xvi) 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;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the Whistle Blower Mechanism;

(xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Carrying out any other function as mentioned in the terms of reference of the Audit Committee;

(xxi) Reviewing the utilization of loans/and or advances from/investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on date of coming into force of this provision;

(xxii) Review the utilization of loan, advance and Investments by holding Company in the subsidiary;

(xxiii) Review the compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015, at least once in a financial year and shall verify that the systems of Internal Control are adequate and operating effectively;

(xxiv) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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As stipulated, in Part C of Schedule II of SEBI Listing Regulations, the Audit Committee also reviews management discussion and analysis of financial performance, statement of significant related party transactions submitted by management and Internal Audit Reports relating to internal control weaknesses and appointment/removal and terms of remuneration of Internal Auditor.

The Audit Committee may also review such matters as considered appropriate by it or referred to the Committee by the Board.

4. Nomination and Remuneration Committee:

a. Composition, Meetings and Attendance:

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Act as well as in terms of Regulation 19 of the SEBI Listing Regulations comprising of requisite number of Independent Directors. Mr. Santimoy Dey, the Independent Director is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Committee met 4 (Four) times during the year i.e., on 27 April 2023, 18 July 2023, 22 September 2023 and 15 January 2024. The details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings held	No of meetings attended
1	Mr. Santimoy Dey	Chairman, Independent Director	4	4
2	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director	4	4
3	Mr. Gopal Ajay Malpani (Member w.e.f. 15 September 2023)	Member, Independent Director	2	2
4	Mr. Santosh Kumar Agrawala (upto 07 August 2023)	Member, Independent Director	2	2

Note: The Nomination and Remuneration Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Girish Paman Vanvari, Independent Director as a member of the Committee in place of Mr. Sakti Kumar Banerjee.

b. Terms of Reference:

The present terms of reference of the Nomination and Remuneration Committee are aligned as per the provisions of Section 178 of the Act and include the roles as laid out in Part D Para (A) of Schedule II of the SEBI Listing Regulations. The brief description of the terms of reference of the Nomination and Remuneration Committee in line with the Act and the SEBI Listing Regulations are as follows:

(i) Formulation of the criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel, and other employees;

(ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board and its Committees;

(iii) Devising a policy on diversity of Board of Directors;

(iv) Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

(v) 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;

(vi) Review the performance and recommend to the Board, all remuneration in whatever form, payable to the senior management;

(vii) For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare

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a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

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

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

c. consider the time commitments of the candidates.

The Nomination & Remuneration Committee also administers the Himadri Employee Stock Option Scheme which was approved by the shareholders at the AGM of the Company held on 24 September 2016.

c. Remuneration Policy:

The Board of Directors of the Company has on the recommendation of the Nomination and Remuneration Committee of the Board approved a Nomination and Remuneration Policy of the Company. This Policy is available in the Company's website at https://www.himadri.com/home/uploads/govnce_report/code_policy/nomination-and-remuneration-policy-10.02.2023.pdf

d. Criteria for Performance Evaluation of Independent Directors:

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Non- Executive Directors. The criteria are enumerated as below:

a. Qualifications: Details of professional qualifications of the Independent Director;

b. Experience: Details of prior experience of the Independent Director, especially the experience relevant to the entity;

c. Knowledge and Competency of the Independent Director;

d. How the Independent Director fares across different competencies as identified for effective functioning of the entity and the Board;

e. Whether the Independent Director has sufficient understanding and knowledge of the entity and the sector in which it operates;

f. Fulfilment of functions: Whether the Independent Director understands and fulfils the functions as assigned to him/ her by the Board and the law (e.g. Law imposes certain obligations on Independent Directors);

g. Ability to function as a team: Whether the Independent Director is able to function as an effective team- member;

h. Initiative: Whether the Independent Director actively takes initiative with respect to various areas;

i. Availability and attendance: Whether the Independent Director is available for meetings of the Board and attends the meeting regularly and timely, without delay;

j. Commitment: Whether the Independent Director is adequately committed to the Board and the entity;

k. Contribution: Whether the Independent Director contributed effectively to the entity and in the Board meetings;

l. Integrity: Whether the Independent Director demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.);

m. Independence: Whether Independent Director is independent from the entity and the other directors and there is no conflict of interest;

n. Independent views and judgement: Whether the Independent Director exercises his/ her own judgement and voices opinion freely.

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e. Remuneration to Directors and Disclosures:

a) Details of remuneration paid / payable to the Directors for the year ended 31 March 2024 and their shareholding as on that date is as under:

Amount in ₹ Lakhs

Names of the Directors	Salary (₹)	Perquisites (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Stock Option	Pension (₹)	Total (₹)	Service Contract/ Notice period/ Severance Fees	Share holding (Equity) (No.)
Mr. Shyam Sundar Choudhary	300.00	0.68	-	-	-	-	-	300.68	Period of Appointment: 5 years (from 01 April 2020 to 31 March 2025) and liable to retire by rotation.	82,50,000
Mr. Anurag Choudhary	350.00	0.68	-	-	-	-	-	350.68	Period of Appointment: 5 years (from 14 August 2019 to13 August 2024) and liable to retire by rotation.	3,30,00,000
Mr. Amit Choudhary	300.00	0.61	-	-	-	-	-	300.61	Period of Appointment: 5 years (from 14 August 2019 to13 August 2024) and liable to retire by rotation.	1,37,50,000
Mr. Sakti Kumar Banerjee (upto 31 March 2024)	-	-	-	-	13.50	-	-	13.50	Re-appointed as Independent Director up to 31 March 2024	-
Mr. Santimoy Dey	-	-	-	-	13.25	-	-	13.25	Re-appointed as Independent Director up to 23 September 2024	-
Mr. Santosh Kumar Agrawala (upto 07 August 2023)	-	-	-	-	4.00	-	-	4.00	Re-appointed as Independent Director up to 13 November 2026. Resigned w.e.f. 07 August 2023	-
Ms. Rita Bhattacharya	-	-	-	-	4.00	-	-	4.00	Appointed as Independent Woman Director up to 10 August 2027	-
Mr. Girish Paman Vanvari	-	-	-	-	7.50	-	-	7.50	Appointed as Independent Director up to 21 June 2026	-
Mr. Gopal Ajay Malpani	-	-	-	-	4.50	-	-	4.50	Appointed as Independent Director up to 12 August 2026	-

Note:

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

(ii) All other pecuniary transactions of the non-executive directors during financial year 2023-24 are provided in the accompanying financial statements.

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b) **Details of fixed components and performance linked incentives along with the Performance Criteria:**

Remuneration of the Chairman and the other Executive Directors is determined by the Board on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Shareholders. The Chairman and the other Executive Directors are entitled to Performance linked remuneration not exceeding 40% of Salary, payable annually for each financial year, as may be determined by the Board.

c) **Stock options details, if any and whether issued at discount as well as the period over which accrued and over which exercisable:**

The Company has not issued any stock options to the Directors of the Company.

d) **Criteria of making payments to Non-Executive Directors:**

Non-Executive Directors are entitled to sitting fees for attending the meetings of the Board and its Committees. The criteria for making payments to Non-Executive Directors is placed on the website of the Company at www.himadri.com.

5. Risk Management Committee:

a. Composition, Meetings and Attendance:

Risk Management is crucial to achieve the Company's objective of strengthening its financial position, safeguarding the interests of stakeholders, enhancing its ability to continue as a going concern and maintain consistent sustainable growth.

The Company has a Risk Management Committee for framing, implementing, and monitoring the Risk Management Policy of the Company, pursuant to Regulation 21 of SEBI Listing Regulations.

During the financial year 2023-24, the Risk Management Committee met on 04 September 2023 and 19 February 2024. The composition of the Risk Management Committee and the details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings held	No of meetings attended
1	Mr. Shyam Sundar Choudhary	Chairman, Executive Director	2	2
2	Mr. Santimoy Dey	Member, Independent Director	2	2
3	Mr. Anurag Choudhary	Member, CMD & CEO	2	2
4	Mr. Kamlesh Kumar Agarwal	Member, Chief Financial Officer	2	2
5	Mr. Somesh Satnalika	Member, Executive Vice President, CTD and Strategy	2	2

b. Terms of reference:

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

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

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

c) Business Continuity Plan;

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

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

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

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

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

(vii) To assist the Board with regard to the identification, evaluation, classification and mitigation of non-financial risks and assess management actions to mitigate such risks;

(viii) To evaluate and ensure that the Company has an effective system internal control systems to enable identifying, mitigating and monitoring of the non-financial risks to the business of the Company;

(ix) To implement proper internal checks and balances and review the same periodically;

(x) To put in place mechanism for ensuring cyber security;

(xi) To ensure the implementation of the suggestions/remarks/comments of the Board of Directors on the Risk Management Plan;

(xii) To monitor and review the performance of the non-financial Risk Owners;

(xiii) To review effectiveness of risk management and control system;

(xiv) Periodic reporting to the Board of non-financial risk management issues and actions taken in such regard;

(xv) Co-ordinate its activities with the Audit Committee in instances where there is any overlap in their duties and responsibilities;

(xvi) To do all other acts which incidental to the risk associated with the business of the Company.

6. Stakeholders' Relationship Committee:

a. Composition, Meetings and Attendance:

The Stakeholders' Relationship Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Act as well as in terms of Regulation 20 of the SEBI Listing Regulations comprising of requisite number of Independent Directors. Mr. Santimoy Dey, the Independent Director is the Chairman of the Committee. Ms. Monika Saraswat, Company Secretary and Compliance Officer acts as Secretary of the Committee.

The Committee reviewed the status of Investors' Complaints periodically relating to transmission of shares, issue of duplicate shares, and non-receipt of dividend, among others. During the year, the Committee met 5 (Five) times i.e., on 23 May 2023, 11 August 2023, 12 October 2023, 18 January 2024 and 28 March 2024.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings held	No of meetings attended
1	Mr. Santimoy Dey	Chairman, Independent Director	5	5
2	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director	5	5
3	Mr. Shyam Sundar Choudhary	Member, Executive Director	5	4

Note: The Stakeholders' Relationship Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Gopal Ajay Malpani, Independent Director as a member of the Committee in place of Mr. Sakti Kumar Banerjee

b. Terms of reference:

(i) To resolve 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;

(ii) To review measures taken for effective exercise of voting rights by shareholders;

(iii) To review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar and Share Transfer Agent;

(iv) To review of 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;

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(v) Such other matters as per the directions of the Board of Directors of the Company, which may be considered necessary in relation to shareholders and investors of the Company;

(vi) Functions of the Committee as provided in Schedule II, Part "D", Para "B" read with Reg 20(4) of the SEBI Listing Regulations.

c. **Name and Designation of Compliance Officer:**

Ms. Monika Saraswat, Company Secretary, has been designated as Compliance Officer in terms of Regulation 6(1) (a) of the SEBI Listing Regulations. The shareholders may send their complaints directly to the Company Secretary, Himadri Speciality Chemical Ltd, 23A, Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata - 700 001 or may email at: investors@himadri.com. Those Members who desire to contact us over telephone may do so at 033- 2230 9953 / 4363.

d. **Status of Investors' Grievances:**

There were 3 complaints pending at the beginning of the year, during the financial year 2023-24, total 501 complaints were received from investors and 501 complaints were resolved satisfactorily and there were 3 complaints pending at the end of the financial year.

The Company regularly updates the status of Investors Complaints on "SCORES", an online portal introduced by SEBI for resolving investor's complaints. There were no investors' complaints pending at the end of the financial year on the SCORES.

7. **Corporate Social Responsibility Committee ("CSR Committee"):**

a. **Composition, Meetings and Attendance:**

The Company in terms of Section 135(1) of the Act has constituted a Corporate Social Responsibility Committee comprising of 3 (Three) members. The Committee comprises of Mr. Santimoy Dey, as the Chairman and majority of directors are Independent.

During the financial year 2023-24, the Committee met 2 (Two) times on 28 April 2023 and 18 July 2023. The CSR Policy of your Company is displayed on the Company's website at www.himadri.com. The details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings held	No of meetings attended
1	Mr. Santimoy Dey	Chairman, Independent Director	2	2
2	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director	2	2
3	Mr. Shyam Sundar Choudhary	Member, Executive Director	2	2

Note: The CSR Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Gopal Ajay Malpani, Independent Director, as a member of the Committee in place of Mr. Sakti Kumar Banerjee.

b. **Terms of reference:**

(i) Recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall provide an approach and the guiding principles for selection, implementation, and monitoring of CSR activities to be undertaken by the Company;

(ii) Approve and recommend Annual Action Plan, and any modifications thereof, to the Board comprising of following information;

i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

ii. the manner of execution of such projects or programmes;

iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

iv. monitoring and reporting mechanism for the projects or programmes; and

v. details of need of impact assessment, if any, for the projects undertaken by the company;

(iii) Approve specific projects, either new or ongoing, in pursuance of the Areas of Interest outlined in CSR Policy, either for

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undertaking such projects by the Company itself, for inclusion in the annual action plan or for supporting such projects by way of contributions or financial assistance;

(iv) Recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts;

(v) Review the progress of CSR initiatives undertaken by the Company;

(vi) Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects referred to above;

(vii) Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer;

(viii) Review and recommend to the Board, the impact assessment report obtained by the Company from time to time;

(ix) Undertake such activities and carry out such functions as may be provided under section 135 of the Act and the Rules.

8. Environment, Social and Governance Committee ("ESG Committee"):

In terms of Regulation 34 of the SEBI Listing Regulations, the Annual Report of top 1000 Companies as per market capitalisation shall contain Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an Environmental, Social and Governance perspective, in the format as specified by SEBI. Accordingly, the BRSR containing the general information about the Company, financial details of the Company, other details like BR information, principle-wise performance etc. forms part of this Annual Report.

The Board has changed the nomenclature of the Business Responsibility Report Committee ("BRR Committee") to Environment, Social and Governance Committee ("ESG Committee") comprising of the below members:

Sl. No.	Name of members	Category
1	Mr. Anurag Choudhary	Chairman, CMD & CEO
2	Mr. Amit Choudhary	Member, Executive Director
3	Mr. Santimoy Dey	Member, Independent Director
4	Mr. Santosh Kumar Agrawala (upto 07 August 2023)	Member, Independent Director

During the financial year 2023-24, the ESG Committee met on 28 April 2023 and 25 September 2023.

Terms of reference:

(i) to assist the Board in meeting its responsibilities in relation to the Environmental, Social and Governance (ESG) matters arising out of the activities and operations of the Company and its subsidiary companies (the Group) for aiming towards enhanced sustainable development;

(ii) Sustainable development is a pattern of development through which the business is able to identify the pertaining ESG risks beyond just financials, which, in turn, guides the strategic actions of the business to meet the needs of the present without compromising the ability of future generations to meet their own needs;

(iii) Review Group policies, Standards, Guidelines, and action plans regarding the sustainable development of the Company's projects and operations, comprising social, economic and environmental responsibility in the regions where the Group operates;

(iv) Review targets for ESG performance and report to the Board with respect to their appropriateness, time-horizons, and ambition and assess progress towards achieving those targets;

(v) Seek updates on the management of material ESG issues from the respective functional and business heads;

(vi) Review and report to the Board the performance of the Company with respect to the implementation of ESG Management Systems designed to ensure that the commitments made in the policy are being met and that sustainability and reputational related risks are being assessed, controlled and managed effectively. This includes existing HSE & Sustainability topics such as climate, safety, indigenous and human rights as well as emerging risk areas;

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(vii) Review the political contributions made by the Company;

(viii) Seek updates on how ESG is being institutionalized across all levels of the organization;

(ix) Recommend, when appropriate, amendments to the Sustainability & ESG policies or management systems;

(x) Review the methods of communicating Company's sustainability performance, including approving the Sustainability Report and the ESG, and BRSR sections published in the Annual Report prior to publication as deem fit;

(xi) Advise the Board on the aspects of diversity (including but not limited to: gender, qualifications, representation, etc.) that need to constitute the leadership committees (including the Board) of the organization in order to drive an ESG culture across all aspects of decision-making;

(xii) Advise the Board to enable it to discharge its responsibilities, having regard to the law and the expected international standards of sustainability & governance;

(xiii) Review public and media reports in relation to the Health, Safety, Environment and Sustainability performance;

(xiv) Reviews sustainability related risks;

(xv) Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate;

(xvi) Monitor the preparation of BRSR Reporting in the format as prescribed by the SEBI.

9. Share Transfer Committee:

The Share Transfer Committee comprises of Mr. Shyam Sundar Choudhary, as the Chairman, Mr. Anurag Choudhary and Mr. Santimoy Dey as its members. The Committee approves transmission of shares, consolidation /sub-division of shares/ re-materialization and other related matters.

The Committee holds periodical meetings and co-ordinates with Company's Registrar & Share Transfer Agent. The Company confirms that all requests for de-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

During the financial year 2023-24, the Committee met 1 (one) time.

10. Finance and Management Committee:

The Finance and Management Committee comprising of the following members:

Sl. No.	Name of members	Category
1	Mr. Shyam Sundar Choudhary	Chairman, Executive Director
2	Mr. Anurag Choudhary	Member, CMD & CEO
3	Mr. Amit Choudhary	Member, Executive Director

During the financial year 2023-24, the Committee met 24 (Twenty-Four) times.

Terms of reference:

The terms of reference of Finance and Management Committee include the following:

(i) To get working capital finance (both Fund based and Non-fund based) either secured or unsecured by means of fresh sanction, renewal, takeover and switch over from one Bank to another Bank or from any financial institution up to an aggregate amount of ₹ 3000 Crores and do all acts as delegated by the Board from time to time;

(ii) To open/closure of Banking Accounts;

(iii) To arrange finance, from Bank and Financial institutions;

(iv) To sign and execute necessary documents with Banks / Financial Institutions;

(v) To create mortgage / charge including modification and satisfaction if any in favour of various banks / Financial Institutions for securing the credit facilities as may be sanctioned to the Company from time to time;

(vi) To deal with managing the day to day affairs of the Company, in the ordinary course of business, including grant of authority to officials in this regard;

(vii) To avail of factoring facility from any other bank & Financial Institution;

(viii) To obtain hire purchase loan / vehicle loan;

(ix) To initiate legal action on behalf of the Company against any party and to defend the Company in any legal proceedings including grant of authority to deal with such matters for amount not exceeding ₹ 50 crores;

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(x) To file various e-forms with the MCA (Registrar of Companies);

(xi) To avail of Commercial Card facility as a part of working capital limit sanctioned to the Company by any bank;

(xii) To sell or dispose of old and obsolete movable office equipment, computer accessories, printers, including motor cars and commercial vehicles for value not exceeding ₹ 10,00,000 (Rupees ten lakhs) of each such items;

(xiii) To let-out office premises with or without consideration to its' group companies for official purposes;

(xiv) To deal with all types of current investments in day to day business activities;

(xv) To raise funds in form of Commercial paper for an amount not exceeding ₹ 300 Crores;

(xvi) To apply for listing of Commercial paper at the Stock exchange;

(xvii) To invest funds of the Company including investment in mutual fund for an amount not exceeding ₹ 1000 Crores;

(xviii) To borrow money from time to time for long term purpose of the Company upto an aggregate amount not exceeding ₹ 1000 Crores;

(xix) To grant corporate guarantee upto an aggregate amount of ₹ 1000 Crores;

(xx) To grant loan and provide security upto an aggregate amount of ₹ 1000 Crores;

(xxi) To deal with any other matter which are incidental to the aforesaid;

(xxii) The Committee shall exercise all such power in ordinary course of business which are not otherwise restricted in the provisions of section 179 of the Companies Act, 2013.

11. Strategy & Investment Committee:

The Strategy & Investment Committee comprises of the following members of the Board:

Sl. No.	Name of members	Category
1	Mr. Shyam Sundar Choudhary	Chairman, Executive Director
2	Mr. Santimoy Dey	Member, Independent Director
3	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director
4	Mr. Anurag Choudhary	Member, CMD & CEO

Note: The Strategy & Investment Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Gopal Ajay Malpani, Independent Director as a member of the Committee in place of Mr. Sakti Kumar Banerjee.

During the financial year 2023-24, the Committee met 8 (Eight) times.

Terms of reference:

The terms of reference of Strategy & Investment Committee include the following:

(i) To focus on the evaluation of the Company's strategic plans and to evaluate the Company's capital deployment in the context of the Company's Corporate Strategy;

(ii) To review and approve the proposals for acquisition of potential targets for deploying capital of the Company not exceeding ₹ 2,000 crores for expanding the installed manufacturing capacity or acquisitions resulting in forward and backward integration in manufacturing process of the Company. The Committee upon review, shall place such proposals exceeding ₹ 2,000 crores along with its analysis before the Board for its consideration and approval;

(iii) To review and approve strategic investments by the Company not exceeding ₹ 500 crores in line with the overall Corporate Strategy of the Company;

(iv) To assist the Board in fulfilling its oversight responsibilities relating to long term strategy of the Company, risks and opportunities relating to such strategy and strategic decisions regarding investments and acquisitions by the Company;

(v) To monitor the Company's progress against strategic goals and provide feedback and advice on merger and acquisition strategy, capital strategy, market capabilities and resource requirements;

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(vi) To review individual transactions, including potential investments, asset sales, proposed equity and/or debt offerings, or other transactions;

(vii) To deal with all merger and restructuring proposals in capacity of creditor/ shareholder of the entities participating in merger or restructuring process and the Committee shall make decisions and resolutions and would exercise all powers of the Board for such matters;

(viii) To discuss with the Senior Management Personnel and General Counsel or outside Counsel any matters that could reasonably be expected to have a material impact on the Company's long term strategies;

(ix) To review and approve the proposals for acquiring Corporate Debtors undergoing the corporate insolvency resolution process under the provisions of the Insolvency and Bankruptcy Code, 2016 or any other law and to invest funds of the Company not exceeding ₹ 1,000 crores for such acquisition subject to the approval of the Committee of Creditors of the Corporate Debtor, and the Adjudicating Authority, and delegate authority to sign the expression of interest ("EOI"), undertakings and other supporting documents for submission to the Interim Resolution Professional ("IRP") or the Resolution Professional ("RP") in the matter of corporate insolvency resolution process;

(x) To review and approve the Resolution Plan to be submitted under the provisions of the Insolvency and Bankruptcy Code, 2016 or any other law and delegate authority to execute and submit the Resolution Plan and other requisite documents, and execute all other agreements, deeds, forms, writings, affidavits and power of attorney as may be required in relation to the corporate insolvency resolution process including submission of necessary clarifications or information in relation to the Resolution Plan, negotiate the terms and conditions of the Resolution Plan, with the members of Committee of Creditors of Corporate Debtors constituted under the Insolvency and Bankruptcy Code, 2016;

(xi) To review and approve any modifications to the Resolution Plan already submitted and give effect to any modification by submission of the revised Resolution Plan pursuant to the negotiations with the members of the Committee of Creditors of Corporate Debtors;

(xii) To deal with any other matter which are incidental to corporate insolvency resolution process of Corporate Debtors under the Insolvency and Bankruptcy Code, 2016 or any other law;

(xiii) To deal with all such powers as delegated by the Board from time to time;

12. Internal Complaint Committee:

The Company has an Internal Complaint Committee constituted in terms of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"), which is re-constituted from time to time. The Committee has been constituted with the following members:

- Ms. Monika Saraswat, Presiding Officer
- Ms. Nivedita Roy, Member
- Ms. Sreerupa Kundu Ghosh, Member- Legal
- Dr. P S Bandopadhyay, Independent Consultant

Terms of reference

The terms of reference of Internal Complaint Committee include the following:

(i) The Committee shall act in accordance with the provisions of the POSH Act and Rules (including any statutory modifications, alteration or re-enactment thereon for the time being in force) made there under including the service rules, if any made applicable on the employee of the Company;

(ii) The Committee shall follow the service rules while dealing with the complaints in case the complaints is against the employee of the Company and deal with the matter keeping in view the principal of natural justice;

(iii) The Committee shall maintain all records relating to Complaints received and their redressal;

(iv) The Committee shall hold such meetings as may be required from time to time for redressal of the Complaints made under the provisions of the POSH Act;

(v) The Committee shall ensure to maintain high degree of confidentiality with regards to the aggrieved person as well as the respondent;

(vi) The Committee shall organise such number workshops or awareness programme from time to time for educating the employees of the Company in this regard;

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(vii) The Committee shall prepare an Annual Report ending 31 December each year in terms of Section 21 of the POSH Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 containing the following details:

a) Number of complaints of sexual harassment received in the year;

b) Number of complaints disposed off during the year;

c) Number of cases pending for more than ninety days;

d) Number of workshops or awareness programme against sexual harassment carried out;

e) Nature of action taken by the employer or District Officer.

The Committee has submitted the Annual Report to the Board in terms of Section 21 of the POSH Act. There was no complaint of sexual harassment received by the Committee during the financial year 2023-24.

13. Commodity Committee:

The Company has constituted a Commodity Committee comprising of Mr. Anurag Choudhary - CMD & CEO, Mr. Amit Choudhary – Executive Director, Mr. Kamlesh Kumar Agarwal- Chief Financial Officer, and Mr. Somesh Satnalika – Executive Vice President, CTD and Strategy

During the financial year 2023-24, no meeting of the Committee was held.

Terms of reference:

(i) Determining the extent of corporate exposures through appropriate discussion and analysis that determines these Policy Limits;

(ii) Oversight of the risk management processes adopted by the Company;

(iii) Delegation of these Policy Limits to the Team;

(iv) Ensuring compliance with the terms of this policy;

(v) Time to time review of Policy Limits;

(vi) Managing and administering hedging transaction in accordance with this Policy;

(vii) Properly recording of transactions in the books of the Company;

(viii) Supplying regular market information to the Executive Committee;

(ix) Obtaining advice in relation to commodity price risk management;

(x) Ensuring competitive pricing for availing hedge products;

(xi) Carrying on periodic revaluation of open positions;

(xii) Reviewing raw material supply and prices;

(xiii) Reviewing such other information as may be advised by the Chief Financial Officer in this regard;

(xiv) Reconcile Company records with those of the Dealer;

(xv) The Dealer will provide independent confirmation of market transactions and recording of terms, calculation of settlement amounts, monitor and report on compliance with policy and procedures, financial reporting of risk management activity and documentation.

14. Share Issue & Allotment Committee:

The Company has constituted Share Issue & Allotment Committee comprising of the following members:

Sl. No.	Name of members	Category
1	Mr. Shyam Sundar Choudhary	Chairman, Executive Director
2	Mr. Anurag Choudhary	Member, CMD & CEO
3	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director
4	Mr. Santosh Kumar Agrawala (upto 07 August 2023)	Member, Independent Director
5	Mr. Santimoy Dey	Member, Independent Director

Note: The Share Issue & Allotment Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Gopal Ajay Malpani, Independent Director as a member of the Committee in place of Mr. Sakti Kumar Banerjee.

Terms of reference:

(i) To make allotment of securities/ warrants on preferential basis upon receipt of the subscription amount;

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(ii) To issue necessary allotment advice to the allottees;

(iii) To make Corporate Action for the allotment of Securities and crediting in DEMAT account of the allottee;

(iv) To make necessary application to Stock Exchange(s) for listing of securities;

(v) To do all other acts, deeds and things which are incidental to the allotment of securities;

During the financial year 2023-24, the Committee met 5 (Five) times.

15. Project Committee:

The Company has constituted Project Committee to look after projects, comprising of the following members:

Sl. No.	Name of members	Category
1	Mr. Anurag Choudhary	Chairman, CMD & CEO
2	Mr. Sakti Kumar Banerjee (upto 31 March 2024)	Member, Independent Director
3	Mr. Kamlesh Kumar Agarwal	Member, CFO
4	Mr. M B Gadgil,	Member, Consultant

Note: The Project Committee has been reconstituted w.e.f. 01 April 2024 by appointment of Mr. Santimoy Dey, Independent Director, as a member of the Committee in place of Mr. Sakti Kumar Banerjee.

During the financial year 2023-24, no meeting of the Committee was held.

16. Senior Management:

Particulars of senior management of the Company as on 31 March 2024 are as follows:

Name	Designation
Mr. Kamlesh Kumar Agarwal	Chief Financial Officer
Ms. Monika Saraswat	Company Secretary & Compliance Officer
Dr. Soumen Chakraborty	President Carbon Black Division
Mr. Monojit Mukherjee	Business President, Carbon Black Division
Mr. Somesh Satnalika	Executive Vice President, CTD and Strategy
Mr. Kunal Mukherjee	Vice President, HR

There were no changes in the senior management during the year.

17. General Body Meetings:

i) Details of location, time, and date of the last three AGM and and Special Resolutions passed thereat are as follows:

Financial Year	Number of the AGM	Date and Time	Venue	Special Resolutions passed
2020-21	33rd AGM	29 September 2021 at 11.30 a.m.	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	1. Re-appointment of Mr. Santosh Kumar Agrawala (DIN: 00364962) as an Independent Director for the second term of 5 (five) consecutive years with effect from 14 November 2021. 2. Ratification and approval of the remuneration of Mr. Bankey Lal Choudhary (DIN: 00173792), Whole Time Director for the period of his tenure i.e from 01 April 2020 to 31 March 2024. 3. Ratification and approval of the remuneration of Mr. Anurag Choudhary (DIN: 00173934), Managing Director & CEO for the period of his tenure i.e from 01 April 2020 to 13 August 2024.

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Financial Year	Number of the AGM	Date and Time	Venue	Special Resolutions passed
				4. Ratification and approval of the remuneration of Mr. Amit Choudhary (DIN: 00152358), Whole-time Director for the period of his tenure i.e from 01 April 2020 to 13 August 2024. 5. Ratification and approval of the remuneration of Mr. Tushar Choudhary (DIN: 00174003), Whole-time Director for the period of his tenure i.e from 01 April 2020 to 13 August 2024.
2021-22	34th AGM	28 September 2022 at 4.00 p.m.	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	1. Appointment of Ms. Rita Bhattacharya (DIN: 03157199) as an Independent Director for a period of 5 (five) consecutive years with effect from 11 August 2022;
2022-23	35th AGM	22 June 2023 at 11:00 a.m	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	None

ii) **Details of Special Resolution(s) passed during the last three years in Extraordinary General Meetings:**

Extra – Ordinary General Meeting held on 08 August 2022	Issue of upto 72,550,000 (Seven Crores Twenty-Five Lakhs Fifty Thousand) Warrants each convertible into one equity share of the Company within the period of 18 (eighteen months) in accordance with the applicable laws to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity.

iii) During the financial year 2023-24, the Company did not pass any resolution by way of postal ballot.

iv) Special Resolution proposed to be conducted through Postal Ballot: Postal Ballot approval for the following Special Resolution was in progress as on 31 March 2024:

a. Issue of equity shares on preferential basis for consideration other than cash

b. Issue of convertible warrants on a preferential basis.

Annexure VIII

of the Board's Report (Contd.)

On 19 April 2024 the Company declared the result of the postal ballot and the resolutions stated above were passed by the shareholders.

v) Procedure followed for Postal Ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular nos. 14/2020, 17/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated 08 April 2020, 13 April 2020, 13 January 2021, 14 December 2021, 05 May 2022, 28 December 2022 and 25 September 2023 respectively issued by MCA from time to time.

18. Means of communication

a. **Quarterly/Annual Financial Results:** The unaudited quarterly financial results are announced within 45 days from the end of each quarter, and the audited annual financial results are announced within 60 days from the end of the last quarter. These financial results, after being taken on record by the Audit Committee and Board of Directors, are communicated to the Stock Exchanges, where the shares of the Company are listed. Any news, updates, or vital/useful information to shareholders are being intimated to Stock Exchange(s) and are being displayed on the Company's website: www.himadri.com

b. **Newspapers:** During the financial year 2023-24, financial results (Quarterly & Annual) were published in newspapers viz. Financial Express, Jansatta (Hindi) and Ei Samay (Vernacular) in the format prescribed by SEBI.

c. **Website:** The financial results are also posted on the Company's Website at www.himadri.com The Company's website provides information about its business and the section on "Investor Relations" serves to inform and service the Shareholders allowing them to access information at their convenience.

d. **Annual Report:** Annual Report is circulated to all the Members within the required period. In view of the SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07 October 2023, the Company has sent Annual Report for the financial year 2023-24 through email to shareholders. The shareholders have been provided e-voting option for the resolutions passed at the general meeting to vote as per their convenience.

e. **E-mail ID of the Registrar & Share Transfer Agent:** All the share related requests/queries/correspondence, if any, are to be forwarded by the investors to the Registrar and Transfer Agent of the Company, M/s S. K. Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032 or e-mail them at skcdilip@gmail.com.

f. **Designated E-mail ID for Complaints/Redressal:** In compliance with Regulation 46(2) of SEBI Listing Regulations, the Company has designated an e-mail ID investors@himadri.com exclusively for registering complaints/grievances by investors. Investors whose requests/queries/correspondence remain unresolved can send their complaints to the Company to resolve the grievances to the above referred e-mail ID.

g. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for Corporates. Any Corporate Action, inter alia, the Shareholding Pattern, Corporate Governance Report, Financial Results, disclosures with respect to Board Meeting or any other Corporate Action Announcements are filed electronically on NEAPS.

h. **BSE Corporate Compliance & Listing Centre:** The Listing Centre is a web-based application designed by BSE for Corporates. Any Corporate Action, inter alia, the Shareholding Pattern, Corporate Governance Report, Financial Results, and other intimations are filed electronically on BSE's Listing Centre.

i. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redressal system through SCORES. The Action Taken Reports are uploaded online by the Company for any complaints received on SCORES platform, thereby making it convenient for the investors to view their status online.

j. **News releases/Investor Updates and Investor presentations:** The Company regularly uploads general presentation, press release, earning releases of the Company and its business on the website for the benefit of all the stakeholders.

Annexure VIII

of the Board's Report (Contd.)

19. General Shareholder Information

Annual General Meeting (AGM) and Book Closure Dates

The Day, Date, Time of the 36th AGM and Book Closure Dates in relation thereto have been indicated in the Notice convening the AGM.

Financial Year

The financial year of the Company is from 1 April to 31 March every year.

Tentative Schedule for the meeting for the Financial year 2024-25

Financial Year	2024-25
Board meetings for approval of quarterly results	
• Quarter ended 30 June 2024	Within 2nd Week of August 2024
• Quarter ended 30 September 2024	Within 2nd week of November 2024
• Quarter ended 31 December 2024	Within 2nd week of February 2025
• Audited Financial Results for the year ended 31 March 2025	Within 60 days from the end of the financial year
AGM for the financial year 2024-25	Within 2nd Week of September 2024
Dispatch of Annual Report	21 (clear) days before the meeting or by electronic mode as per circular of MCA and SEBI from time to time.

Dividend payment date

The Company will remit the dividend within a period of 30 days from the date of declaration and the required funds will be transferred to the Dividend Account within 5 days from the date of the AGM.

Listing of Securities on Stock Exchange (s)

Equity Shares: The Company's shares are presently listed on the following Stock Exchange(s):

Sl. No.	Stock Exchange	Listing code
1	BSE Limited P. J. Towers, Dalal Street, Fort Mumbai- 400 001	500184
2	National Stock Exchange of India Ltd "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	HSCL

The Company has remitted the annual listing fee to the Stock Exchanges.

Market price data

Monthly high / low market price of the shares during the financial year 2023-24 at the BSE Limited and at National Stock Exchange of India Ltd were as under: -

Month	BSE Amount in ₹		NSE Amount in ₹	
	High	Low	High	Low
Apr-23	104.95	86.51	104.95	87.50
May-23	131.50	103.8	131.70	103.80
Jun-23	138.35	124.95	138.35	125.05
Jul-23	149.20	125.55	149.15	125.50
Aug-23	232.90	133.4	232.00	133.50
Sep-23	289.00	224.2	288.95	224.10
Oct-23	271.10	223.8	271.20	224.00
Nov-23	275.10	235.35	275.80	236.15
Dec-23	313.90	265.05	313.80	265.05
Jan-24	399.00	309.4	398.75	309.50
Feb-24	390.00	333.55	389.90	335.20
Mar-24	378.00	272.8	372.80	272.00

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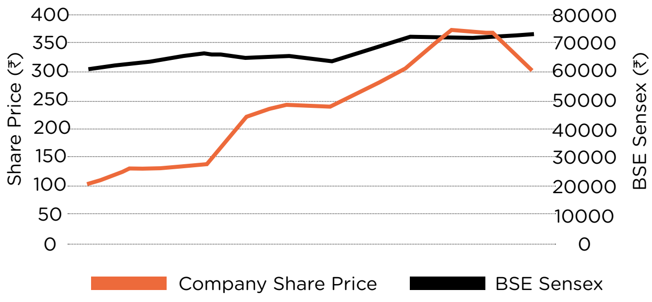
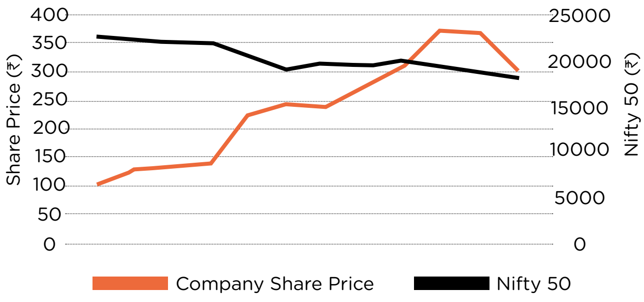
The Company's Share Price vs BSE Sensex



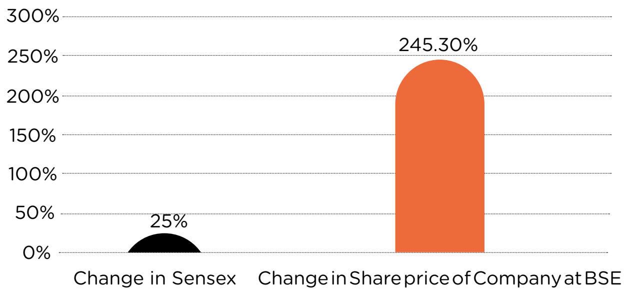
The Company's Share Price vs Nifty 50



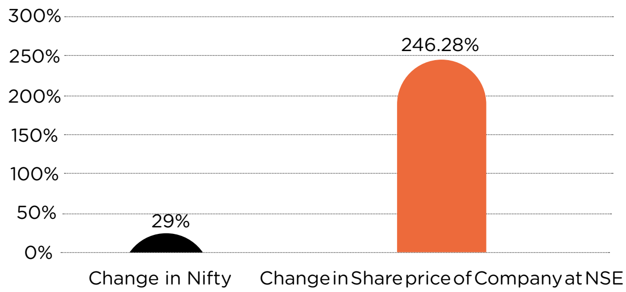
Stock Performance in comparison to broad-based indices

Financial Year	BSE SENSEX		NSE CNX NIFTY	
	Change in Himadri Share Price	Change in SENSEX	Change in Himadri Share Price	Change in Nifty
2023-24	245.30%	24.85%	246.28%	28.61%

BSE Sensex



NSE CNX Nifty



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Registrar and Share Transfer Agent

The Company has engaged the services of M/s S. K. Infosolutions Pvt. Ltd of D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, a SEBI registered Registrar as Registrar and Share Transfer Agent ("RTA") of the Company. All the queries related to shares may be forwarded directly to the Company's RTA.

Shareholders are requested to surrender the old share certificates having Face Value of ₹ 10/- each to the Registrar and Share Transfer Agent for cancellation and exchange of new certificates of Face Value of ₹ 1/- each pursuant to stock split approved by the shareholders at the AGM held on 28 September 2010, for which the Record Date was fixed on 9 November 2010.

Share Transfer and Transmission System

SEBI pursuant to notification issued on 8 June 2018 amended the Regulation 40 of the SEBI Listing Regulations and provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 01 April 2019.

Since the shares are compulsorily required to be traded in dematerialized form, shareholders are requested to get their physical shareholdings converted into DEMAT form through their depository. The Company has made necessary arrangements with Depositories viz NSDL/CDSL for dematerialization of shares. M/s S. K. Infosolutions Pvt. Ltd, RTA has been appointed as the common agency to act as transfer agent for both physical and demat shares.

Issue of duplicate share certificates and all other investors' related activities are attended and processed at the office of the RTA, M/s S. K. Infosolutions Pvt. Ltd, at D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032.

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, a certificate on half-yearly basis is filed with the Stock Exchange(s) for due compliance of share transfer formalities by the Company.

Nomination facilities

Section 72 of the Act read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, provides for the facility of nomination to security holders of the Company. This facility is mainly useful in the case of those holders who hold their shares in their own name. Investors are advised to avail of this facility to avoid any complication in the process of transmission, in case of death of the holders. Where more than one person holds the securities of the Company jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

In case the shares are held in physical mode, the nomination form may be obtained from the Registrar & Share Transfer Agent. In case of shares held in Demat form, such nomination is to be conveyed to the DP as per the formats prescribed by them.

The Nomination form is available at the website of the Company at www.himadri.com

Dividend remittance

Dividend on equity shares as recommended by the Board for the year ended 31 March 2024, when declared at the ensuing AGM will be paid within 30 days from the date of declaration.

The dividend would be paid to all the equity shareholders, whose names would appear in the Register of Members / list of Beneficial Owners on the close of the market day prior to start of book closure.

Electronic Clearing Service – NECS

Members desirous of receiving dividends by direct electronic deposits of dividend vide NECS in their account may authorise the Company with their mandate. Members are requested to provide necessary details of their bank account to Company's Registrar and Share Transfer Agent, M/s S. K Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, Ph No: 033-24120027 / 033-24120029.

Bank details in case of physical Shareholding

With a view to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide, if not provided earlier, their bank account number, bank account type, names and address of bank branches, with their folio number to Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, Ph No: 033-24120027 / 033-24120029 to enable them to print the same on dividend warrants.

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Details of Payee

Further, the SEBI with a view to safeguard the interest of the shareholders has issued master circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17 May 2023, which *inter-alia* requires that the Issuer Company, the RTA and the processing Bank shall ensure that the Dividend Warrant shall contains the details of the payee, Bank Name, Bank Account, Bank Branch of the holder of securities, therefore the shareholders are requested to share the required information with the Registrar & Share Transfer Agent of the Company. The Company has also issued reminder letters to the security holders for providing such information.

The payment of dividend will be only through electronic mode with effect from 01.04.2024 for Folios without PAN, KYC details and Nomination.

Unclaimed / Unpaid Dividend

The amount of unclaimed dividend lying in credit of separate banking accounts. Members may please note that pursuant to Section 124(5) and Section 125 of the Act the amount lying in credit of any unpaid dividend account if, remained un-claimed for 7 years or more from the date it became unpaid / unclaimed shall be transferred to the Investor Education and Protection Fund. As on 31 March 2024, the following amounts are unclaimed and lying credit in separate bank accounts with various banks.

Financial Year	Date of declaration	Amount Unpaid/ unclaimed as on 31.03.2024 (₹)	Due date for transfer to Investor Education and Protection Fund	Banker's name in which the unpaid amount is lying
2016-17	22 September 2017	5,83,112.30	28 October 2024	State Bank of India
2017-18	4 September 2018	3,28,068.50	10 October 2025	State Bank of India
2018-19	25 September 2019	4,53,634.80	31 October 2026	State Bank of India
2019-20	11 December 2020	5,54,437.57	16 January 2027	Axis Bank Ltd
2020-21	29 September 2021	7,01,135.43	04 November 2028	Axis Bank Ltd
2021-22	28 September 2022	7,32,552.63	03 November 2029	Axis Bank Ltd
2022-23	22 June 2023	4,48,350.87	28 July 3030	Axis Bank Ltd

Therefore, Members who have so far not encashed their dividend warrants or have not received the dividend warrants may write to the Company or its' Share Transfer Agent for issue of Banker's Cheque / Bank drafts. Shareholders are requested to provide their Bank Account details to be printed on the Bank drafts / Banker's Cheques.

Transfer of Unclaimed Dividend to IEPF

During the financial year 2023-24, pursuant to provision of Section 124 of the Act, the Company has transferred a sum of ₹ 3,16,140.00 to the IEPF, the amount of dividend which was unclaimed/unpaid for a period of seven years declared for the financial year 2015-16. The shareholders may re-claim those dividends from the IEPF Authority by complying with prescribed procedure and filing the e-Form-IEPF-5 online with MCA portal.

Transfer of Unclaimed Shares to IEPF

During the financial year 2023-24, the Company has transferred 2,48,787 shares of 222 shareholders in respect of which dividend has not been paid or claimed for seven consecutive years or more pursuant to Section 124 (6) of the Act, 2013 to the credit of IEPF Authority as prescribed in Section 125 of the Act, 2013.

However, the shareholders may re-claim those shares from the IEPF Authority by complying with prescribed procedure and filing the e-Form- IEPF-5 online with MCA portal. The shareholder claiming the shares should take a printout of the e-Form (IEPF-5) and forward the same with all documents as mentioned in the e-form to the NODAL Officer of the Company for onward submission to the IEPF Authority along with verification report. The name, address, and contact no of the NODAL Officer of the company is given hereunder:

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Name: Ms. Monika Saraswat,
Designation: Company Secretary & Compliance Officer
Himadri Speciality Chemical Ltd
Regd. Off: 23A, Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata- 700 001
Corporate Office: 8, India Exchange Place, 2nd Floor, Kolkata- 700 001
Contact No: 033-22309953/ 22304363.
E-mail: monika@himadri.com

Credit ratings obtained along with any revisions thereto during the financial year for all debt instruments.

Rating Agency: ICRA Limited vide its' letter dated 07 July 2023, has assigned the Credit Rating to Company's various credit facilities and instruments as mentioned below:

Facilities	Amount (In Crores)	Rating Assigned	Remarks
Term Loan	92.50	[ICRA]A+ (Positive)(Pronounced as ICRA A plus); Outlook: Positive	[ICRA]A+ reaffirmed; outlook revised to Positive from Stable
Fund Based Working Capital	363.36	[ICRA]A+ (Positive)(Pronounced as ICRA A plus); Outlook: Positive	[ICRA]A+ reaffirmed; outlook revised to Positive from Stable
Fund Based /Non-Fund Based Working Capital	1,360.00	[ICRA]A+(Positive)/ [ICRA]A1 (Pronounced as ICRA A plus); Outlook: Positive/ (Pronounced as ICRA A one)	[ICRA]A+/[ICRA]A1 reaffirmed; outlook revised to Positive from Stable
Commercial Paper	300.00	[ICRA]A1 (pronounced as ICRA A one)	Reaffirmed

Rating Agency: ICRA Limited vide its' letter dated 12 December 2023, has assigned the Credit Rating to Company's various credit facilities and instruments as mentioned below:

Facilities	Amount (In Crores)	Rating Assigned	Remarks
Term Loan	92.50	[ICRA]A+ (Stable) (Pronounced as ICRA A plus); Outlook: Stable	[ICRA]A+ reaffirmed; outlook revised to Stable from Positive
Fund Based Working Capital	338.36	[ICRA]A+ (Stable) (Pronounced as ICRA A plus); Outlook: Stable	[ICRA]A+ reaffirmed; outlook revised to Stable from Positive
Fund Based /Non-Fund Based Working Capital	1,385.00	[ICRA]A+ (Stable)/ [ICRA]A1 (Pronounced as ICRA A plus); Outlook: Stable/ (Pronounced as ICRA A one)	[ICRA]A+ /[ICRA]A1 reaffirmed; outlook revised to Stable from Positive
Commercial Paper	300.00	[ICRA]A1 (pronounced as ICRA A one)	Reaffirmed

Rating Agency: India Ratings and Research Private Limited (Ind-Ra) vide its' press release dated 22 March 2024, has assigned the Credit Rating to Company's Commercial Paper programme as follows:

Instrument Type	Amount (In Crores)	Rating Assigned	Remarks
Commercial Paper Programme	100.00	IND A1+	Assigned

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Further the Company has achieved a prestigious Silver Medal from EcoVadis, one of the world's leading agencies for business sustainability rating at global scale.

Distribution of Shareholding and Shareholding Pattern as on 31 March 2024

- **Distribution of Shareholding as on 31 March 2024**

No. of shares	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
UPTO 5000	4,34,278	99.44	6,83,71,774	13.88
5001 to 10000	1,247	0.28	93,26,143	1.89
10001 to 20000	547	0.13	78,75,616	1.60
20001 to 30000	179	0.04	45,27,745	0.92
30001 to 40000	86	0.02	29,75,223	0.61
40001 to 50000	78	0.02	35,52,046	0.72
50001 to 100000	112	0.03	82,27,725	1.67
100001 to 500000	119	0.03	2,59,24,272	5.26
500001 to 1000000	17	0.00	1,24,61,070	2.53
1000001 and Above	37	0.01	34,93,52,959	70.92
Total	**4,36,700**	**100.00**	**49,25,94,573**	**100.00**

- **Shareholding pattern as on 31 March 2024**

	Category of shareholders	No. of holders	% of total number of holders	Number of shares held	% of the total number of shares
(A)	**Promoter Group**				
1	Individual	7	0.00	6,36,50,000	12.92
2	Bodies corporate	2	0.00	18,40,83,674	37.37
	Sub- total (A)	**9**	**0.00**	**24,77,33,674**	**50.29**
(B)	**Non-promoters**				
1	Mutual funds	9	0.00	65,24,901	1.32
2	Alternate Investment Funds	3	0.00	6,34,622	0.13
3	Financial institutions/Bank	3	0.00	32,96,573	0.67
4	NBFCs registered with RBI	2	0.00	3,837	0.00
5	Foreign Portfolio	100	0.02	2,52,53,122	5.13
6	Central Government/ State Government(s)/ President of India.	1	0.00	3,000	0.00
7	KMP	6	0.00	12,08,258	0.25
8	Bodies Corporate and Others	814	0.19	6,35,52,270	12.90
9	Individuals	4,28,709	98.18	12,03,39,196	24.43
10	IEPF	1	0.00	36,73,483	0.75
11	N. R. I.	3,291	0.75	25,44,840	0.52
12	Clearing Members	6	0.00	1,558	0.00
13	HUF	3,617	0.83	79,92,684	1.62
14	Trusts	6	0.00	15,960	0.00
15	Market Maker	39	0.01	21,24,429	0.43
16	LLP	84	0.02	76,92,166	1.56
	Sub-total (B)	**4,36,691**	**100.00**	**24,48,60,899**	**49.71**
	Total (A) + (B)	**4,36,700**	**100.00**	**49,25,94,573**	**100.00**

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Dematerialization of shares and liquidity

The trading in the Company's Equity Shares has been permitted in Demat form and it has joined as a member of the Depository services with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as an Issuer Company for dematerialization of its' shares. Shareholders can get their shares dematerialized with either NSDL or CDSL.

Pursuant to stock split approved by the shareholders at the AGM held on 28 September 2010, each equity shares of face value of ₹ 10/- each has been sub-divided into ten equity shares of ₹ 1/- each and the depositories allotted the following new ISIN number to the Company

NSDL - INE 019C01026 CDSL - INE 019C01026

As on 31 March 2024, out of the 49,25,94,573 equity shares of the Company 49,04,00,411 shares were held in electronic form representing 99.55% to the total paid up share capital, whereas balance of 21,94,162 shares were held in physical form representing 0.45% to the total paid up share capital of the Company.

The summary of shareholding of the Company being held is given below:

Held in dematerialised form in CDSL	7,18,89,977	14.59%
Held in dematerialised form in NSDL	41,85,10,434	84.96%
Physical	21,94,162	0.45%
Total No. of shares	49,25,94,573	100.00%

However as on 31 March 2024, out of 49,25,94,573 equity shares of the Company, 47,87,44,573 equity shares were listed with the Stock Exchanges. The Company has allotted 1,38,50,000 equity shares on 02 February 2024 upon conversion of equal number of Warrants issued on preferential basis. The Listing of those additional shares issued were under process as on 31 March 2024. The additional shares were subsequently listed w.e.f. 01 April 2024.

Outstanding Warrants

The Company, on 22 August 2022 has allotted 7,25,50,000 (Seven Crores Twenty-Five Lakhs Fifty Thousand) warrants, on preferential basis to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity, at a price of ₹ 70/- each payable in cash ("Warrant Issue Price").

Each warrant, so allotted, is convertible into or exchangeable for one fully paid-up equity share of the Company having face value of ₹ 1 (Rupee One only) each in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on payment of the balance consideration of ₹ 52.50 per warrant ("Warrant Exercise Price"), being 75% of the issue price per warrant from the Allottees pursuant to exercise of conversion option against each such warrant, within 18 months from the date of allotment of warrants.

Subsequently the Company during the financial year 2022-23, upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 1,33,00,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder.

During the financial year 2023-24 the company has allotted 5,92,50,000 fully paid-up equity shares against conversion of equal no. of warrants exercised by the warrant holder upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant).

There are no warrants outstanding as on 31 March 2024.

Foreign Exchange Risk and Hedging activities

In terms of the SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Disclosures relating to risks including commodity price risk, foreign exchange risk, hedging activities etc., have been adequately covered under the Management Discussion and Analysis Report.

Locations of Plants

Sr. No.	Location of Plant
1	Mahistikry, P.S.- Haripal, District- Hooghly (W.B.)
2	Liluah Unit (Howrah), 58, N.S. Road, Liluah, Howrah - 711 204 (W. B.)
3	Liluah Unit (Howrah), 27-B, Gadadhar Bhatt Road, Liluah, Howrah- 711 204 (W.B.)
4	Korba Unit - Vill- Jhagrah, Rajgamar Colliery, Korba- 495 683 (Chhattisgarh)
5	Vizag Unit - Plot No. 67, 68 & 69, Ancillary Industrial Estate, Vill: Pedagantyada, PIN- 530 013 (A. P.)
6	Sambalpur Unit, Kenghati. P.O Jayantpur, Sambalpur -768 112

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Sr. No.	Location of Plant
7	Falta Special Economic Zone J.L. No 1, Dag No: 49, 50 & 51, Sector- II, Vill- Simulberia, P.O.- Falta, Dist- 24 Pgs (South) West Bengal -743 504
8	China Unit, Longkou, Shandong, China. (Step-down Subsidiary)

Address for correspondence

All communication may be sent to Ms. Monika Saraswat, Company Secretary and Compliance Officer at the following address:

Himadri Speciality Chemical Ltd

23A, Netaji Subhas Road, 8th Floor, Suite no 15
Kolkata - 700 001
Phone number: (033) 2230 9953/ 2230-4363
Fax No 91-33-2230-9051,
e-mail: investors@himadri.com

All shares related queries may be sent to the Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd, D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS - Jadavpur, Kolkata - 700 032, Ph No: 033-24120027 / 033-24120029.

20. Subsidiary Companies

The Company also has five Subsidiary Companies:

Indian Subsidiaries	Foreign Subsidiaries
Combe Projects Private Limited – Wholly Owned Subsidiary	AAT Global Limited in Hong Kong - Wholly Owned Subsidiary
Himadri Clean Energy Limited – Wholly Owned Subsidiary	Shandong Dawn Himadri Chemical Industry Limited in China (Step down Subsidiary) in which the Company holds 94% equity through its Wholly Owned Subsidiary Company, AAT Global Limited.
Himadri Future Material Technology Limited (Step down Wholly Owned Subsidiary) in which the Company holds 100% equity through its Wholly Owned Subsidiary Company, Himadri Clean Energy Limited.	

During the financial year 2023-24, AAT Global Limited was material subsidiary pursuant to Section 16 of SEBI (LODR) Regulations, 2015 ("SEBI Listing Regulations'). Mr. Santimoy Dey, the Independent Director of the Company, has been appointed as Director of AAT Global Limited.

The Board of Directors of the Company regularly reviews the financial statements of the unlisted subsidiary companies. Further, the Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies. The Company has duly formulated a policy for determining 'Material' Subsidiaries. The main objective of the policy is to ensure governance of material subsidiary companies. The Company has also complied with the other provisions of Regulation 24 of the SEBI Listing Regulations with regard to Corporate Governance requirements for subsidiary Company.

The web link for Policy for determining Material Subsidiaries is placed on the website of the Company at https://www.himadri.com/home/uploads/govnce_report/code_policy/policy-for-determining-material-subsidiaries-10.02.2023.pdf

21. Other Disclosures

i. **Materially significant related party transactions (i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc.) that may have potential conflict with the interests of the Company at large;**

The Company has not entered into any materially significant related party transaction during the year with any of the related parties which may have potential conflict with the interest of the Company. The related party transactions constitute contracts or arrangements, made by the Company from time to time, with Companies in which Directors are interested. The Audit Committee reviews periodically the related party transactions and the Committee provided omnibus approval for related party transactions which are in ordinary course of business (repetitive in nature) and are on Arm's Length basis. All transactions covered under the related party transactions are regularly approved by the Board. There were no material transactions during the financial year 2023-24 that were prejudicial to the Company's interest. There are no materially significant related party transactions i.e., transactions of the Company

Annexure VIII

of the Board's Report (Contd.)

of a material nature that may have potential conflict with Company's interest at a large. Related party transactions as per requirements of Indian Accounting Standard (Ind- AS 24) "Related Party Disclosures" are disclosed in the Notes to the Financial Statements of the Company for the year ended 31 March 2024.

ii. **Reconciliation of Share Capital Audit Report;**

A qualified Practising Company Secretary has carried out exercise of Reconciliation of Share Capital to the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital as on the close of the financial year 2023-24. The Reconciliation of Share Capital confirms that the total issued / paid up capital is in line with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

iii. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years;**

The Company has complied with the requirements of the stock exchange(s)/ SEBI and statutory authorities on all matters related to capital markets during the last three years. There were no penalties or strictures imposed on the Company by the stock exchange(s), SEBI or any statutory authority in any matter related to capital markets except the following:

Action Taken by	Details of violation during financial year 2022-23	Details of action taken e.g., fines, warning letter, debarment, etc.
National Stock Exchange of India Limited (NSE) BSE Limited (BSE)	Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company was required to submit audited financial results for the quarter and year ended 31.03.2022 on or before 30 May 2022 but the same was submitted by the company on 21 July 2022	Fine was imposed by NSE and BSE. The Company paid the fine on 22 July 2022.

iv. **Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no person has been denied access to the Audit Committee;**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy and the same is uploaded on the website of the Company at www.himadri.com . The Board appointed Ms. Monika Saraswat, Company Secretary, as Vigilance Officer for this purpose. The whistle blowers may also lodge their complaints/ concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The Policy also offers appropriate protection to the whistleblowers from victimization, harassment, or disciplinary proceedings.

Further, during the financial year ended 31 March 2024, no personnel has been denied access to the audit committee, in this regard.

v. **Details of Mandatory and Non-mandatory requirements;**

The Company has complied with the mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations and has adopted a few non-mandatory requirements as specified under Regulations of SEBI Listing Regulations, which are reviewed by the management from time to time.

vi. **Details of compliance with Non-mandatory (discretionary) requirements;**

The Company has duly fulfilled the following discretionary requirements as prescribed in Sub – Regulation 1 of Regulation 27 Part E of Schedule II of the SEBI Listing Regulations as follows:

vii. **Unmodified Audit Opinion**

During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

viii. **Reporting of Internal Auditor**

Internal Auditors of the Company make presentations to the Audit Committee on their Reports and has direct access to the Audit Committee.

Annexure VIII

of the Board's Report (Contd.)

Other Items

- The rest of the Non-Mandatory Requirements will be implemented by the Company as and when required and/ or deemed necessary by the Board.

ix. **Proceeds from Public Issues, Rights Issue, Preferential Issue, Qualified Institutional Placement etc.;**

The Company has not raised any money through issue of Securities by means of Public issue, Rights Issue, Qualified Institutional Placement etc. during the financial year ended 31 March 2024.

During the Financial year 2022-23, the Company on 22 August 2022 upon receipt of 25% of the issue price per warrant (i.e. ₹ 17.50 per warrant) as upfront payment ("Warrant Subscription Price") had allotted 7,25,50,000 (Seven Crores Twenty Five Lakhs Fifty Thousand) warrants, on preferential basis to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity, at a price of ₹ 70/- each payable in cash ("Warrant Issue Price").

Each warrant, so allotted, is convertible into or exchangeable for one fully paid-up equity share of the Company having face value of ₹ 1 (Rupee One only) each in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on payment of the balance consideration of ₹ 52.50 per warrant ("Warrant Exercise Price"), being 75% of the issue price per warrant from the Allottees pursuant to exercise of conversion option against each such warrant, within 18 months from the date of allotment of warrants.

The Company had allotted 1,33,00,000 equity shares during the Financial Year 2022-23 and remaining 5,92,50,000 equity shares during the Financial Year 2023-24 upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) and upon conversion of Warrants exercised by the warrant holders.

x. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The details of utilization of funds are given hereunder:

Particulars	Amount in ₹ Lakhs
Funds raised through allotment of 5,92,50,000 fully paid-up equity shares against conversion of equal number of warrants during financial year 2023-24	31,106.25
Funds utilized during the year ended 31 March 2024	31,106.25

There is no deviation or variation in the use of proceeds from the preferential issue of warrants, from the objects as stated in the Explanatory Statement to the Notice of the Extraordinary General Meeting dated 14 July 2022

xi. **Web link where policy on determining 'material' subsidiaries is disclosed;**

The Company has formulated a policy pursuant to provisions of Chapter IV of SEBI Listing Regulations to determine material subsidiaries. The policy is posted on the website of the Company and the web link for the same is: https://www.himadri.com/home/uploads/govnce_report/code_policy/policy-for-determining-material-subsidiaries-10.02.2023.pdf

xii. **Web link where policy on dealing with related party transactions;**

The Company has duly formulated a Policy on dealing with Related Party transactions. The Company recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof and therefore has adopted this Policy to ensure that all Related Party Transactions with Related Parties shall be subject to this policy and approval or ratification in accordance with Applicable Law. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions. The link for the same as placed on the website of the Company is https://www.himadri.com/home/uploads/govnce_report/code_policy/policy-on-related-party-transactions-10.02.2023.pdf

xiii. **Disclosure of commodity price risks and commodity hedging activities;**

Disclosure of commodity price risks and commodity hedging activities has been adequately covered under the Management Discussion and Analysis Report.

Annexure VIII
of the Board's Report (Contd.)

xiv. **Declaration of non-disqualification or debarment for appointment / continuing as the Director in companies for the financial year 2023-24;**

There is no such director on the Board of the Company who has been disqualified by virtue of any provisions of the Act and any other laws or debarred by any regulatory authority to be appointed or continue to act as Director.

A Certificate from a Company Secretary in Practice 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 Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as **Annexure II**.

xv. **Recommendation from the Committees to the Board;**

There were no such instances where the Board has not accepted the recommendations of / submissions by the Committee, which were required for the approval of the Board of Directors during the financial year under review.

xvi. **Details of fees paid to statutory auditor;**

Total fees paid by the Company to the statutory auditor's M/s Singhi & Co, Chartered Accountants for all the services provided by them are as follows:

Amount in ₹ Lakhs

Payment towards-	2023-24	2022-23
Statutory Audit Fee	53.50	50.50
Limited Review Reports	21.50	9.50
Certification fees	6.10	15.33
Re-imbursement of Expenses	2.15	5.07
Total	**83.25**	**80.40**

xvii. **Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;**

The Company has constituted Internal Complaint Committee pursuant to Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. During the financial year 2023-24, the Committee submitted its Annual Report as prescribed in the said Act and there was no complaint as regards sexual harassment received by the Committee during the financial year.

Details of Complaints received and redressed during the financial year 2023-24 are as follows:

a) Number of complaints outstanding at the beginning of financial year - Nil

b) Number of complaints filed during the financial year - Nil

c) Number of complaints disposed of during the financial year - Nil

d) Number of complaints pending as on end of the financial year - Nil

xviii. **Disclosures with respect to demat suspense account/ unclaimed suspense account;**

There are no shares in demat suspense account.

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- NIL

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year- NIL

(c) number of shareholders to whom shares were transferred from suspense account during the year- NIL

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- NIL

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares- NIL

xix. **Disclosure of discretionary requirements as specified in Part E of Schedule II have been adopted;**

As mentioned above in point no 19(vi)

xx. **Disclosure of Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of para C of Schedule V of SEBI (LODR) Regulation, 2015, with reasons thereof shall be disclosed;**

There is no instance of non-compliance of any requirement of Corporate Governance report of sub-paras (2) to (10) of para C of Schedule –V of SEBI Listing Regulations.

Annexure VIII

of the Board's Report (Contd.)

xxi. Disclosure of the Compliance of the Corporate Governance;

The Company is in compliance with the Corporate Governance requirements as specified in Regulation 17 to 27 and the Company is also in compliance with the requirements of dissemination of the information of as required in terms of clause (b) to (i) of Regulation 46 (2) of the SEBI Listing Regulations

xxii. Details of corporate policies;

Sl. No	Policy	Link
1	Corporate Social Responsibility Policy	https://www.himadri.com/home/uploads/govnce_report/code_policy/corporate-social-responsibility-policy_10.02.2023.pdf
2	Composition and Profile of the Board of Directors	https://www.himadri.com/bod.php
3	Terms and Conditions of appointment of Independent Directors	https://www.himadri.com/home/corporate_governance
4	Familiarization Programme for Independent Directors	https://www.himadri.com/home/uploads/govnce_report/indpndt_dirctr_fami_prog/1708515571_Familarisation_Programme_2023-24.pdf
5	Remuneration policy of Directors, KMPs & other Employees	https://www.himadri.com/home/uploads/govnce_report/code_policy/nomination-and-remuneration-policy-10.02.2023.pdf
6	Code of Conduct	https://www.himadri.com/home/uploads/govnce_report/code_policy/code-of-conduct-for-all-directors-and-senior-management_10.02.2023.pdf
7	Criteria for making payments to Non-Executive Directors	https://www.himadri.com/home/uploads/govnce_report/others/criteria_of_making_payment_to_non_executive_directors.pdf
8	Code of Conduct for Non-Executive Independent Directors	https://www.himadri.com/home/uploads/govnce_report/code_policy/code-of-conduct-for-independent-directors-HSCL.pdf
9	Policy on Related Party Transactions	https://www.himadri.com/home/uploads/govnce_report/code_policy/policy-on-related-party-transactions-10.02.2023.pdf
10	Policy on determining Material Subsidiaries	https://www.himadri.com/home/uploads/govnce_report/code_policy/policy-for-determining-material-subsidiaries-10.02.2023.pdf
11	Whistle Blower Policy	https://www.himadri.com/home/uploads/govnce_report/code_policy/vigil-mechanism-whislteblower-policy-10.02.2023.pdf
12	Policy on determination of Materiality for Disclosure(s)	https://www.himadri.com/home/uploads/govnce_report/code_policy/1712905963_Policy_on_determination_of_Materiality_of_Events_18_July_2023.pdf
13	Dividend Distribution Policy	https://www.himadri.com/home/uploads/govnce_report/code_policy/dividend-distribution-policy-10.02.2023.pdf

xxiii. Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results. [Para A (2A) of Schedule V]

All transactions with related parties have been disclosed in Financial Statements.

xxiv. Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested;

No such transactions were entered into by the Company and its subsidiaries during the financial year.

Annexure VIII
of the Board's Report (Contd.)

xxv. **Details of material subsidiaries of the Company, including the date and place of incorporation and name and date of appointment of statutory auditors of such subsidiaries;**

Name of material subsidiary	AAT Global Limited
Date of incorporation	21-05-2005
Place of incorporation	Hong Kong
Name of appointment of statutory auditors	Sky Best CPA Limited,
Date of appointment of statutory auditors	13 April 2015

xxvi. Other items which are not mentioned in this Report are mentioned in the Board's Report and those items which are not applicable to the Company have not been separately commented upon.

xxvii. The Company has not entered into any agreement as referred to under Regulation 30A of the SEBI LODR.

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 25 April 2024

Annexure - I

Declaration by the Chief Executive Officer

[Pursuant to Regulation 34 (3) {Schedule V Paragraph D} of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of

Himadri Speciality Chemical Ltd

I, Anurag Choudhary, Chairman Cum Managing Director & Chief Executive Officer of the Company declare that to the best of my knowledge and belief, all the Members of the Board and the designated personnel in the Senior Management Personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the financial year ended 31 March 2024.

Sd/-
Anurag Choudhary
Chairman Cum Managing Director & Chief Executive Officer
(DIN: 00173934)
Date: 25 April 2024

Annexure VIII
of the Board's Report (Contd.)

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Himadri Speciality Chemical Ltd
23A, Netaji Subhas Road, 8th Floor, Suite No. 15
Kolkata – 700 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Himadri Speciality Chemical Limited having CIN: L27106WB1987PLC042756 and having registered office at 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No	Name of the Director	Designation	DIN	Date of Appointment in Company
1	Anurag Choudhary	Chairman cum Managing Director and CEO	00173934	14/08/2019
2	Shyam Sundar Choudhary	Whole time Director	00173732	28/07/1987
3	Amit Choudhary	Whole time Director	00152358	14/08/2019
4	Gopal Ajay Malpani	Independent Director	02043728	13/08/2021
5	Rita Bhattacharya	Independent Director	03157199	11/08/2022
6	Santimoy Dey	Independent Director	06875452	27/05/2014
7	Girish Paman Vanvari	Independent Director	07376482	22/06/2021
8	Sakti Kumar Banerjee*	Independent Director	00631772	11/07/2006

*Mr. Sakti Kumar Banerjee (DIN: 00631772) Independent Director has ceased to be an Independent Director upon completion of his second and final term and consequently ceased to be a Director of the Company w.e.f. 31 March 2024.

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

Sd/-
Rajarshi Ghosh
FCS 12595
CPNo:8921
UDIN: F012595F000173131

Place: Kolkata
Date: 18.04.2024

Annexure VIII

of the Board's Report (Contd.)

Annexure - III

Certificate regarding Compliance of Conditions of Corporate Governance

To
The Members
Himadri Speciality Chemical Ltd
Ruby House
8, India Exchange Place
Kolkata-700001

We have examined the compliance of conditions of Corporate Governance by Himadri Speciality Chemical Limited (CIN: L27106WB1987PLC042756) (hereinafter called "the Company") for the financial year ended 31 March 2024 ("Period under Review"), as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and Para C and D of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clauses and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors, the management and the Company's officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the Period under Review.

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 its affairs of the Company

For **SP & SA Associates**
Practicing Company Secretaries

Sd/-
Stuti Pithisaria
Partner
Membership No. A24680
C.P. No.26447
UDIN: A024680F000234362
Date: 25 April 2024

Annexure VIII
of the Board's Report (Contd.)

Annexure - IV

CEO & CFO CERTIFICATION

To
The Members of
Himadri Speciality Chemical Ltd
23A, Netaji Subhas Road, 8th Floor, Suite No 15,
Kolkata - 700 001

Sub: CEO & CFO certification in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015

We,

1) Anurag Choudhary, Chairman Cum Managing Director & Chief Executive Officer and

2) Kamlesh Kumar Agarwal, Chief Financial Officer

Certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2024 and that to the best of our knowledge and belief:

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

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

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

D. We have indicated to the auditors and the Audit Committee:

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

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

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

For and on behalf of the Board

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Place: Kolkata
Date: 25 April 2024

Annexure IX

of the Board's Report

Preface

As one of the largest speciality chemical companies in India and Asia, Himadri recognizes its role in setting industry benchmarks. We are dedicated to deliver the best-in-class performance, in all aspects of sustainability and we take full responsibility for our actions, being accountable to all our stakeholders.

At Himadri, we recognize that our comprehensive sustainability framework presents us with an opportunity to pioneer innovative solutions and forge a harmonious relationship with our society and planet. It urges us to progress sustainably, preserving vital resources for future generations. As a responsible corporate entity, we believe in maintaining a balance between business development and environmental preservation, recognizing that human well-being and prosperity are intricately linked with the health of our planet. Our aim is to cultivate a sustainable future, where our people, communities and ecosystems will thrive in harmony.

As we embark on our sustainability journey, we understand that our commitment goes beyond responsible actions and involves identifying and seizing opportunities. Many of the challenges that our customers face are sustainability-related and our ability to innovate and develop tailor-made product to meet these challenges is crucial. By preserving resources throughout our value chain and embracing the circular economy, we create continuous value and ensure our business is future-ready.

Through innovative chemistry and cutting-edge technology, we aim to positively impact the various aspects of our daily lives in a sustainable manner. Our sustainability goals unite us and drive us to deliver the best for our employees, customers, stakeholders and the planet as a whole.

Sustainability is not just a policy for us; it's a set of foundational principles that guides us to conduct our business and operations every day. At Himadri, our business is aligned with the current global priorities and direction. This alignment validates the principles that drive our business practices, highlighting our full commitment to ethical, progressive conduct, and responsible management. To turn this policy into action. In 2023 Himadri made a significant commitment by endorsing and becoming a global signatory of the United Nations Global Compact (UNGC). Since then, we have started to align our initiatives to promote the timeless principles of the UNGC which include Human Rights, Labor Standards, Environmental stewardship, and Anti-Corruption.

As a leader in the speciality chemical sector, Himadri focuses its sustainability efforts on Planet, People, Communities and Governance. Throughout our journey, we continuously innovate and strive to enhance our ESG (Environmental, Social, and Governance) initiatives, supported by our management and dedicated workforce. These efforts have enabled Himadri to gain global recognition from EcoVadis, a third-party assessor of ESG performance. In our inaugural EcoVadis submission, Himadri proudly secured a silver medal, positioning itself amongst the Top 23% of the organizations assessed by EcoVadis.

As an environmentally conscious organization, Himadri has developed its business model around recycling and upcycling. The raw materials that are used for our production are basically by-products of steel and petrochemical sectors. Through innovative techniques and integrated systems, Himadri transforms these by-products into value-added products. Furthermore, we utilize by-products from our own production processes and extract value from them. For example, waste gas from carbon black production is used to generate electricity. We not only power our operations with this electricity but also export it to the grid, achieving a zero emission under Scope 2 category. From the business model level, we strive to further 17 UN Sustainable Development Goals (UNSDGs). As a responsible corporate citizen, Himadri has established a structured organizational framework to actively pursue the attainment of Sustainable Development Goals (SDGs).

At entity level we have fully adopted SEBI mandated BRSR (Business Responsibility and Sustainability Reporting) Framework as well in all layers of value chain as relevant setting key objectives for short & long-term with comprehensive action plan with defined timeline.

Annexure IX
of the Board's Report (Contd.)

Businesses should work against corruption in all its forms, including extorsion and bribery

10

Businesses should support and respect the protection of internationally proclaimed human rights, within the scope of their influence

1

Businesses should make sure that they are not complicit in human rights abuse

2

Businesses should encourage the development and diffusion of environment friendly technologies

9

Businesses should undertake initiatives to promote greater environmental responsibility

8

Businesses should support a precautionary approach to environmental challenges

7

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

3

Businesses should uphold the elimination of all forms of forced and compulsory labour

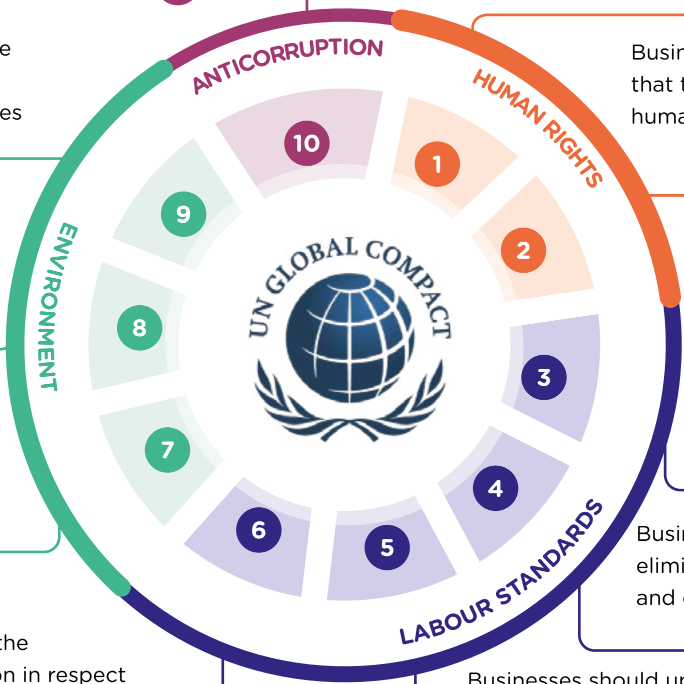
4

Businesses should uphold the elimination of discrimination in respect of employment and occupation

6

Businesses should uphold the abolition of child labour

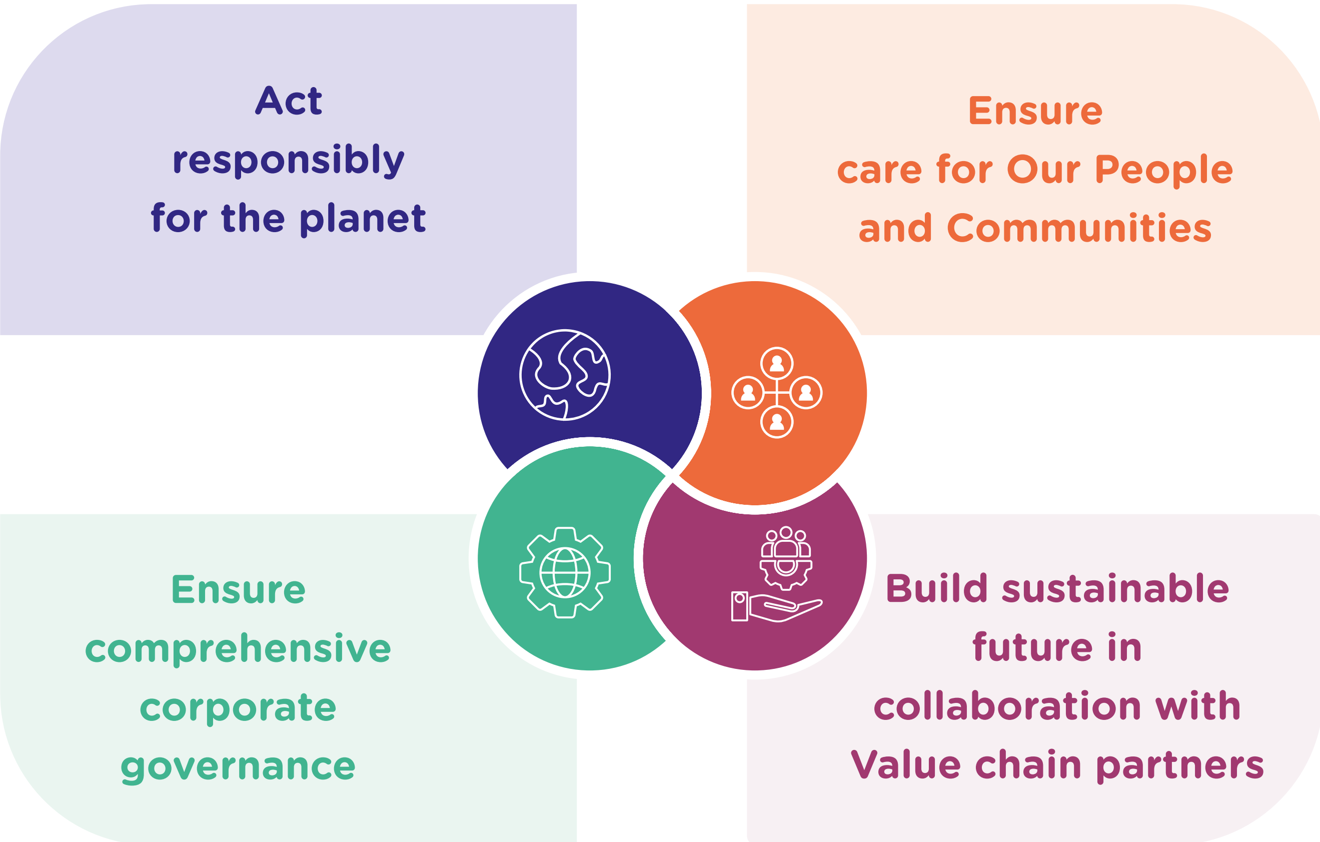
5



Annexure IX

of the Board's Report (Contd.)

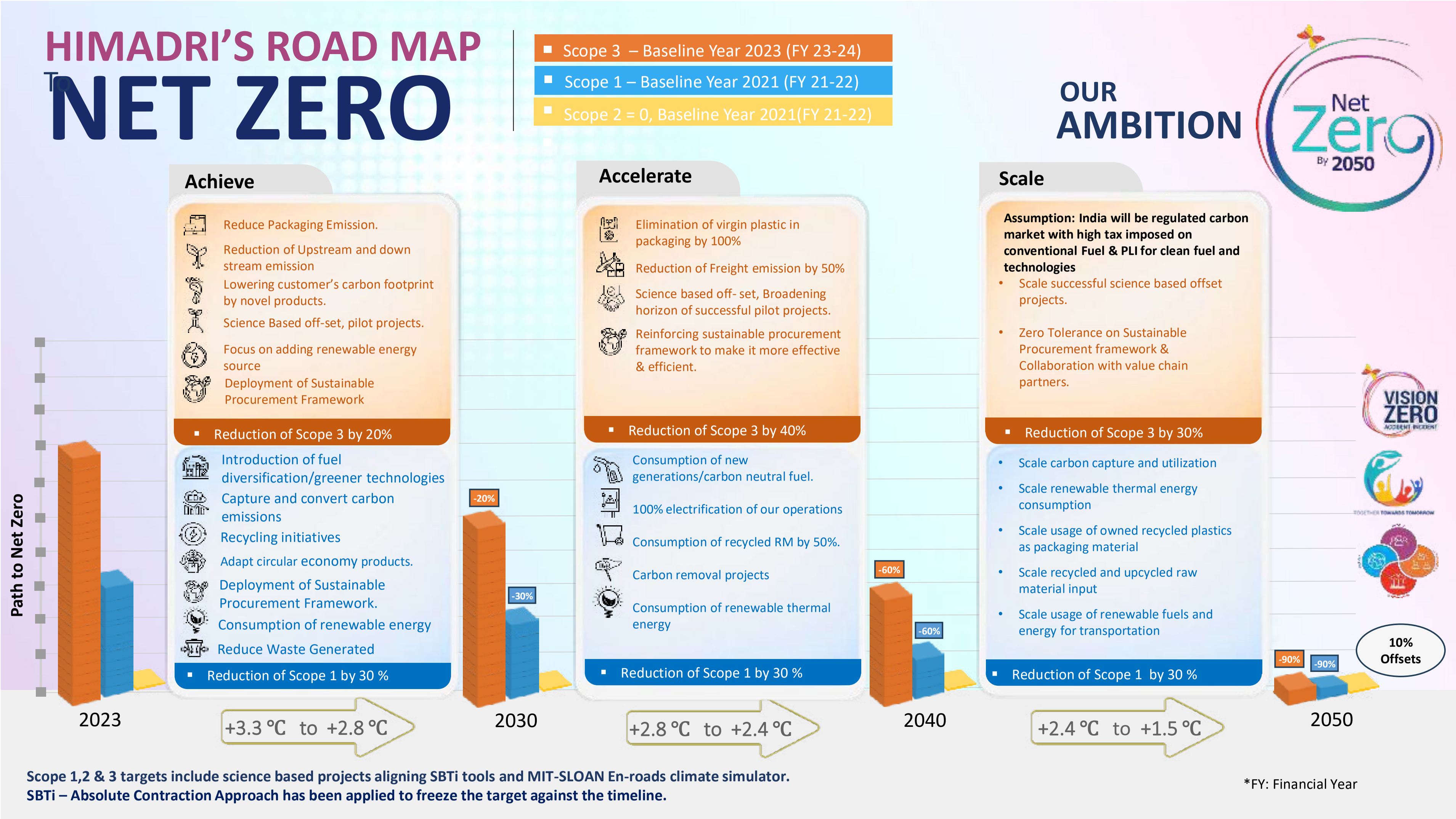
Our Key Pillars of Sustainability Journey are:



Act Responsibly for the Planet

As a leading global speciality chemicals and performance products providing company, we fully understand our responsibilities towards efficient and safe use of natural resources to manufacture and distribute products that minimize environmental impact.

We are fully aware of how environmental issues have a significant impact on all of us at a national and global scale. We strive to ensure that our innovative product solutions can address the sustainability challenges faced by our customers, our communities, and the planet as a whole. To combat climate change by reducing or eliminating greenhouse gas emission, we are committed to achieving net zero by 2050, aligning with India's vision in this regard.


HIMADRI'S ROAD MAP
T NET ZERO
Scope 3 – Baseline Year 2023 (FY 23-24)
Scope 1 – Baseline Year 2021 (FY 21-22)
Scope 2 = 0, Baseline Year 2021(FY 21-22)
OUR AMBITION
Net Zero By 2050
Achieve
Reduce Packaging Emission.
Reduction of Upstream and down stream emission
Lowering customer's carbon footprint by novel products.
Science Based off-set, pilot projects.
Focus on adding renewable energy source
Deployment of Sustainable Procurement Framework
Reduction of Scope 3 by 20%
Introduction of fuel diversification/greener technologies
Capture and convert carbon emissions
Recycling initiatives
Adapt circular economy products.
Deployment of Sustainable Procurement Framework.
Consumption of renewable energy
Reduce Waste Generated
Reduction of Scope 1 by 30 %
Accelerate
Elimination of virgin plastic in packaging by 100%
Reduction of Freight emission by 50%
Science based off- set, Broadening horizon of successful pilot projects.
Reinforcing sustainable procurement framework to make it more effective & efficient.
Reduction of Scope 3 by 40%
Consumption of new generations/carbon neutral fuel.
100% electrification of our operations
Consumption of recycled RM by 50%.
Carbon removal projects
Consumption of renewable thermal energy
Reduction of Scope 1 by 30 %
Scale
Assumption: India will be regulated carbon market with high tax imposed on conventional Fuel & PLI for clean fuel and technologies
Scale successful science based offset projects.
Zero Tolerance on Sustainable Procurement framework & Collaboration with value chain partners.
Reduction of Scope 3 by 30%
Scale carbon capture and utilization
Scale renewable thermal energy consumption
Scale usage of owned recycled plastics as packaging material
Scale recycled and upcycled raw material input
Scale usage of renewable fuels and energy for transportation
Reduction of Scope 1 by 30 %
VISION ZERO
10% Offsets
Path to Net Zero
2023
-20%
-30%
2030
-60%
-60%
2040
-90%
-90%
2050
+3.3 °C to +2.8 °C
+2.8 °C to +2.4 °C
+2.4 °C to +1.5 °C
Scope 1,2 & 3 targets include science based projects aligning SBTi tools and MIT-SLOAN En-roads climate simulator.
SBTi – Absolute Contraction Approach has been applied to freeze the target against the timeline.
*FY: Financial Year

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Our current corporate strategy is focused on reducing energy intensity in the context of Scope 1 and Scope 2 emissions, aiming to set a benchmark in our industry sector. We have started creating an inventory of our Scope 3 activities, by identifying and accounting relevant categories. Moving forward, we have considered initiatives to reduce our Scope 3 emissions as well, highlighting our commitment to sustainability.

To achieve our net-zero target, we have started working on 3 focused areas which are aligned with global SBTi standard, distributing the total journey into "Short-term, Mid-term and Long-term" targets.

Achieve climate change resilience by incorporating diverse fuels and minimizing energy consumption to reduce carbon footprint at both the corporate and product level. Product end-of-life recycling initiatives are currently under consideration. We are also committed to reduce our value chain emission. Himadri has designed and deployed a comprehensive sustainable procurement policy. During the present reporting year, we have initiated a reach out program for our value chain partners to assess and align them with our sustainability journey.

Accelerate green initiatives to further reduce carbon footprint. In our journey to achieve net-zero, we will incorporate feasible new generation fuel in our operations. As a corporate strategy, we have taken a target to electrify our entire operation. Reduction of value chain emission is going to be the focus of this phase.

Scale up accepted technologies to become a future-ready company. During this phase, we will integrate relevant next-generation technologies across all our operations.

We are very proud of the fact that at entity level, our entire value chain is established on the by-products from other core industries. As a result our nature of business is not creating any direct impact on depletion of natural resources. Further we are in pursuit of establishing circular economy model to create opportunities to use recycled material from external sources. Our R&D team is putting their best effort to establish feasible circular economy model on fast-track mode.

At present, our key deliverables in these perspectives are:

- **Environment Compliance**
  - 100% Compliance to local laws in perspective of Air, Water and Solid Wastes
  - Deployment of ISO 14001 management systems at all our Plants
  - Deployment of ISO 50001 energy management systems at all our Plants.
- **Efficient management of Emissions**
  - 100% monitoring of emissions with defined frequency
  - Measuring product level carbon footprint by employing life cycle analysis tool
  - Managing emissions with zero exceedance
- **Optimizing Energy Intensity (Scope 1 & Scope 2) of our manufacturing processes for each and every product line to reduce GHG emissions / Carbon footprint**
  - Driving energy efficiency projects to optimize energy intensity
  - Introduction of energy efficient new generation and innovative technologies
  - Promoting use of renewal energy directly and indirectly
- **Reduction of wastes and spills**
  - Efficient solid waste management to reduce generation from source
  - Reuse and recycling of wastes avoiding landfill and incineration
- **Efficient management of water consumption ensuring ZLD (Zero Liquid Discharge)**
  - Initiating projects to reduce water consumption optimizing recycling / reusing opportunities
  - Ensuring Zero Liquid Discharge (ZLD) by installing efficient treatment facilities such as Reverse osmosis (RO), Water Treatment Plant (WTP), Effluent Treatment Plant (ETP) etc. to meet the demand of captive consumptions

Striving for net-zero emissions to underscore our commitment towards environmental protection

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goes beyond energy conservation at Himadri. We proactively minimize resource consumption and promote a circular economy through both the ends of our supply chain, encompassing both upstream and downstream activities. These initiatives specifically target the reduction of resource consumption and wastages.

Value Creation through Captive Power Plant and Lowering GHG Emission

At Himadri, we have installed a power plant of 28 MW capacity which is completely meeting our power requirement to operate. This captive power plant runs to utilise waste gas temperature. By implementing a process that circulates and feeds off-gas into power generation, we have significantly contributed towards evading Greenhouse Gas (GHG) emissions.

Benefits:

- No imported power requirement
- Exported 80,523 MWH electricity to state grid in the last financial year
- Effectively reduced consumption of conventionally produced electricity and GHG emission

Value creation through equipment upgradation: Harmonic Filter

The LT feeders of the plant were consuming high levels of voltage and current, mainly due to the significant impact of LT motors. After a thorough understanding of the problems, the objectives were set to address the issues effectively. The primary goals were to reduce input current harmonics to less than 5% and improve the power factor from 0.75 to a desirable 0.98. To achieve these goals, an active harmonic filter (AHF) with a closed-loop active filter was introduced as a potential solution.

Benefits:

- The power factor improved significantly from 0.94 to 0.99
- Current distortion reduced from 4.4% to 3.3%
- The input KVA also experienced a significant reduction, dropping from 1311 to 1191 KVA, which meant a direct reduction of 120KVA
- It is saving the annual energy by approximately 9,50,400 KVAH (approximately considering 330 working days.

Fuel Switch to Achieve Higher Energy Efficiency and Lower Carbon Emission Intensity

At Himadri, we have successfully implemented a high-performance multifunctional fuel additive across our reduction processes. This specially formulated fuel additive can be dissolved in aromatic solvents and is readily soluble in fuel oil. It facilitates the rapid oxidation of unburnt hydrocarbons during heavy fuel oil combustion, effectively addressing GHG emissions as well as air emissions by reducing carbon deposits, soot, and particulate matter.

Benefits:

- Enhanced fuel efficiency due to accelerated oil combustion
- Considerable reduction in soot formation
- Reduced air emission
- It is cost effective as 4% of the fuel got saved.
- 4.7% carbon emission (per ton production) got reduced.
- Heat transfer efficiency has improved, leading to reduced heat loss though heat transfer surfaces

Reduction of Water Consumption using Efficient Equipment and Technology

At Himadri, we have implemented an efficient condensate recovery system, which enables operation to recover 60% of the low-pressure (LP) steam used in all equipment, line tracing and coils. Through an efficient vapour trap system, we condense water from LP vapour, effectively reducing our groundwater usage.

During the current reporting year, we have increased Zero Liquid Discharge (ZLD) plant's capacity. The recovered water will be utilized in domestic usages which will further reduce dependency on freshwater. Additionally, our management has included water consumption in KPIs for monthly review.

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Benefits:

- Reduced usage of ground water
- Reduced electric power consumption
- Enhanced capacity of ZLD plant

Ensure Care for Our People and Communities

We recognize our people as the greatest asset and believe in creating values for the communities who are directly / indirectly associated with our business as an essential outcome of our value chain. We are immensely proud to leverage our sustainability spectrum for creating values for our people and communities.

Our employees are our most valuable asset, and as an employer, we are fully committed to delivering a duty of care by ensuring that the right person is in the right job, providing adequate training, maintaining safe work processes and ensuring a safe work environment. Occupational Health and Safety (OHS) is an integral part of our business framework and the core of our culture. Our objective is to ensure that all individuals associated with the business, directly or indirectly, return home safe and sound, just as they arrived at the workplace.

Our key deliverables in these perspectives are:

- Occupational Health & Safety
    - Zero Accident Vision (ZAV) – Achieving and Sustaining Zero LTIFR
    - Comprehensive HSE framework – Deployment of culture building tools, Non-negotiable Standards, Comprehensive Risk assessment and mitigation of significant risk, Fail-safe processes/ Engineering, emergency preparedness etc.
    - Addressing failure (accident, dangerous occurrences) by initiating comprehensive investigation and closing the loop deploying requisite actions
    - Deployment of ISO 45001 management systems at all our Plants
- Equal Opportunity, Growth & Diversity
    - Compliance framework aligned with local law and human rights with defined action plan
    - Equal opportunity, growth and development framework and action plan with defined timeline
    - Improving gender diversity at all layers of the organization
    - Deploying SA-8000 standards at all our Plants
- Community engagement
    - Promoting education
    - Making healthcare accessible
    - Communality development enhancing quality of life

Safety is our top priority. Our goal is to become a zero-accident company, positioning ourselves as a best-in-class organization for safety performance and leadership. This commitment extends to safeguard the health and safety of not only our employees but also contractors, visitors, customers and any other individuals who might get impacted by our activities. While working to achieve and maintain our zero-accident goal, we remain firmly dedicated to integrateting safety in every aspect of our operations and cultural fabric. Workplace safety initiatives have been taken across all the plants to underscore our commitment.

SA8000 is a global standard for Social Accountability that outlines the requirements for decent working conditions. It is based on international human rights norms and national labor laws, and it aims to ensure that organizations treat their employees ethically and with respect. SA8000 covers various aspects such as child labour, forced labour, health and safety, freedom of association, discrimination, disciplinary practices and working hours. Advancing towards our social responsibility, the company has recently completed Stage 2 assessment of SA 8000 certification showcasing our social commitment and ethical business practices

Introduction of Non-Negotiable HSE Standards to Enhance Workplace Safety

A Risk-Based approach and mapping have been initiated for all routine and non-routine activities. The newly implemented Permit-to-Work system includes Risk Assessment before the commencement of work involving all relevant departments. This approach significantly reduces the chances of incidents during activity execution, with every individual connected to the activity.

Benefits:

- Significant reduction in accidents due to non-standard activities
- Easier and accountable risk mapping approach

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Safety Audit and Improvement Opportunities

A protocol has been established and implemented for Safety Audits, proactively involving shop floor employees to identify and correct unsafe conditions and procedures. This approach contrasts with past practices, where Safety Audits were conducted solely by external agencies with a reactive attitude.

Benefits:

- 60% participation of our working crew in audits of their routine activities
- Proactive participation to identify unsafe conditions and take subsequent corrective measures

In addition to our commitment to keep people safe, we strongly promote equal opportunities for personal and professional growth while respecting ethical boundaries. To lay the foundation and promote cultural growth towards equal opportunity, we increasingly pursue diversity, inclusiveness, and transparency. At the organizational level, we have established a comprehensive framework to promote and support professional development to attract and retain talent. We continue to evolve our practices and advance our efforts to meet our goals in this regard.

At Himadri, we understand that addressing climate change extends beyond mere environmental conservation; it is a profound social responsibility. Therefore, our core mission is to support underserved populations and empower them to achieve self-sufficiency while designing Corporate Social Responsibility (CSR). To fulfil this commitment, we implement carefully designed and targeted initiatives that focus on empowering women, improving healthcare, and enhancing education opportunities. Moreover, well-being of society at large comes at the very core of our business responsibility. To further UNSDGs which we adopted in our business conduct, a significant fund from CSR is channelized towards the Economically Weaker Section (EWS) of the society to improve their living conditions.

Furthering Quality Education

As a socially responsible organization, Himadri has made significant contributions by advancing towards UN Sustainable Development Goal #4: Quality Education, through its CSR funds. A dedicated program, overseen by the CSR team and the Board, has been launched to support the education of rural children, with a special focus on girls, in the STEM fields. The program primarily focuses on distributing books and providing scholarships. By investing in STEM education, Himadri aims to develop skills in the workforce that can be nurtured into talent, thus contributing to the overall development of society.

Benefits:

- Merit scholarships for students
- Distribution of books
- Promoting STEM education
- Diverse and skilled workforce

Improvement of Quality Living

"Increasing value for all" is not just a mere policy in Himadri but a founding principle upon which we maintain our daily operations. We understand wholly the value created by the communities where we operate. Advancing towards UN Sustainable Goal #1, 3 and 6 through our CSR funds is a priority to us. This initiative aims to provide secure and long-lasting housing solutions to economically weaker individuals who were previously living in substandard conditions. In addition to constructing durable homes, the company has also set up kitchens and sanitation facilities to meet the essential needs of underprivileged villagers. These efforts are focused on improving the overall quality of life and hygiene standards within the community.

Benefits:

- Construction of Pucca House for villagers
- Construction of kitchen and sanitation for villagers
- Ongoing construction of a hospital to serve the nearby villages.
- Health treatment and eye operation for beneficiaries

Build Sustainable Future in Collaboration with Value Chain Partners

While we believe in integrating sustainability into our direct operations and research initiatives, we fully understand and appreciate the importance of incorporating sustainability throughout the value chain.

To create value by enhancing efficiency and implementing responsible business practices throughout our value chain,

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we prioritize leveraging our influence and partnering with our value chain partners. We actively engage with our customers to collaborate on developing products that offer sustainability benefits, such as increased durability and energy efficiency. Additionally, we support and collaborate with our suppliers to help them improve their sustainability performance continuously. Our ability to enhance the overall impact of our value chain relies on our close collaboration with our customers and suppliers. Together, we seek innovative solutions to enhance our collective sustainability performance and address today's key sustainability challenges.

Our investment decisions and growth strategies are fully aligned with sustainable business practices and compliance with local laws and the United Nations Global Compact. Our vision is to remain committed to researching and develop sustainable products in collaboration with our customers, aiming to deliver additional value by addressing their sustainability challenges.

We are fully dedicated to conducting business with high ethical standards across the value chain, and we expect the same from our value chain partners. To ensure this, we believe in collaborating with our value chain partners from a sustainability perspective to the greatest extent possible, creating significant opportunities to generate collective value.

Our key deliverables in these perspectives are:

- Develop sustainable products through innovative research to reduce CO2e emission by our customers
- Responsible sourcing by evaluating / ensuring sustainability elements of value chain partners
  - o Sustainability assessment of value chain partners
  - o Collaborating with strategic value chain partners for responsible sourcing

Creating Value with Supply Chain Partners

From Himadri's perspective, sustainable procurement is not just a practice; it's a commitment to responsible sourcing that considers the environmental, social, and economic impacts of our supply chain. Our approach to sustainable procurement is rooted in our core values, where we strive to minimize negative impacts on the environment, support local communities, and promote ethical business practices. Through sustainable procurement, we aim to drive positive changes and contribute towards a more sustainable future for all.

During the current reporting year, Himadri made further strides in building upon the Sustainable Procurement framework. Our sustainable procurement policy and practices were assessed according to ISO 20400 standards by a 3rd party during the reporting year. With internal stakeholders' consultation, the focus was further empowered on enhancing execution and integrating ESG (Environmental, Social, and Governance) principles more deeply into procurement activities. This involved expanding supplier engagement efforts, incorporating ESG requirements in the supplier registration process, and preparing for heightened regulatory due diligence requirements. We take a comprehensive and structured approach to engage with and support our suppliers, ensuring they understand our global standards and ESG assessment process.

Our key deliverables in this perspective are:

- Suppliers abide by our Code of Conduct and Sustainable Procurement Policy
  - o 100% Assurance from suppliers
  - o Integrating sustainable procurement in supplier contract
- Implementing sustainable supply chain framework on 80% of group spend
  - o Assessment and audit of value chain partners based on ESG KPIs
  - o Supplier categorization based on audit
  - o Supplier risk mitigation

Business Value Chain

As part of our commitment to decarbonisation, Himadri is actively addressing scope 3 emissions within our supply chain. We are employing a dual approach, using both activity-based data and spend data, to map our scope 3 emissions in detail. This will help us to gain a comprehensive understanding of how our suppliers' greenhouse gas emissions impact our environmental performance, while aligning with our net-zero target.

To guide these efforts, we are conducting hotspot analysis and developing strategic roadmaps. This two-pronged approach allows us to prioritize and focus on achieving our net-zero ambition effectively. We recognize that certain categories within scope 3 emissions will require specific attention and we will strategically shift from using spend data to activity-based data where necessary. This transition will enable us to create key

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performance indicators that accurately reflect the impact of our initiatives.

Going ahead, our goal is to develop comprehensive strategies for implementing and optimizing sustainability practices within the supply chain. We will also actively engage in collaborative initiatives with our suppliers to promote the adoption of sustainable practices and products throughout the supply chain. Our commitment will extend to strengthen our suppliers' capabilities, providing training and awareness on sustainable practices and emphasising their pivotal role in reducing carbon emissions.

Risk Assessment and Prioritization

Objective: Identify and prioritize specific ESG risks within the supply chain.

Actions:

- Conduct a comprehensive ESG risk assessment using internal and external expertise.
- Prioritize risks based on severity, likelihood, and impact on stakeholders.

Supplier Engagement and Collaboration

Objective: Collaborate with suppliers to align practices with ESG goals.

Actions:

- Organize training and awareness programs.
- Establish regular communication channels with suppliers for feedback and improvement.

Transparency and Reporting

Objective: Enhance transparency in supply chain ESG practices.

Actions

- Develop a transparent reporting mechanism for ESG performance.
- Publish an annual sustainability report, including supply chain metrics.

Monitoring and Auditing

Objective: Implement monitoring and auditing processes to ensure ESG compliance.

Actions:

- Conduct regular audits using both internal and external resources.
- Establish corrective action plans for non-compliance and monitor progress.

Continuous Improvement

Objective: Foster a culture of continuous improvement in ESG practices.

Actions:

- Set measurable ESG goals and regularly review progress.
- Encourage feedback from employees, suppliers, and stakeholders for improvement.

Creating Customers' Value by New Products

Himadri offers a wide range of clean blacks under the brand name of KLAREX series, specially designed for industrial rubber products. These blacks are very clean in terms of sieve residue, ash content and other chemical impurities, which reduces the extrusion based chocking; thereby increasing productivity and reducing scrap generation by producing blemish free smooth surface extrudate tapes. This has a direct impact on enhanced product quality, higher productivity and less power usage.

Himadri has a wide range of very clean JETEX blacks which are used primarily in Films & general plastics and pressure pipe application. These blacks offer very good UV protection, thereby increasing the life of pressure pipe impacting the environment positively. Thin films made with these grades offer good mechanical properties enhancing lifetime and reducing plastic scrap generation & less power consumption.

Himadri also have ELECTRA series which helps to reduce volume and surface resistivity while incorporating polymer matrix. Generally, ELECTRA series is used for

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cable, ESD, antistatic and battery applications. A high conductive speciality carbon black ELECTRA 295 has been developed which provides better conductivity at lower carbon black loading. It requires lower amount of polymer for cleaning purpose which reduces polymer wastage and power consumption.

Basically, lowering polymer wastage, scrap generation & power consumption indirectly reduces carbon emission and positively impact on the environment.

Robust Corporate Governance

At Himadri, we uphold highest standards of ethical business practices, which form the foundation of the values we deliver to our stakeholders. Our commitment to sustainability is guided by our core values of integrity, respect, and responsibility. Our governance framework is based on the timeless principles of the UN Global Compact and is supported by a set of compliance and accountability policies and practices.

Himadri serves as a beacon of ethical corporate governance, promoting innovation and sustainable growth. Rooted in trust, our unwavering commitment to the highest standards of integrity has earned the confidence of stakeholders, attracting capital and top-tier talent. Upholding the values of Integrity, Commitment, Passion, Seamlessness, and Speed, we prioritize excellence in governance. Our diverse Board, consisting of both Executive and Independent Directors, provides comprehensive guidance, aligning resource utilization with our vision. A robust governance and compliance culture ensures adherence to regulations, strengthens relationships, fosters trust, and sustains our organization for the long term.

Our key deliverables in these perspectives are:

- Promoting anti-bribery and anti-corruption culture
- Maximizing data security and transparency
- Establishing ourselves as the industry standard for ethical business conduct

Promoting Anti-Bribery and Anti-Corruption Culture

As the purveyor of highest standard of business ethics, Himadri expects all employees, suppliers, and customers to conduct business in accordance with the highest ethical standards and in full compliance with all applicable anti-bribery laws and regulations. To reinforce this expectation, we have developed detailed policies, compliance procedures, and training programs. All employees are required to undergo annual training on all the mandatory topics which include Anti-Bribery and Anti-Corruption among many others.

Furthermore, we see both an opportunity and a responsibility to make a positive impact on the upholding of timeless principle of UN Global Compact within our direct supply chain. We require our suppliers to underscore our commitment to respecting ethical business conduct. As outlined in our Code of Conduct, suppliers must adhere to our Business Ethics, which in some instances sets higher standards than those mandated by laws of the land.

Maximizing Data Security and Transparency

The digitization of global economy is highlighting the significance of data ethics, as our customers depend on partners with the highest ethical standards. Our goal is to be a trusted entity that safeguards and respects the data of our customers, business partners, and employees. Himadri's data ethics strategy strikes a balance between seizing opportunities and managing risks. We aim to develop innovative products for our customers while ensuring compliance and ethical practices. Additionally, we leverage technology and artificial intelligence (AI) to advance our decarbonisation ambitions.

The rapid advancement of AI represents a defining moment for us being guided by our data ethics principles: Respect, Security, Transparency, and Innovation. We are enhancing our existing governance framework by automating preventive controls, embedding risk management institutionally, and exploring governance technologies in anticipation of AI regulation. Our governance practices are already being applied in generative AI tools that support Operation and our People function. During the current reporting year, Himadri has earned ISO 27001 certification which underscores our robust practices involving cyber security.

Establishing as Industry Standard for Ethical Business Conduct

In Himadri, we strive to establish the best-in-class compliance program that assists us to promote sustainable business and equal opportunities by preventing, detecting and correcting behaviour that is not aligned with our purpose, core values and internal governance structure on business ethics.

At Himadri, we take personal responsibility for conducting ourselves ethically and honestly in all business activities. We have implemented a comprehensive Code of Conduct that applies to all employees, officers, and directors. This Code sets forth fundamental principles for everyone at Himadri, delineating responsibilities across all facets of business operations. It clearly articulates Himadri's expectations regarding various risk areas, including fare competition, international trade laws, conflicts of interest, gifts and entertainment, proper use of social media, human rights, and protection of privacy.

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Commitment to Excellence in Corporate Governance

At Himadri, our Board of Directors is both diverse and experienced, tasked with the critical responsibility of fostering sustainable development practices and crafting long-term value for all stakeholders. This seasoned Board offers strategic guidance across every aspect of our operations, focusing on the judicious use of resources while prioritizing governance and sustainability. Every decision made by the Board aligns with our vision and mission statements, ensuring that all strategies are crafted with the best interests of our stakeholders in mind.

Our Board is structured to facilitate effective governance through various Committees, predominantly led by Independent Directors. These Committees are pivotal in implementing the Board's strategic decisions and maintaining continuous oversight. They conduct thorough reviews of our policy implementations and procedures, ensuring that our operations adhere strictly to the highest standards of compliance and efficiency.

The composition of our Board reflects a balanced mix of Executive and Non-Executive Independent Directors, in strict accordance with SEBI Listing Regulations. As of March 31, 2023, the Board comprises nine Directors, of which three are Executive Directors and six are Independent Directors, including one Independent Woman Director. This structure is in full compliance with Section 149 of the Companies Act, 2013, and Regulation 17 of the SEBI Listing Regulations. Moreover, in adherence to Regulation 17(1A) of the SEBI Listing Regulations and Section 196 of the Act, the company has passed special resolutions for an Independent Director who has reached the age of seventy-five and for an Executive Director who has reached the age of seventy, ensuring that we exceed the standard requirements for governance and ethical conduct.

Himadri is committed to maintaining the highest standards of governance, aimed at ensuring transparency and equality in all our business dealings, thereby enabling sustainable value creation for all involved parties. Our approach to governance extends beyond the mere fulfilment of legal and regulatory requirements; it is about ingraining these practices into the fabric of our corporate culture. By forming an active, well-informed, and intellectually vigorous Board, supported by various Committees, we manage our affairs efficiently and proactively. At Himadri, we are consistently at the forefront of compliance and responsible business practices, ensuring that our governance not only meets but often exceeds regulatory expectations. Our Board's vigilance ensures that all regulatory requirements are respected meticulously, both in letter and in spirit, reinforcing our commitment to ethical leadership and corporate integrity.

Governance Structure and Board's responsibility

At Himadri, our Board of Directors is composed of a diverse group of experienced individuals whose primary responsibility is to foster sustainable development and cultivate long-term value for all stakeholders. The Board engages in comprehensive strategic guidance across all operational facets of the company, focusing on the optimal utilization of resources and diligent oversight of governance and sustainability issues. Decisions are meticulously aligned with our overarching vision and mission, with the intent of prioritizing strategies that benefit all stakeholders comprehensively.

Our governance structure includes several Board Committees, primarily chaired by Independent Directors, which are essential in translating the Board's strategic decisions into actionable policies. These committees are instrumental in maintaining a robust oversight mechanism, regularly conducting rigorous reviews to ensure effective implementation of policies and adherence to set procedures.

Reflecting our commitment to regulatory compliance and balanced leadership, the composition of our Board adheres strictly to the SEBI Listing Regulations. As of March 31, 2023, the Board is comprised of nine directors, including three Executive Directors and six Independent Directors, one of whom is a woman. This alignment ensures compliance with Section 149 of the Companies Act, 2013, as well as Regulation 17 of the SEBI Listing Regulations. Furthermore, in keeping with our commitment to governance excellence, we have passed special resolutions for an Independent Director over seventy-five years of age and an Executive Director over seventy years of age, in accordance with Regulation 17(1A) of the SEBI Listing Regulations and Section 196 of the Companies Act, respectively.

Himadri is dedicated to upholding the highest standards of corporate governance, which we see as fundamental to maintaining transparency, equity, and accountability in our operations, thereby enabling long-term value creation for all stakeholders. We have built a strong governance foundation by constituting an active, well-informed, and intellectually robust Board. Our Board Committees play a pivotal role in managing our affairs efficiently and beyond mere compliance with legal and regulatory requirements. At Himadri, we pride ourselves on being at the forefront of compliance and responsible business practices, ensuring that all regulations are meticulously respected, both in their letter and in their spirit.

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Sustainability Governance

ESG Committee at Board

Mr. Anurag Choudhary
(CMD & CEO)
Mr. Amit Choudhary
(Executive Director)
Mr. Santimoy Dey
(Independent Director)

Functionaries
- Holds accountability and oversight for all matters related to sustainability
- Oversees Sustainability strategies and initiatives
- Sets the main targets, reviews performance and progress
- Approves Group sustainability-related policies
- Receives reports from CSO on Sustainability initiatives
- Monitors Group's progress against its sustainability objectives
- Communicates with regulatory bodies, internal and external stakeholders with transparency

Oversight and Accountability
- Culture and values
- Human rights
- Health and safety
- Climate change
- Product quality and quality performance
- Gender diversity
- Anti-bribery and Anti-corruption
- Environmental matters
- Biodiversity
- Talent management
- Supply chain/ responsible sourcing

ESG Council

CMD & CEO
Business Head, New Energy Materials Division
Chief Financial Officer (CFO)
Chief Sustainability Officer (CSO)
Business President, Carbon Black Division
Executive Vice President, Coal Tar Division and Strategy
President, Carbon Black Division
Vice President, Human Resource
Company Secretary and Compliance Officer

Functionaries
- Oversees major elements of sustainability matters
- Deploys initiatives to further the company's sustainability aspirations
- Monitors sustainability activities and operations
- Preparation and publication of the company's sustainability reports
- Reports to the Sustainability Committee at Board
- Issues disclosures in accordance with global and national practices

Oversight and Accountability
- Oversees the Sustainability steering Committee
- Monitors the overall progress on the Company's sustainability metrics and targets
- Assists the Sustainability Committee at Board in assessing the implications of long-term climate-related risks and opportunities
- Assists the Sustainability Committee at Board in elaborating strategies and setting priorities

CSO

Sustainability Steering Committee

1. Unit Head-Chairman
2. Process Head-Member
3. Engineering Head-Member
4. Purchase Head-Member
5. HR Head-Member
6. HSE Head-Member
7. CPP Incharge-Member
8. Logistics head-Member

Functionaries
- Executes strategies, setting priorities
- Oversees the Plants sustainability activity
- Monitors progress against the targets
- Ensures compliances

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Sustainability Objectives 2024-25

Objectives	Measures	Target FY 24-25	Progress FY 23-24	Plan Vs Progress	Main Domain	UNGC - SDGs
Vision Zero Accident/ Incident	By 2025, Loss Time Injury Frequency Rate below 1 (Vs 2021)	< 1	1.18	—●—●—	People	3, 8
Energy Consumption	By 2025, Reduce Energy Intensity per metrictonne of product sold (Vs 2021)	-10%	-12.29%	—●—●—●—●—	Planet	9, 13
CO2e emission Intensity (Scope-1 & scope-2)	By 2025, Reduce Scope 1 and Scope 2 CO2e emission intensity per metric tonne of product sold (Vs 2021)	-25%	-24.20%	—●—●—●—●—	Planet	9, 12, 13
CO2e emission Intensity (Scope-3)	By 2025, Reduce scope 3 CO2e emission intensity per Metric tonne of product sold (Vs 2023)	-5%*	NA*	NA*	Planet	9, 12, 13
Zero Liquid Discharge	All plant must operate with ZLD status (Vs 2021)	100%	100%	—●—●—	Planet	6, 9, 12
Solid Waste	Reduce solid waste (Hazardous and sent to landfill) per metric tonne of product sold (Vs 2021)	<1%	0.01%	—●—●—●—	Planet	9, 12
Recycle Materials	Increase the proportion of Non-virgin raw material from external sources used in production to avoid depletion of natural resources (Vs 2021)	>95%	98%	—●—●—●—	Planet	9, 12
Gender Diversity	Increase female representation in management team(vs 2021)	5%	4.5%	—●—●—●—	People	5
Compliance Training	Increase percentage of Targeted staff, who completed anti bribery and corruption training (Vs 2021)	>95%	99.80%	—●—●—●—	Governance/ Communities	16
Value Chain Management	By 2023, conduct sustainability assessment of our value chain partners covering at least *70% of group spend (Vs 2021)	85%	84% (against old target)	—●—●—	Communities	8, 10, 17
Carbon Neutrality by Product Design	Introduce recycled raw material or bio sourced materials into product to reduce customer's carbon footprint - % RM in MT	0.1%	NA*	NA*	Planet	13, 12, 9

Behind Plan : —●— On Schedule : —●—●— Ahead of Schedule : —●—●—●— New Benchmark : —●—●—●—●—

* - New Objective
FY- Financial Year

Himadri

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Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN)**	L27106WB1987PLC042756
2.	**Name of the Listed Entity**	Himadri Speciality Chemical Ltd
3.	**Year of incorporation**	1987
4.	**Registered office address**	23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700 001
5.	**Corporate address**	8, India Exchange Place, 2nd Floor, Kolkata 700001
6.	**E-mail**	info@himadri.co
7.	**Telephone**	(033) 2230 4363/ 9953
8.	**Website**	www.himadri.com
9.	**Financial year for which reporting is being done**	2023-2024
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Ltd. (NSE) BSE Limited (BSE)
11.	**Paid-up Capital**	₹ 4,925.95 lakhs
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Avijit Sasmal Chief Sustainability Officer avijit.sasmal@himadri.com (033) 2210 4264 (033) 2230 9953
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)**	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 of carbon materials and chemicals	Himadri's revenue is primarily derived from the sale of carbon materials and chemicals.	99

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

Sl. No.	Product/ Service	NIC Code	% of total Turnover contributed
1.	Carbon Materials and Chemicals – Manufacturing	23999	99

III. Operations

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

Location	Number of plants	Number of offices	Total
National	7	4	11
International	1	1	2

19. Markets served by the entity:

a. Number of locations

- National (No. of States) → 25
- International (No. of Countries) → 54

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

- Revenue from operations: ₹ 4,18,489.03 Lakhs
- Contribution of exports: 18.82%

c. A brief on types of customers

Since its inception in 1987, Himadri has grown to become a market leader and prominent player in Speciality Carbon products such as Coal Tar Pitch, Carbon Black, Naphthalene and Refined Naphthalene, SNF and Speciality Oils. Globally, we have been recognized as one of the few companies to offer integrated Speciality Carbon products and have continuously endeavored to grow our global footprint and mark our presence in a diverse range of industries such as steel, aluminum, graphite, energy storage, tyre, automotive components, plastic, paints, fiber, printing inks, infrastructure development, and many more.

IV. Employees

20. Details as at the end of Financial Year:

At Himadri, we firmly believe in upholding Diversity and Inclusion as fundamental aspects of our organizational ethos. We ensure that every individual in our organization feels respected and appreciated. Our hiring strategies focus on finding the best people for the job who bring diversity of thought, experience, cultures, gender, age, and expertise to enrich the organizational culture and add impetus to innovation and sustainable growth. The organization has a zero tolerance policy for any kind of discrimination across our operations, be it in our hiring,

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training, promotion, assessment or remuneration on the basis of nationality, race, colour, religion, creed, sexual orientation, gender identity, age and disabilities.

Gender diversity enhances competitive advantage for us, with a focus on achieving gender parity and inclusivity, promoting women's representation in leadership roles, and prioritizing inclusivity at all organizational levels. On a quarterly basis, the Board evaluates female composition, implementing programmes and campaigns to address career development needs across the company's hierarchy. In our efforts to honour female employees, we organize annual women's day workshops, celebrating their accomplishments and resilience. These gatherings foster camaraderie, shared experiences, and unity among our female workforce, fostering a strong sense of support. Himadri's leave policy acknowledges women's menstruation challenges, offering paid leave of two days each month. This policy demonstrates the Company's commitment to support women's overall well-being.

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	791	755	95.4	36	4.6
2	Other than Permanent (E)	94	94	100.0	0	0.0
3	**Total employees (D + E)**	**885**	**849**	**95.9**	**36**	**4.1**
	WORKERS					
4	Permanent (F)	129	128	99.2	1	0.8
5	Other than Permanent (G)	1,016	1,006	99.0	10	1.0
6	**Total workers (F + G)**	**1,145**	**1,134**	**99.0**	**11**	**1.0**

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1	Permanent (D)	1	1	100.0	0	NA
2	Other than Permanent (E)	0	0	NA	0	NA
3	**Total differently abled employees (D+ E)**	**1**	**1**	**100.0**	**0**	**NA**
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	0	0	NA	0	NA
5	Other than permanent (G)	0	0	NA	0	NA
6	**Total differently abled workers (F+G)**	**0**	**0**	**NA**	**0**	**NA**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	8	1	12.50
Key Management Personnel	9	1	11.11

*Includes CMD & CEO and Executive Directors

22. Turnover rate for permanent employees and workers

Particulars	FY 23-24			FY 22-23			FY 21-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	7.90	0.36	8.26	7.86	0.71	8.57	10.34	0.65	10.99
Permanent Workers	1.30	0.04	1.34	27.18	3.08	30.26	24.57	0.00	24.57

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We believe the Talent loss at any level is a business loss, hence as an organization we have taken many initiatives to bring down the attrition rate for permanent worker category. The focus on workplace safety and social security was revamped, redesigned and implemented in order to excel. Some of the key initiatives are Inclusion of employee accidental insurance , employee term insurance, mandatory Health Checkups and follow ups, focused training interventions for personal development. Canteen facility and mandatory PPEs are issued on a regular basis.

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

23. (a) 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	AAT Global Limited	Wholly Owned Subsidiary	100	No
2	Shandong Dawn Himadri Chemical Industry Limited	Subsidiary of AAT Global Ltd	94	No
3	Combe Projects Private Ltd	Wholly Owned Subsidiary	100	No
4	Himadri Clean Energy Limited	Wholly Owned Subsidiary	100	No
5	Himadri Future Material Technology Limited	Wholly Owned Subsidiary of Himadri Clean Energy Limited	100	No

VI. CSR Details

At Himadri, our primary objective is to assist those who are underserved and help them become self-sufficient. In keeping with this, we implement various well-thought-out and targeted initiatives focused on women's empowerment, healthcare and education.

The CSR Committee at the Board level is responsible for CSR activities, supported by the corporate CSR team. The CSR team at the plant level deal with grievances received from stakeholders. We engage with the community on a regular basis directly or through implementing agencies. All grievances, are dealt with on a timely basis and are resolved by the CSR Team under guidance of CSR Committee.

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

(ii) Turnover (₹ in Lakhs)- ₹ 4,18,489.03

(iii) Net worth (₹ in Lakhs)- ₹ 2,98,120.99

VII. Transparency and Disclosures Compliances

Transparency in Himadri refers to the practice of openly sharing information, decisions, processes, and policies with stakeholders, including employees, customers, shareholders, and the Communities. It involves being honest, accountable, and forthcoming about the organization's activities and operations.

At Himadri, addressing grievances as an organization involves a structured and proactive approach to resolve issues and maintain positive relationships.

We follow the below mentioned strategies to address grievances

1. Establish Channels for Feedback: Creation of multiple channels for expressing grievances, such as suggestion boxes, hotlines, online forums, or regular town hall meetings. Ensuring that these channels are accessible by all stakeholder.

2. Dedicated Grievance Handling Team: Designating a team within the organization responsible for managing and addressing grievances. Provided them with adequate training in conflict resolution, communication skills, and cultural sensitivity.

3. Listen and Empathize: Actively listen to the concerns and grievances raised by stakeholders. Empathize with their perspectives and demonstrate genuine concern for their well-being. Avoid becoming defensive or dismissive of their grievances.

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4. Document and Analyze Grievances: Systematically document all grievances received, including details such as the nature of the issue, the individuals involved, and any supporting evidence. Analyze the grievances to identify common themes, root causes, and trends.

5. Prioritize Grievances: Prioritize grievances based on their severity, impact on stakeholder and organizational resources available for resolution. Focus on addressing high-priority grievances promptly to prevent escalation and maintain trust with the stakeholder.

6. Transparent Communication: Communicate openly and transparently with the stakeholder about the organization's efforts to address grievances. Provide regular updates on the status of ongoing investigations, resolutions, and any changes implemented as a result of stakeholder feedback.

7. Engage Stakeholders: Engage relevant stakeholders in the grievance resolution process. Collaborate with these stakeholders to gather additional insights, leverage resources, and implement effective solutions.

8. Implement Solutions: Develop and implement solutions to address identified grievances in a timely and effective manner.

9. Follow-Up and Monitoring: Following up with the concerned person after implementing solutions to ensure that the grievances have been adequately addressed. Monitor the effectiveness of implemented solutions and be prepared to make adjustments based on feedback and changing circumstances.

10. Continuous Improvement: Continuously evaluate and improve the organization's grievance handling processes based on lessons learnt and feedback received . Strive to build trust and foster positive relationships through ongoing engagement and responsiveness to concerns.

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) *(If Yes, then provide web link for grievance redress policy)*	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending for resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending for resolution at the close of the year	Remarks
Communities	Yes	Nil	Nil	None	Nil	Nil	None
Investors (Other than shareholders)	Yes	Nil	Nil	None	Nil	Nil	None
Shareholders	Yes	Nil	Nil	None	Nil	Nil	None
Employees and workers	Yes	Nil	Nil	None	Nil	Nil	None
Customers	Yes	Nil	Nil	None	Nil	Nil	None
Value Chain Partners	Yes	Nil	Nil	None	Nil	Nil	None

A grievance redressal Mechanism is in place. The web link for the same is: https://www.himadri.com/home/uploads/ govnce_report/code_policy/vigil-mechanism-whislteblower-policy-10.02.2023.pdf

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

Our Sustainability initiative focuses on addressing our most significant sustainability challenges and opportunities. We use an ongoing double materiality methodology, based on the European Sustainability Reporting Standard (ESRS) to determine these issues. This methodology prioritizes issues based on their impact on the environment, society and Himadri's business, creating financial risks and opportunities.

Our materiality assessment is integrated into our risk management processes, which consider both immediate risks and long-term macro trends. These trends include the electrification of light vehicles, increasing demand for

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renewable energies, technological advancements in our sector, and policy changes affecting CO2 emissions costs. These trends could have a significant impact on our markets.

Our assessment aligns with global reporting frameworks. To shape our approach and develop our Sustainability initiative, we actively engage with stakeholders through various channels, including regular surveys of our operational teams. These surveys provide valuable data on our management practices, systems, and performance related to environment, safety, human resources, and societal impacts.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health & Safety	Opportunity	Ensuring the safety and well-being of our employees is of paramount importance. We dedicate significant efforts to uphold high standards of Health, Safety, and Environment (HSE) in the workplace, recognizing that any lapses in these areas could have serious consequences.	At Himadri, we maintain strict adherence to health and safety protocols across all our plants and office locations. Our commitment to safety is demonstrated by our ISO 45001:2018 certification. We regularly conduct health and safety training for employees and workers, supplemented by periodic audits and surprise checks to ensure full compliance with all protocols.	While an accident may cause damage to reputation and incite potential legal actions by local authority, practicing / delivering best in class HSE performance has created positive differences to all direct and indirect stakeholders of the company. It has enhanced the brand value significantly as well.
2.	Human Rights	Opportunity	A socially responsible Organization recognizes the importance of nurturing strong relationships with all stakeholders, including regulators, investors, suppliers, and customers. By placing a high priority on respecting human rights, we show our dedication to build lasting partnerships with stakeholders and safeguard their rights.	Himadri is dedicated to sustainable development principles, which encompass protecting human rights, respecting individual's dignity and well-being, and ensuring equal rights for all. As a part of this commitment, the Human Rights Policy applies to all employees and investors, while the Supplier Code of Conduct and Sustainable Procurement Policy clearly outlines the expectations from our suppliers.	At Himadri, we place a strong emphasis on the value of our people as crucial assets to our business. As a result, we prioritize our commitments to all human rights elements. We believe that this focus enables us to establish our brand as a leader in its class.

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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)
3.	GHG Emissions/ Energy Management	Risk/Opportunity	By recognizing the adverse impact of GHG emissions on the global climate, we acknowledge this as a shared risk as well as an opportunity. As a corporate entity, we are fully committed to making a positive contribution in this regard.	Himadri diligently monitors its Scope 1 and 2 emissions, striving to enhance energy efficiency. The company is actively evaluating its emissions and has established short-term and long-term plans with defined objectives to improve energy intensity and reduce its carbon footprint. Additionally, we have initiated evaluating our Scope 3 or value chain emissions which impacts our business activities. Subsequently, we will engage with relevant stakeholders to mitigate Scope 3 emission.	There is an immense positive impact of reducing GHG emissions, improving energy efficiency and air quality, eventually contributing to climate control initiatives.
4.	Water Management	Opportunity	Several processes in our operations require water. Recognizing the significance of this finite resource, we are committed to reducing freshwater usage and optimizing our operations.	Himadri has strategically implemented Zero Liquid Discharge (ZLD) to effectively manage water consumption, treatment, and recycling for internal use. This initiative aims to continuously improve our water consumption intensity. Going beyond commitments, we are currently expanding our ZLD plant's capacity to increase water recyclability and reusability.	There are many positive financial / non-financial implications from reduction in freshwater consumption considering quality water as a scarce resource.

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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.	Labour Practices	Opportunity	Our people are vital contributors to value creation and are our most valuable assets. We strive to attract qualified employees with relevant experience, provide them with best-in-class training, and develop their skills to propel Himadri to greater heights.	To foster a positive working culture at Himadri, we have implemented progressive people practices aimed at retaining and attracting top talent. Our leadership regularly assesses our practices in this regard and adopts appropriate measures to enhance our workforce capabilities.	Enhancing the experience of our employees directly contributes to the Company's productivity and enables us to attain our objectives and business performance over time.
6	Transparency	Opportunity	Himadri upholds a commitment to transparency and openness across all aspects of its operations. Comprehensive communication tostakeholders are being done to achive transparency to the best possible extent.	Policies are in place to ensure that Himadri operates as a transparent organization. Appropriate procedures and actions are in place in case any deviation is observed.	There are many positive financial / non-financial implications of being a transparent company, which improves the brand image.

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.himadri.com/Governance.php								
2	Whether the entity has translated the policy into procedures?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	P1	QMS (ISO 9001:2015), IATF (16949:2016)							
		P2	ISO 17025:2017, QMS (ISO 9001:2015), IATF (16949:2016) ISO-20400							
		P3	ISO 45001:2018, QMS (ISO 9001:2015), IATF (16949:2016)							
		P4	QMS (ISO 9001:2015), IATF (16949:2016)NABL							
		P5	ISO 45001:2018. SA8000 (Stage-2)							
		P6	EMS ISO 14001:2015, Energy Management ISO 50001:2018							
		P7	SO-26000							
		P8	ISO-37001							
		P9	Data Security (ISO 27001)							
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	All have been met								

Our ISO certification is a proof that we comply with a global management standard. It shows our key stakeholders that we have a well-run business that has a structure, is stable and ready for growth – this helps an applying for finance from banks, impressing potential investors, or eventually selling. To achieve ISO Certification, we have to prove that our business meets the requirements of the standard.

ISO certification is an internationally recognized standard that proves our company meets rigorous quality management requirements. Here are just a few of the benefits of pursuing this distinction:

Improved Business Process Efficiency

ISO accreditation is an excellent way for companies to improve their business objectives, processes, and procedures. When our processes and procedures are certified to meet ISO standards, it becomes easier for our employees to work together effectively and efficiently.

Sustainability

ISO standards help businesses to show that they care about their environmental impact by proving their commitment to deal with environmental challenges by assisting them to look at how much resources are being used, energy spent, or any other type of impact on our planet's natural systems. Through these environmental goals like efficient product lifecycles and sustainable use of natural resources, businesses can improve reputation & benefits.

Reduced Expenses

ISO certification is a great way to reduce expenses, which helps us to earn higher profits. When we improve our financial performance, we save on expenditures, reducing waste within our business. Reduced expenses also correlate to distribution & delivery, strict packing. Strict packing and shipping standards for businesses & ensure undamaged delivery and greater customer satisfaction.

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Improved Communication and Corporate Culture

Our employees will better understand their job requirements and quality objectives with an effective management system. The ISO 9000 family is a set of international quality management standards that have been proven to improve business efficiency and provide organizations with the tools they need for success. These tools also guide to accomplish strategic goals while delivering continual Improvement feedback on performance if maintained.

Innovation

ISO standards help to commercialize emerging technologies and benefit any organization by establishing what makes one product different from another. The benefits include demonstrating our company's credibility with customers, employees, or other stakeholders through the products/services we provide for them.

Risk reduction

ISO standards provide a way to prepare our organization for any risks and turn them into opportunities. When problems arise, we will be better equipped because these standards ensure success in managing or mitigating those situations, so that they don't become disasters.

Increased Confidence from Customers

Another benefit of being ISO certified is proving to our customers that we are a reliable and reputed company. Customers look for companies they can trust and being ISO certified is a validated way to demonstrate our commitment to product and process quality. For example, the ISO 9001 standard is based on practical quality management principles and customer requirements that show that we constantly working to improve customer experiences with the products and services they receive from our business.

During the current reporting year, we have achieved an array of ISO certifications. The details are described below -

ISO 9001 : 2015 certification (Quality)

This is the basis for most management systems. Consequently, its main benefits have been identified with the general benefits referred to earlier. It'll also help us to continually assess and improve what we do and result in fewer returned products and complaints about our services.

ISO 14001 : 2015 certification (Environment)

This Is a systematic way to discover and control the effects of our company on the environment. It'll help us to detect ways to minimize waste and dispose it more effectively as well as learning how to use energy more efficiently. ISO 14001 verifies that our current policies and practices comply with current legislation and makes insurance cover more accessible.

ISO 20400 (Sustainable procurement) certification

ISO 20400:2017 provides guidance to organizations, independent of their activity or size, on integrating sustainability indicators within procurement policies. It is intended for stakeholders involved in, or impacted by, procurement decisions and processes.

ISO 26000 : 2010 standard (Social responsibility)

ISO 26000 emphasizes stakeholder engagement and compliance with international norms, fostering a holistic approach to sustainable development. It encourages organizations to integrate responsible behaviour throughout their operations and relationships, promoting long-term societal and environmental well-being.

ISO 27001 : 2013 certification (Information Security)

Demonstrates that we've addressed, implemented and controlled the security of all the important information that we need to run our business. It'll help us to safeguard our valuable data and intellectual property and avoid the financial penalties and losses associated with data breaches. This provides comfort to our customers, employees, trading partners and stakeholders – in the knowledge that our management information and systems are secure.

ISO-37001 : 2016 (Anti-bribery)

Protection of the organization's assets, shareholders and management from the adverse effects of bribery and corruption is another benefit associated with the ISO anti-bribery management system. Often, the negative effects of corruption are economic in nature.

ISO 45001 : 2018 certification (Health & Safety)

Provides guideline to meet the requirements of Health & Safety legislation. The setting of targets through a Health and Safety policy, together with the ongoing measurement against it, also ensures a process of continual improvement. Downtime due to incidents and ill health will be reduced.

ISO 50001 : 2018 certification (Energy management)

ISO 50001 identifies the risk and opportunity associated with energy consumption. The certification process also shares areas of significant energy use and opportunities for improvement, by providing a better understanding of the energy profile of our organization.

SA8000 (Social accountability) (Stage 2 Completed)

It measures the performance of companies in eight areas which are important for social accountability in the workplace: child labour, forced labour, health and safety, free association and collective bargaining, discrimination, disciplinary practices, working hours and compensation.

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership, and oversight									
7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are pleased to present Himadri's 2nd Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2023-24, demonstrating our commitment to sustainability, ethical business practices, and societal well-being. This report showcases our efforts and achievements in environmental preservation, employee welfare, customer satisfaction, and community development. As stated in our previous report, we remain aligned with the UN Global Compact (UNGC) and UN Sustainable Development Goals (UNSDGs) to promote environmental stewardship, social impact, and governance excellence. At Himadri, we believe that the well-being of our planet and society is essential for our success. Sustainability is not just a duty but a core part of our business operations. We understand that our current actions shape the future of our company, customers, communities and the environment. This report provides a comprehensive overview of how we integrate these values into our business strategy, corporate culture, and daily operations. We regularly evaluate our sustainability initiatives and adapt our priorities to ensure long-term sustainable growth and value creation for all stakeholders, including investors, business partners, and employees. In conclusion, we would like to thank our stakeholders for their continued trust and support. We are confident that, together, we can create a better future.								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	At the highest level, the Board of Directors, led by the Chairman cum Managing Director & CEO, is primarily responsible for protecting and enhancing shareholder's value through strategic decision-making. The Board ensures that the Company's goals are clear and aligned with shareholder value, growth, and sustainability objectives. The ESG Committee at the Board, chaired by the Chairman cum Managing Director & CEO, annually reviews and oversees the implementation of the Company's Sustainability Policies. Additionally, the CSR Committee and the Board review the progress of the Company's CSR programs. The ESG Committee of the Company is responsible for ensuring compliance with the Company's Sustainability Policies. The Board has established the ESG Council to oversee daily ESG matters arising from the Company's activities and operations, and to monitor and evaluate compliance with these policies.								
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, as previously stated, the ESG Committee is a Board Committee responsible for making critical decisions regarding ESG issues, identifying risks, and implementing mitigation strategies. The ESG Committee reviews the Company's Business Responsibility and Sustainability Report and recommends it to the Board for adoption. The committee also approves the Company's Sustainability & Integrated Report.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non- compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually								

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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.

P1	P2	P3	P4	P5	P6	P7	P8	P9
NO								

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

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

At Himadri, we are committed to upholding the principles of the National Guidelines on Responsible Business Conduct (NGRBC). These guidelines provide a framework for ethical and sustainable business practices, aligning with our core values and commitment to corporate social responsibility. Our policies are reflected on the following domains of ethical and responsible business conducts.

1. **Business Integrity and Ethical Conduct:**
   - We have a Code of Conduct that outlines the expected behaviour of our employees, suppliers, and partners, emphasizing integrity, honesty, and transparency in all business dealings.
   - Our Anti-Bribery and Anti-Corruption Policy prohibits bribery and corrupt practices, ensuring that all business transactions are conducted ethically and legally.
2. **Respect for Human Rights:**
   - Our Human Rights Policy upholds the fundamental rights and dignity of all individuals, including employees, suppliers, and communities affected by our operations.
   - We conduct regular human rights impact assessments on our suppliers to identify and address any potential risks or violations.
   - Our Recruitment policy comprehensively underscores our commitment towards abolishing child labour, bonded labour and modern day slavery.
3. **Environmental Stewardship:**
   - Our Environmental Policy outlines our commitment towards minimizing our environmental impact, including reducing waste, conserving resources, and mitigating climate change by improving energy and emission efficiency.
   - We adhere to strict environmental standards and regulations, continuously seeking ways to improve our environmental performance.
4. **Customer Protection:**
   - Our Consumer Protection Policy ensures that we provide safe, reliable, and high-quality products to our customers, adhering to all relevant consumer protection laws and regulations.
   - We actively engage with our customers to address any concerns and improve customer satisfaction.
   - Our best-in-class data security policy safeguards sensitive information concerning customers.
5. **Corporate Social Responsibility (CSR):**
   - Our CSR Policy guides our initiatives to support the communities in which we operate, focusing on education, healthcare, and environmental conservation.
   - We regularly evaluate and report on our CSR activities to ensure accountability and transparency.
6. **Promotion of Inclusive Growth:**
   - Our Diversity and Inclusion Policy promotes a diverse and inclusive workplace, fostering a culture of respect, equality, and opportunity for all employees.
   - We actively support local communities and businesses, contributing to economic development and poverty alleviation.

We consistently review and enhance our policies and standards to align with the evolving regulatory landscape and the expectations of our stakeholders. By adhering to these policies and principles, Himadri aims to be a responsible corporate citizen, contributing to the well-being of society and the environment while ensuring the long-term success and sustainability of our business.

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Principle no	Principle details	Policy as per principle
Principle 1:	Businesses should conduct and govern themselves with ethics, transparency and accountability	1. Anti-Bribery Policy 2. Anti-corruption due diligence program 3. Specific approval procedure for sensitive transactions 4. Information security due diligence program 5. Implementation of record retention Schedule policy 6. Incident response procedure 7. Measure of gaining stakeholder consent 8. Information Security risk assessment 9. Policy on prevention and detection of bribery, fraud and other corruptions 10. Stakeholder engagement policy 11. Prevention of documents & archival policy 12. Vigil mechanism/whistle blower policy- ver.2.0 13. Audit of control procedure to prevent information security breaches 14. Code of Conduct
Principle 2:	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	1. Sustainable procurement Policy 2. Promotion of sustainable consumption
Principle 3:	Businesses should promote the wellbeing of all employees	1. Canteen Policy 2. Employee Health & Safety 3. Drug & Alcohol Policy 4. Long service Award Policy 5. Onboarding Policy 6. Loan & advance Policy 7. Fair competition Policy 8. Recruitment Policy 9. POSH 10. Career Progression Policy 11. Diversity, Equity and Inclusion Policy
Principle 4:	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	1. CSR policy 2. Sustainable Procurement Policy
Principle 5:	Businesses should respect and promote human rights	1. Child & Forced Labour Policy 2. Human Rights Policy 3. Sustainable Procurement Policy 4. Code of Conduct for Value Chain Partners

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Principle no	Principle details	Policy as per principle
Principle 6:	Businesses should respect, protect, and make efforts to restore the environment	1. Environment Policy 2. Bio Diversity 3. Water management 4. Waste management 5. Energy management 6. Energy & GHG emission 7. Local and accidental pollution 8. Product End of Life 9. Customer health & safety 10. Promotion of sustainable consumption
Principle 7:	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	1. Code of Conduct of all directors & senior management 2. Fair Competition Policy
Principle 8:	Businesses should support inclusive growth and equitable development	1. Recruitment Policy 2. Fair Competition 3. Sustainable Procurement Policy 4. Diversity, Equity and Inclusion Policy
Principle 9:	Businesses should engage with and provide value to their customers and consumers in a responsible manner	1. Customer health & safety 2. Product End-of-Life 3. Information Security risk assessment 4. Information security due diligence 5. Audit of control procedure to prevent information security breaches

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Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

SDGs Impacted

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Training Coverage of Employees

100%

Penalty

Nil

Number of Complaints

Nil

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Orientation session	62.5
Key Managerial Personnel	12	All BRSR Principles	100.00
Employees other than BoD and KMPs	21	All BRSR Principles	100.00
Workers	72	Training of Workplace Health and Safety	100.00

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

	NGBRC Principle	Monetary			
		Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an Appeal been preferred (Yes/No)
Penalty/ Fine	Nil				
Settlement	Nil				
Compounding fees	Nil				

	NGBRC Principle	Non-Monetary		
		Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an Appeal been preferred (Yes/No)
Imprisonment	Nil			
Punishment	Nil			

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

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

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

Yes, Himadri has an Anti-Bribery and Anti-Corruption Policy which is available on its website. The Company is dedicated to preventing and detecting bribery and other corrupt practices, and it assigns the responsibility to its directors and employees to uphold the highest standards of business practices and comply with all anti-corruption laws in the regions where we operate. Himadri maintains a zero-tolerance policy towards unethical behaviour.

To uphold the company's values and ensure the highest level of integrity, regular awareness sessions are conducted for all employees, both new and existing. A robust governance structure is in place to oversee and monitor the implementation of the policy.

https://www.himadri.com/pdf/anti-bribery-policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

Himadri

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

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors.	0	No complaints received	0	No complaints received
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	0	No complaints received	0	No complaints received

7. **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.**

   There are no reported issues pertaining to corruption and conflicts of interest. Ethical business practices are the founding principles of Himadri. We regularly conduct compulsory learning and training sessions for our board members on such topics.

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	51	67

9. **Open-ness of businessProvide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	10.66%	7.96%
	b. Number of trading houses where purchases are made from	491	484
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	93.35%	92.60%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	9.19%	8.66%
	b. Number of dealers / distributors to whom sales are made	19	20
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	82.53%	80.12%

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Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Share of RPTs	a. Purchases (Purchases with related parties / Total Purchases)	33.54%	29.21%
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	1.73%	16.76%
	d. Investments (Investments in related parties / Total Investments made)	67.56%	99.99%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

At Himadri, we absolutely appreciate the value created by our value chain partners. However, as we embark on this sustainability journey, it becomes imperative for us to align the value chain partners with our goals and ambitions. To foster a knowledge based eco-system, Himadri facilitates capacity building workshops for its key value chain partners to educate and create shared awareness on essential areas like health and safety, human rights, labour practices and other sustainability elements.

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
265	Human Rights, Environment, HSE, DE&I	84

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company have processes in place to avoid/manage conflict of interests involving members of the Board. Himadri has a detailed 'Code of Conduct for its Directors and Senior Management', which contains comprehensive guidelines and mechanism for avoiding the conflict of interest and for reporting any such situations that may trigger a potential conflict. Further, the Company also receives an annual declaration from its members of the Board and KMP regarding the entities they are interested in, and before engaging in business with such entities or people, it makes sure that all necessary approvals are in place as required by law and the Company's policies. The Code of Conduct is available on the Company's website.

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Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe.

SDGs Impacted

2 ZERO HUNGER; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND

R&D Expenditure towards improving environmental and social impacts

100%

Sustainable Sourcing

More than 95%

Life Cycle Assessment (LCA)

All the family of products.

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.**

	Current Financial Year (2023-24)	Previous Financial Year (2022-23)	Details of improvements in environmental and social impacts
R&D*	100.00%	100.00%	1. Installation of various electrical improvement projects to improve the energy efficiency. 2. Installation of Motorised electrical hoist to avoid manual handling. 3. Water recovery Plant enhancement to increase the efficiency of process water usage.
Capex	17.74%	0.63%	4. New Medicine room for contract employees. 5. New Canteen for the contract employees. 6. New refractory usage to avoid multiple breakdown and decrease the wastage of RM.

*Himadri's R&D work is aligned with one or more NRRBC principles

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2. a. **Does the entity have procedures in place for sustainable sourcing? - Yes**

Sustainability is the one of key fundamentals upon which Himadri has operated since its inception. Our raw materials are derived from the by-products of other industries such as steel and petro-chemical. However, due to novel development and increasing market demand of our products we seldom source few virgin materials for our production processes. But the percentage contribution of these materials is nearly trivial when compared to non-virgin materials. Our robust supply chain model ensures that all the sourced materials should have minimal detrimental effect on natural and societal resources. In lieu with our commitment, we have already designed and deployed "Model Code of Conduct for Value Chain Partners" and "Sustainable Procurement Policy". Both the policies are non-negotiable during implementation. From Himadri's perspective, sustainable procurement is not just a practice; it's a commitment to responsible sourcing that considers the environmental, social, and economic impacts of our supply chain. Our approach to sustainable procurement is rooted in our core values, where we strive to minimize negative impacts on the environment, support local communities, and promote ethical business practices. Through sustainable procurement, we aim to drive positive change and contribute to a more sustainable future for all.

Going ahead, our goal is to develop comprehensive strategies for implementing and optimizing sustainability practices within the supply chain. We will also actively engage in collaborative initiatives with our suppliers to promote the adoption of sustainable practices and products throughout the supply chain. Our commitment will extend to strengthen our suppliers' capabilities, providing training and awareness on sustainable practices, and emphasizing their pivotal role in reducing carbon emissions.

Details of our policies concerning sustainable sourcing are available on our website.

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

More than 95% of inputs were sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

As Himadri supplies its products as intermediary raw materials to businesses for manufacturing their end products, our products cannot be reclaimed from the customers. However, the company is in the process of taking a project to reclaim carbon black from used tyres and introducing the same in our value chain.

Additionally, we are committed to researching and developing sustainable packaging options that are suitable for our product to support our sustainability goals.

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.**

We have already got the EPR certificate from CPCB with EPR Regn. No.IM-16-000-01-AAACH7475H-24

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?**

We have performed the LCA of all our products.

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.
23999	Carbon Materials and Chemicals - Manufacturing	99	Cradle-to-Gate including Downstream Transport and Distribution	Y	Y https://www.himadri.com/pdf/sustainability-report.pdf

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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.

We have conducted a thorough life cycle assessment of all of our products considering cradle to gate boundary condition including downstream transport and distribution emission. These assessments were carried out according to the framework ISO 14044:2018. Third party verified assessment reports are available on request.

According to the assessment done there is no significant Environmental impact arising from our production processes.

Name of Product/Service	Description of the risk/ concern	Action Taken
Carbon Black	No detrimental risk found	Not applicable
Binder Tar Pitch	No detrimental risk found	Not applicable
Impregnated Coal Tar Pitch	No detrimental risk found	Not applicable
Sulphonated Naphthalene Formaldehyde (SNF)	No detrimental risk found	Not applicable
Polycarboxylate Ether (PCE)	No detrimental risk found	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 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
	Not Applicable	Not Applicable

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 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

We are dedicated to advancing our environmental protection initiatives. To turn our commitment into action, we are in a process of setting up a project to create and apply a re-usable packaging solution that could remove plastics and wood from our packaging . Guided by the UNSDGs, which serve as a fundamental framework for our daily operations, we aim to promote "Responsible Consumption" and a circular economy within our operations and throughout our value chain. Consequently, we are exploring various alternative materials to replace plastic packaging. Additionally, in alignment with our net-zero roadmap, we aim to eradicate the use of virgin plastic from our operations.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
None	

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Principle 3

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

SDGs Impacted

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Insurance Benefits employees and workers covered

100%

LTIFR Reduced by

(Includes employees and workers)

48%

Training Coverage

100%

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	755	755	100	755	100	NA	NA	755	100	755	100
Female	36	36	100	36	100	36	100	NA	NA	36	100
Total	**791**	**791**	**100**	**791**	**100**	**36**	**4.55**	**755**	**95.45**	**791**	**100**
Other than Permanent Employees											
Male	94	94	100	94	100	NA	NA	94	100	94	100
Female	0	0	0	0	0	0	0	NA	NA	0	0
Total	**94**	**94**	**100**	**94**	**100**	**0**	**0.00**	**94**	**100**	**94**	**100**

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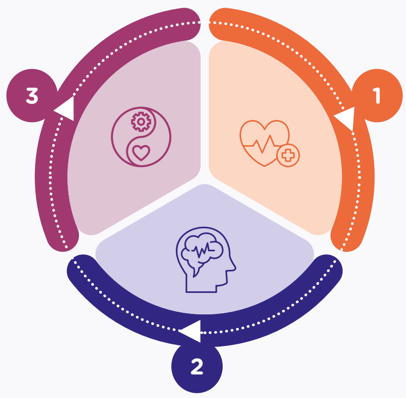
b. **Details of measures for the well-being of workers:**

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	128	128	100	128	100	NA	NA	128	100	128	100
Female	1	1	100	1	100	1	100	NA	NA	1	100
Total	**129**	**129**	**100**	**129**	**100**	**1**	**0.78**	**128**	**99.22**	**129**	**100**
Other than Permanent Workers											
Male	1006	1006	100	1006	100	NA	NA	1006	100	1006	100
Female	10	10	100	10	100	10	100	NA	NA	10	100
Total	**1016**	**1016**	**100**	**1016**	**100**	**10**	**0.98**	**1006**	**99.02**	**1016**	**100**

At Himadri, we consider the well-being of employees within an organisation is crucial for both individual satisfaction and overall productivity. Here are several key aspects that contribute to employee well-being and our actions towards each activity.

Work-Life Balance:

Encouraging work-life balance is essential for preventing burnout and maintaining overall well-being. Flexible work arrangements, such as remote work options or flexible scheduling, can empower employees to manage their personal and professional responsibilities more effectively.



Physical Health:

Himadri promotes a healthy work environment by offering ergonomic workstations, encouraging regular breaks, and providing access to wellness programs. Additionally, we provide quality food in our canteens.

Mental Health:

Mental well-being is equally important. Himadri fosters a supportive culture where employees feel comfortable discussing mental health concerns. Providing access to counselling services, promoting work-life balance, and offering stress management workshops can help employees cope with workplace stressors.

Overall, prioritizing employee well-being not only enhances individual satisfaction and retention but also contributes to the overall success and sustainability of the organization

We recognize that ensuring the well-being of our employees goes beyond the provision of safe working conditions and the prevention of occupational diseases. In line with our organizational principles, employee, workers and in few instances family members of staff are provided with routine health checks, and additional mental health and well-being support.

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

	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.30	0.22

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

Benefits	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	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/NA)
PF	99.99	100	Y	99.73	100	Y
Gratuity	99.99	100	N.A	99.47	100	N.A
ESI	11.49	100	Y	18.03	100	Y
Other -(NPS)	42.0	0	N.A	30.21	0	N.A

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our establishments are accessible to differently abled persons while we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we have a diversity policy which is aligned with the Rights of Persons with Disabilities Act, 2016. The weblink for the same is https://www.himadri.com/home/uploads/govnce_report/code_policy/1716877376_Himadri_Diversity_Policy..pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work rate	Retention Rate	Return to Work rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

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

At Himadri, we believe that implementing an effective grievance redressal mechanism is essential for addressing employee concerns and maintaining a positive work environment. Here are some key steps that Himadri has taken to establish such a mechanism.

Policy development: We have a strong policy to address all sorts of grievances we get from various stake holders.

We have multiple channels to report the grievances like, online portal, one-point contact to HR representative, anonymous Hot line, etc. We understand, offering various reporting options ensures that employees can choose the method they feel most comfortable with.

Our policy clearly speaks about the time bounding closure of the grievances and we maintain utmost confidentiality on whereabouts of the employee.

We have trained and experienced HR Professional who investigates the grievances and depending upon the weightage of grievances, we have a committee to take care of the Grievances.

We maintain detailed records of all grievances reported, including the nature of the grievance, steps taken to investigate, and the outcome of the resolution process. This helps to track trends, identify recurring issues, and demonstrate compliance with legal requirements. We also use the documents to check and take steps for continual improvement of the mechanism.

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Himadri Provides training to managers, HR professional, and employees on the grievance policy and procedures, raise awareness about the importance of reporting grievances promptly and reassure employees that their concerns will be taken seriously and addressed appropriately.

Case Details	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes: We have a Grievance Mechanism/ Policy in place that protects the rights of employees and workers. They can raise a complaint anytime to the Internal Complaint Committee SPOC in written which will then be taken ahead in a due manner mentioned in the Grievance Redressal Mechanism. All the policies and standards are available in our internal HR portal for employees and workers' perusal.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil

Himadri always upholds the freedom of association and the effective recognition of the right to collective bargaining. In this context, Himadri pays importance to the rights of individual to join, form or leave a group voluntarily without any interference from external Parties. In Himadri we have various internal committees which deal on empowerment of workers, improving Working Conditions, Fair wages and benefits, Job security and Promotion of Social Justice results in reduction of workplace conflicts. Labor representation is mandatory in these committees while some of the committees are formed by management and labor representatives. However, joining these committees are kept voluntary for the workers and there is a pledge of no coercive actions.

As a SA 8000 certified organization, Himadri has always taken care of all who access our workplaces. Therefore, labour welfare committees have representation from the contractual workers as well. Our hired security forces are not equipped with any kind of weapon and to restrict any movement of workers inside our premises.

Workers are regularly trained on identifying workplace risks with respect to social wellbeing. These awareness sessions are conducted by our team with an oversight from the Board.

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill up gradation		Total (D)	On health and safety measures		On skill up gradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	849	849	100.00	820	96.58	721	542	75.17	652	90.43
Female	36	36	100.00	34	94.44	31	10	32.26	29	93.55
Total	**885**	**885**	**100.00**	**854**	**96.50**	**752**	**552**	**73.40**	**681**	**90.56**
Workers										
Male	1134	1134	100.00	654	57.67	1,344	1,344	100.0	213	15.85
Female	11	11	100.00	8	72.73	12	8	66.67	6	50.00
Total	**1145**	**1145**	**100.00**	**662**	**57.81**	**1,356**	**1,352**	**99.71**	**219**	**16.15**

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Himadri places great importance on continual development of human resources at all levels and takes responsibility for the professional development and career growth of all its employees.

Key focus areas of the organization's training interventions are:

- Organizational compliance
- Functional knowhow/ technical Skills
- Managerial & Leadership Skills
- HSE Awareness
  HSE Standards
  HSE Technical & Skill Training

Considering the varying needs of different sets of workforces, a multi-dimensional approach has been taken which is manifested through various frameworks & processes deployed in Himadri's Learning and Development scheme. Some of them are mentioned below

- **Interns**
- **New Recruit**
- **Permanent employee & Worker**
- **Contractual worker**

We desire to excel in everything we do and we believe that this urge is what sets us apart.

Our priority is to create safe, healthy and encouraging work environment.

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

Category	FY 23-24 (Current Financial Year)			FY 22 - 23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	849	849	100	721	721	100
Female	36	36	100	31	31	100
Total	**885**	**885**	**100**	**752**	**752**	**100**
Workers						
Male	1134	1134	100	1,344	1,344	100
Female	11	11	100	12	12	100
Total	**1145**	**1145**	**100**	**1,356**	**1,356**	**100**

Career Development: At Himadri, we believe in providing opportunities to our internal talent pool to broaden their horizon which refers to the advancement or development of an individual's career over time. We design and offer various leadership training programs, coaching & mentorship sessions, and other individualistic career development programs to boost employee morale.

For this, we have developed a program called Pragati.

Recognition and Appreciation: At Himadri, we believe Recognizing employees' contributions and achievements at the right time is vital for fostering a positive work environment, motivate employees, improve job satisfaction, enhance performance and commitment & loyalty towards the organization. Regular feedback, performance evaluations, and employee recognition programs can help employees feel valued and motivated which results in higher productivity.

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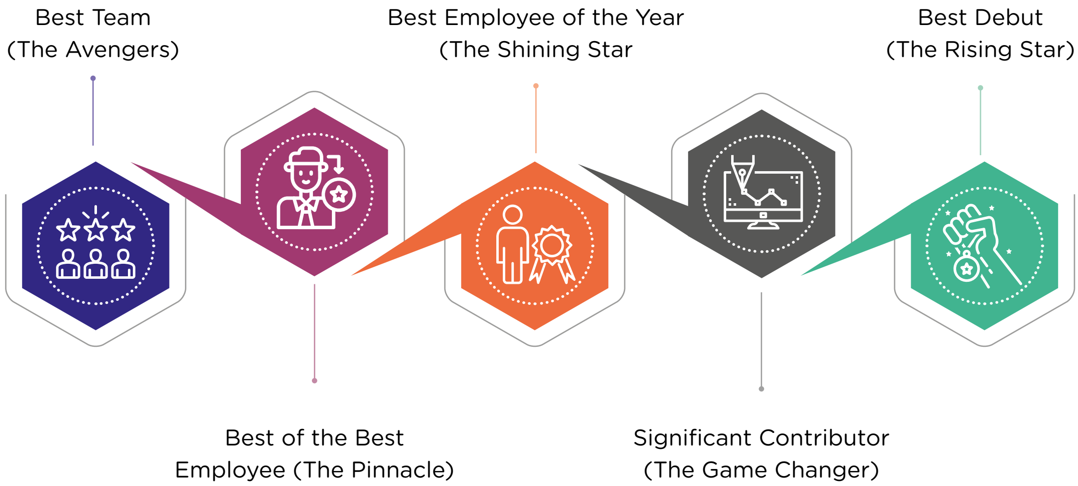

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, coverage such system?**

To ensuring the health and safety of our employees, customers and stakeholders, our entity has implemented a robust Occupational Health and Safety Management System (OHSMS). This system is designed to identify, assess and mitigate risks associated with our operations, thereby creating a safe and healthy work environment for everyone involved.

The implementation of our OHSMS began with a thorough assessment of our workplace hazards and risks. This involved identifying potential sources of harm, such as machinery, hazardous materials, ergonomic challenges and environmental factors. Through a systematic and comprehensive approach, we evaluated the likelihood and severity of all the associated risks (routine and non-routine activities), prioritizing them based on their potential impact (as per the high Risk Priority Number).

Following the risk assessment, we developed and implemented comprehensive Policies and Standards aimed at controlling and minimizing these risks. These policies and Standards cover a wide range of areas, including but not limited to:

- Personal Protective Equipment
- Accident and Incident Reporting
- Lock, Tag and Try
- Machine Safety
- Contractor Safety
- Management of Change
- Toolbox Talk (TBT)
- Audit & Inspection
- Workplace Risk Assessment
- Permit to Work
- Hazardous Chemical Handling
- Workplace Stress Management
- Two Way Communications
- Vehicle Management
- Training Standard
- Safety Committee Operation

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We follow below methodology for the implementation of standards

Implementation Tracker & Status of PPE Standard as example

S.No	Action point	Guidelines
1	Risk Assessment	1. List of activities to be developed and maintained
		2. Risk assessment shall be conducted before selection of PPE.
		3. PPE selection shall be done with help of risk assessment format
		4. Atleast one supervisor and operator should be part of the assessment.
2	Selection & Purchase	1. All PPE selected must conform to a recognized national or international standard and must meet the requirement for the job.
		2. 1 month stock of required PPE to be maintained at plant.
3	Management of PPE	1. Mandatory PPE display to be arranged in front of all shop floor.
		2. PPE matrix for each activity to be displayed at work station
		3. Any violation to be reported and action shall be initiated and recorded.
		4. Replacement of PPE shall be done as discussed in training.
4	Training on PPE Standard	1. PPE standard training to be completed for all employees & workers
		2. Assessment of all employees to be conducted.
		3. Training record of completed employees to be maintained.
		4. Refresher training to be conducted every three years.
5	TBT	1. TBT read out document to be made on all PPE's.
		2. All supervisors shall discuss on the importance of PPE in TBT.
		3. Supervisor has to verify availability and condition of ppe before deputing worker on shop floor.

Workplace Safety: Ensuring that all work areas are designed, maintained and operated in a manner that minimizes risks to health and safety of employees. This includes regular inspections, hazard controls and emergency response protocols.

Training and Awareness: Providing ongoing training and awareness programs to all employees, contractors and visitors on safety protocols, emergency procedures and the use of personal protective equipment (PPE). Defined training modules containing Basic safety training (Level-1), Safety Audit (Level -2), Risk Assessment (Level-3), Lock Tag Try and Machine safety (Level-4) and Health and Safety Leadership Program (Level-5) are made mandatory for the employees and Level 1 to 4 for the contractors to percolate awareness and enhance Safety Culture.

Emergency Preparedness Training

First Aid Training

HSE Level-1 Training for Contract employees

Committing towards Safety

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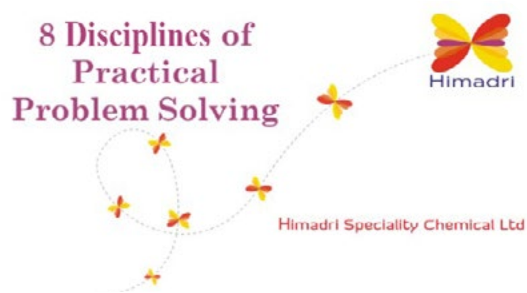
Incident Reporting and Investigation: Establishing a transparent system for reporting near misses, incidents and accidents. These reports are thoroughly investigated to determine root causes and implement corrective actions to prevent re-occurrence. Trend analysis and repeated failures are given top priority above all for suitable corrective and preventive measures with provision of learning outcome and horizontal deployment across all plants.

5-Why Analysis for First Aid Cases



Health and Wellness: Promoting employee health and wellness through initiatives such as ergonomic assessments, health screenings and access to counselling services. At Himadri, we have engaged M/S Apollo Clinic for Periodic medical checkup for all our employees.

Compliance and Continual Improvement: Ensuring compliance with relevant statutory/ regulatory agency on health and safety regulations, standards and best practices. Compliances of statutory/regulatory norms are monitored, tracked and proactive compliances

User friendly Safety Audit Tool

are secured at every cases. Regular audits and reviews are conducted to identify areas of improvement and implement corrective measures. Our OHSMS is not a static document but a dynamic system that evolves with changing circumstances, technological advancements and organizational growth. We actively seek feedback from employees and stakeholders to continuously improve our safety performance and foster a culture of safety throughout the organization.

By implementing an OHSMS, we are not only meeting legal and regulatory requirements but also demonstrating our commitment to prioritizing the well-being of our workforce and the communities in which we operate. Health and safety are integral parts of our organizational values and we strive to uphold these principles in everything we do.

Since 2019, ISO 45001-2018 Management System has been implemented covering entire process,the 07 plants of manufacturing and all layers of employees and workers. Our paramount goal is to provide a safe working environment for all our people and to deliver value to them by providing development opportunities. Occupational Health & Safety is our top priority and our commitment to health and safety is embedded throughout the organization in all facets of business.

We remain fundamentally committed to protecting the health and safety of employees, contractors, visitors, customers, and any other

* QR Code is representative Pic.

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persons affected by our activities. In this year we have launched our Zero Accident/Incident vision to become a zero-accident company ensuring sustainability and a best-in-class organization for safety performance and leadership. Our approach is to identify, eliminate, reduce or control all workplace risks in order to achieve this an ongoing system of training, assessment and improvement is in place.

Our revised Policy on Health & Safety has strong foundation for upcoming actions to make Himadri best in class in terms of Health & Safety standards.

The Board of Directors provides invaluable direction and assistance to the Management to ensure that safety and sustainability implications are accurately included in all new strategic initiatives, budgets, audit activities, and improvement plans. They also monitor quarterly and monthly reports on safety and health performance.

We believe:

. Good Health and Safety is Good Business.

. Safety is everybody's responsibility.

. Working safely is a condition of employment.

. All work-related injuries and work-related ill-health are preventable

As part of our zero incident/accident vision, we have introduced various non-negotiable standard.

These standards cover various aspects of occupational health and safety, including safe work practices, equipment requirements, chemical handling procedures, emergency preparedness, and ergonomic considerations. These standards played a critical role in safeguarding employee health and safety, reducing risks and hazards, and promoting a culture of safety and responsibility in all facets of business.

This year we introduced a training program for our Leadership team. H&S Leadership Development Program includes a strong focus on the standardization of all our repetitive activities. It also integrates good management practices in the workplace, with a strong emphasis on developing an organization that enables everyone to deliver high standards in safety performance.

There is a continual decrease in LTIFR (Lost time injury frequency rate per million man-hours) since the launch of our programs on Zero Accident & Incident vision. Our current LTIFR is very close to one and has reduced by 48% from Last year.

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

There are several processes which are used to identify work-related hazards such as:

1. For all routine activities, we have the below process in place to address the work-related hazards in daily activities.

a) Risk assessment standard

b) Machine Risk Assessment Standard

Salient features of this methodology are

- Process takes place in 5 steps
- Involves line managers, worker and subject matter experts.
- Outcome of assessment are rated in three different categories. (Red, yellow and green)
- Open points in Red & yellow category are reviewed on a weekly basis by KMP's and on a Monthly basis by ESG council.
- For mitigation of work-related hazards, we follow hierarchy of controls.

For all routine activities we have implemented Safe Working Instruction with an OK TO START procedure which were audited on weekly and monthly basis to identify any SIO (Safety Improvement Opportunity) and closure there off. These safety audits are carried out by all layer of employees in the organization.

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2. For non-standard processes, deployment of permit to work (PTW) system is ensured considering the nature of job and risk involved. Risk assessment of job under comprehensive PTW system is an intrinsic process to address all the work related hazards.

Salient Features of PTW System:

- Risk checklist based approach to identify work related hazards.
- Involves only trained and authorized employee to carry out work.
- Strictly issued by Authorized employee of Himadri.
- Audit is a part of the process.
- Valid for 16 hours' duration.

We provide mandatory Risk Assessment trainings to all our employees and workers once a year to percolate a culture of risk assessment towards providing a safe work environment by eliminating the work related risks and associated hazards. We have introduced TBT at Himadri to make everyone aware of the work specific risks associated with a particular task.

Importance of HSE Risk Assessment in Process Industries

- Case Study
- Personal Safety v/s Process Safety
- Process Envelop
- Key Terms
- Scenario Analysis
- Key elements of Process Safety Management System & OHSMS (ISO 45001:2018)
- Risk Assessment and its Benefits
- Quantitative and Qualitative Risk Assessment
- A Brief on various Risk Assessment Tools
- CAPECO Disaster

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

Yes, Himadri has several processes and forums for workers to report work-related hazards formally/informally. One such tool, that our employees use at workplace is Safety Audit Tool. On a weekly basis all employees of Himadri participate in the workplace audit and escalate to the concerned department for its correction. To ease the employees' reporting process, we have launched a **QR Code** based reporting system to raise work related hazards.

Safety Audit

Apart from all the standards in place to report hazards and risks workers can follow right to stop policy . Any employee who feels at danger at work can stop the work and report immediately to the concerned supervisor. Worker also has the forum like Safety Committee meeting and Town hall meetings to riase the risk prevailing at the work place

All the reported work place related hazards are reviewed on a weekly basis by the concerned departments HOD and internally by the HSE team also. Category of the such findings are analyzed and focused actions are initiated for the critical points and ensured that those are closed.

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Workers are also encouraged to participate in resolving and mitigating hazards. Such forums include Safety Committee Meetings, Field Audits/ Observations and Training & Awareness Sessions.

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

Yes, the employees and workers have access to the Occupational Health Centre (OHC) at the manufacturing plants which are run by the Company's doctor and healthcare team. While the OHC is primarily for health-related matters, the Company has widened the scope of the OHC to include non-occupational medical/ health related matters as well. After the introduction of the non-occupational health matters, several employees have availed these services from the OHC directly.

Apart from the regular OHC activities, we also support our employees with newly appointed Dieticians and therapists. Their role is to carry out surveys and support employees to recover themselves from personal or occupational illness.

We are having regular eye testing facility inside our factory premises for employees and workers. We also have a tie up with the nearest local nursing home to address all non-occupational health care as well.

Our plant is equipped with Ambulance to address any emergency and our paramedics provide service 24X7 for 365 days.

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

Safety Incident/Number	Category	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.93	2.73
	Workers	0.60	2.02
Total recordable work-related injuries	Employees	5	6
	Workers	2	8
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workers	Nil	Nil

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

The Company's plants, facilities and equipment are designed based on careful consideration of statutory requirements, applicable Indian and International Standards for a healthy and safe workplace. One of the key focus areas is the safety of employees by investing in technologies and processes to avoid and minimize the manual interfaces with machines.

An OH&S Management System Manual has been prepared and successfully deployed. Regular training is conducted for the management representatives as mentioned under the guidelines of ISO 45001. The Company has a systematic process for identification of work-related hazards. On a regular basis, the Company provides training in Health Identification and Risk Assessment to all concerned employees. The Company has a mechanism for identification of fire hazards, preparation of action plan for control system and plans to mitigate or eliminate hazards.

We have also certified first aid providers at Plant level who are competent enough to give first aid treatment in case of any incident.

Moreover, Himadri conducts different Wellness Program to promote good health. Wellness programs includes inviting guest speakers, organizing events, sponsoring teams / outdoor activities, supporting for employees to stop smoking and offering healthy food in the canteen etc.,

Every business facility has an appointed health and safety professional, who works with management and all employees to review site health and safety, assessed training needs, and develops and implements safety standards. These local health and safety professionals are further supported

Himadri

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by corporate HSE members in terms of resource allocation, training and development and sharing best practices.

HSE Trainings:

We have designed and developed the training plan based on detailed training identification and rolled out various training programs right from contractual workmen to Top Management.

Few of them are HSE Awareness Training Program, Minimum PPE Standards, Safety Audits, Risk Assessments, Permit to work (PTW) as per new Standard and H&S Leadership Training Program.

Training activities that are routinely undertaken for our employees and contractors include:

SL No.	Training Topics
1	Health, Safety and Environment awareness
2	Basics of Fire, its prevention and protection
3	New Joinee Safety Induction
4	Safety Audit with Practical (Level-2)
5	Forklift Safety Training
6	Confined space entry
7	Permit to Work (PTW) System of Himadri
8	Job Hazard Analysis
9	Defensive Drives for Bus and Cars
10	Basic Safety Training (Level-1)
11	Safe Chemical Handling
12	Electrical Safety
13	Risk Assessment (Level-3)
14	SCBA Set Use Training
15	Accident and Incident reporting standards
16	Emergency inside the Plant and Evacuation Procedure
17	New Permit to work doubt clearance session
18	PTW & JHA
19	Manual lifting of material
20	HIRA
21	Practical Fire fighting training
22	Welding Safety
23	Gas Cutting Safety etc

We clocked around 12500+ training man hours on health and safety standards which is the highest ever in the history of Himadri.

Safety Audits & improvements opportunities:

In FY 23-24, more than 65% of our working population performed routine safety audits every month. This generated an average of more than six implemented safety improvement opportunities per person from more than 2033 employees, resulting in an overall improvement in worker safety. This audit programme involves employees – from the Top Management and HSE Staffs to line managers and employees. Going forward we will be implementing the same for contractual/temporary employees.

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

	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

As a forward looking organization, Himadri actively seeks to redress concerns raised by our employees/workers . However, since inception we have cultivated a culture of turning concerns into opportunities. It is one of the principle building-blocks of our company. We vigorously nurture open communication channels with our employees and workers and actively take part to develop plausible and sustainable solutions.

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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 (ISO 45001:2018)
Working Conditions	100 (IS :14489 & Internal audit protocol)

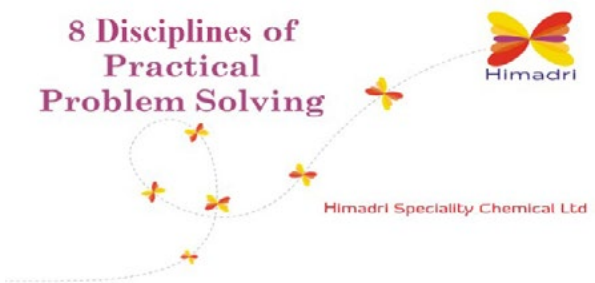
15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Himadri operates a robust and comprehensive process for the timely reporting of incidents including fires, explosions and any material spill or other chemical releases. In our internal standards, we use more stringent definitions for Lost Time Injuries (LTIs) and 'severe accidents' than the definitions used by many regulatory bodies, and we also require all our manufacturing plants to report on all Medically Treated Injuries (MTIs),, to maintain the focus on safety, with investigation extended to all Dangerous Occurrences and MTIs.

Himadri has set an intermediate target to reach an LTIFR below 1.0, under pinning Himadri's commitment to ensure the safety of the Group's employees and the objective of zero accidents.

Organization does detailed investigation for any safety related incidents which includes accidents & serious dangerous occurrences.

Our accident/Incident investigation (Example-LTI/ Dangerous occurrence) is done following 8D PPS methodology and reports are reviewed during ESG Council meeting followed by circulation of safety alert/red stripe and lesson learnt sheet to ensure all the counter measures are closed along with horizontal deployment of learnings. In 2023-2024, Himadri completed 16 8D PPS projects on H&S front and deployed all the permanent corrective actions to prevent re-occurrence.



We have special focus on Dangerous Occurrences/ near miss & First aid cases. We believe that solving all the DO's and first aid cases ensure that it will not turn into a big accident.

To make life easy, we made the QR code based Analysis tool to solve all such minor injuries and DO's.

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, the Company extends life insurance/ compensatory package to all its Employees and Workers 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.

During the contract with value chain partners [suppliers & vendors] the company ensures that there is provision of compliance with terms and conditions, including all the applicable laws of the land. Moreover, for contracts related to manpower supply, the company has implemented a robust system which cross-checks to ensure that all statutory dues are accurately deducted and deposited.

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3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total number of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24- (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	1	1	1	1
Workers	Nil	Nil	NA	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?**

Himadri continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with diverse experience. These enhance the employability of the workforce and enable a smooth transition to alternate opportunities within or outside the organization. We currently do not offer any formal transition assistance programs.

5. **Details on assessment of value chain partners on Health and safety practices and working conditions**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	84%
Working Conditions	

Himadri's Code of Conduct for Suppliers enshrines the Company's unwavering focus on fair treatment, human rights, gender diversity, child labour, wages, working hours, occupational health, safety & the environment. The Code upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights and is shared and accepted by all supply chain partners.

The Company has a robust process of evaluating its suppliers and service providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. We are equally dedicated to strengthening awareness of this Code among our suppliers and service providers and providing support to aid them in this initiative.

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

No significant risks/concerns are observed.

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Principle 4

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

SDGs Impacted

Stakeholder Consultation

Established methods of communication

Stakeholders Identification

No marginalized group identified

Essential Indicators

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

   Himadri's leadership team under the guidance of the Board of Directors has identified key external and internal stakeholders based on their material influence on the Company and the degree to which the Company's corporate decisions can have a direct material impact on them. Further details are available in our Stakeholder Engagement Policy and the weblink for the same is https://www.himadri.com/pdf/Stakeholder_Engagement_Policy_10.02.2023.pdf

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	• Email • HR Portal • Company Internet • Newsletters • Office collaboration screens etc. • All staff 'town halls' meeting at organisation level • Team forums and training programmes	As and when required	• Maintaining and enhancing employee engagement • Informing employee Benefits, Rewards and Policies, Procedures and Programs • Employee Development Plan, Career Progression, Performance Reviews and Ratings • Understanding employee concerns or grievance • Receiving employee feedback
Shareholders and Investors	No	• Periodic investor/ analyst interactions like individual meetings • Participation in investor conferences • Analysts meet from time to time being guided by the finance department of the company • Annual Reports • Publication of periodical results • Press Release • Newspaper • Website • Periodical investor presentation	As and when required	• Educating investors about the business using accurate, timely and comprehensive information

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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
Customers	No	• Customer Meetings • Business discussions as and when required • Award and Recognition ceremonies • Participation in survey conducted by customers from time to time	As and when required	• To make the customer aware of the new developments in techniques and products • Build long-lasting relationships with customers • To receive feedback from customers
Supply Chain Partners	No	• Award and Recognition ceremonies • Participation in survey conducted by suppliers from time to time • Business discussions as and when required Suppliers Meetings	As and when required	• Build long-lasting relationships with capable suppliers • Monitoring Supplier Performance • Ensure supplier competency and compliance • To make the suppliers aware of the new developments in techniques and products
Communities	No	• CSR Activities • Volunteering Activities • Community Events • Community Survey and Consultations	As and when required	• Provide relevant and accurate information about the Company • Understand the impact of Company's initiatives and activities on community • Supporting causes and organizations through donations and philanthropic activities
Government and Regulatory Authorities	No	• Statutory Report • Interactions with Public Authorities • Membership of industry associations	As and when required	• Understanding potential legal and regulatory changes relevant to the Himadri's business • Contributing to the industry reform

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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.**

   ESG priorities in the Company are driven from the uppermost level i.e., the Board of Directors. The Board provides the strategic oversight and has constituted an ESG Committee to provide guidance and monitor the ESG progress. The ESG Committee of the Board has delegated the process of undertaking consultations with stakeholders to the management. Feedback from such consultations is shared with the Committee and the Board.

   - Himadri has undertaken a comprehensive materiality assessment and stakeholder engagement exercise to identify Environmental, Social and Governance (ESG) topics of significance.

     As a part of this exercise, Himadri along withan external agency, with requisite experience, engaged with the key internal and external stakeholders to understand their concerns and incorporate their views into materiality assessment, for prioritizing ESG topics and frameworks.

   - • Insights gathered through stakeholder engagement were analysed to develop the materiality matrix and arrive at the final list of ESG focus areas. The result of this assessment was presented to the ESG Committee and the Board. The outcome is being considered for defining ESG objectives of the Company.

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.**

   We regularly engage with our stakeholders such as investors, shareholders and lenders, suppliers, business partners, community, employees, customers etc. for business and management updates. Himadri adopts a responsible approach towards its stakeholders and ensures transparency in its disclosures concerning business matters. We provide crucial data and insights to global investors by doing investor presentations at regular intervals thereby helping them to make informed decisions. A formal Stakeholder Engagement Process involving direct & detailed consultation with different stakeholder groups helps us in identifying the critical issues that need our immediate attention. The inputs received through stakeholder consultation process are presented to the Board Level Management Committee which plays a crucial role in the development and implementation of strategies, policies, and objectives related to economic, environmental, and social topics.

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

   None of the stakeholder groups has been identified as, vulnerable or marginalized

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Principle 5

Businesses should respect and promote human rights

SDGs Impacted

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Training on Human right Standards

100%

Complaints by employees

Nil

POSH Complaints

Nil

Social Accountability(SA) 8000

Stage 2

audit completed

Essential Indicators

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

Category	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	791	791	100.00	700	678	96.86
Other than permanent	94	94	100.00	52	20	38.46
Total Employees	**885**	**885**	**100.00**	**752**	**698**	**92.82**
Workers						
Permanent	129	129	100.00	195	194	99.49
Other than permanent	1,016	1,016	100.00	1,161	812	69.94
Total Workers	**1,145**	**1,145**	**100.00**	**1,356**	**1,006**	**74.19**

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees Permanent										
Male	755	0	0.00	755	100.00	669	0	0.00	669	100.00
Female	36	0	0.00	36	100.00	31	0	0.00	31	100.00
Other than Permanent										
Male	94	0	0.00	94	100.00	52	0	0.00	52	100.00
Female	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Workers Permanent										
Male	128	0	0.00	128	100.00	189	0	0.00	189	100.00
Female	1	0	0.00	1	100.00	6	0	0.00	6	100.00
Other than Permanent										
Male	1,006	696	69.18	310	30.82	1155	801	69.35	354	30.65
Female	10	10	100.00	0	0.00	0	0	0.00	0	0.00

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/salary/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) (Executive Directors)	3	300	0	NA
Key Managerial Personnel	5	175.22	1	38.15
Employees other than BoD and KMP	751	4.95	34	6.42
Workers	128	2.19	1	2.25

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

	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	3.252	3.251

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, Himadri has a Human Rights Policy which is publicly accessible via the company's website. The Company is committed to the principles of sustainable development including protecting human rights, respecting the dignity, well-being and worth of the person and guaranteeing equal rights to all people. The policy is aligned with the United Nations Guiding Principles of Business and Human Rights (UNGPs) and International Labour Organization (ILO Declaration). To put policy into practice, Himadri has become a global signatory of UNGC during the current reporting year.

A governance framework has been put in place, whereby employees can address their complaints or grievances to a focal point, the Human Resource department or directly contact the Senior Management.

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

In this regard the Company encourages an open-door policy. The Company has built a strong mechanism for reporting matters or concerns faced at the workplace.

Himadri recognises the importance that business can play in ensuring long-term protection of human rights and for this reason the company is dedicated to upholding the human rights of its employees, communities,

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contractors, vendors and suppliers in accordance with the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact. The Company has formulated a Human Rights Policy in conjunction with the Grievance Redressal Policy to ensure grievances are addressed in an effective and prompt manner.

The mechanism is outlined below:

1. The employees/ associates can address their complaints or grievances or report instances to the Human Resource department/ Senior Management. No reprisal or retaliatory action is taken against any employee/ associates for raising concerns under this policy.

2. If the situation warrants, a committee is formed to investigate the violations reported. The Committee evaluates the violations reported and ensures that the same are addressed and resolved at the earliest. The Committee also, in consultation with the Senior Management, provides a suitable remedy.

3. The Company periodically undertakes human rights due diligence process for management and oversight/ monitoring of the policy and identifies any shortcomings.

The Company also has a Policy on Prevention of Sexual Harassment (POSH), and any such concern can be reported.

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

	FY 23-24 (Current Financial Year)			FY 22-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
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, in the following formats:

	FY 2023-24	FY 2022-23
Total complaints reported under sexual harassment on of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

While handling complaints which form a part of the grievance redressal mechanism, every necessary step is taken to ensure that the enquiry is conducted in a professional and confidential manner. The Grievance Redressal Policy clearly outlines that all members involved as a part of the enquiry are entrusted to keep record in a confidential manner. Any employee questioned in respect of the enquiry is bound by confidentiality and is required to keep all paperwork and information exchanged in the process confidential.

All genuine complaints, in good faith, can be made without fear of reprisals, punishment, intimidation, coercive action, dismissal, or victimization. All actual violations are dealt seriously on the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness while addressing the concern.

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

Yes, human rights requirements form a part of the Supplier Code of Conduct. Suppliers are urged to respect internationally recognized human rights standards and to work towards maintaining them in all business activities within their own sphere of

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influence. Any forced, child labour or compulsory labour is prohibited. To be a part of the Company's value chain, the supplier is required to adhere to the supplier code of conduct.

Himadri is committed to upholding the human rights of all our stakeholders in accordance with the United Nations Declaration on Human Rights (UDHR), International Finance Corporation-Performance Standards (IFC-PS), International Labour Organization's Declaration on Fundamental Principles and Rights at Work (ILO Declaration) ILO, and United Nations Guiding Principles on Business and Human Rights (UNGPs).

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/ involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	-

The Company internally monitors compliance with all relevant laws and policies pertaining to these issues.

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

No significant risk or concerns were identified in our operations.

Leadership Indicators

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

At Himadri, none of the business processes require any modification or introduction of any new process to address human rights grievances/complaints.

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

The Company is committed to protecting and respecting Human Rights and remedying rights violations in case they are identified; for example, issues relating to human trafficking, forced labour, child labour, freedom of association, right to collective bargaining, equal remuneration and discrimination. Providing equal employment opportunity, ensuring distributive, procedural, and interactional fairness, creating a harassment-free, safe environment, and respecting fundamental rights are some of the ways in which we ensure the same.

As an equal opportunity employer, we do not discriminate based on race, colour, religion, sex, national origin, gender identity, gender expression, sexual orientation, or disability status.

We do have an internal due diligence process to deal with Human rights issues which also covers our value chain partners. Himadri is committed to uphold the human rights of all our stakeholders in accordance with the United Nations Declaration on Human Rights (UDHR), International Finance Corporation-Performance Standards (IFC-PS), International Labour Organization's Declaration on Fundamental Principles and Rights at Work (ILO Declaration) ILO, and United Nations Guiding Principles on Business and Human Rights (UNGPs).

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?**

Our establishments are accessible to differently abled persons while we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

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% of service-related value chain partners
Discrimination at workplace	100% of service-related value chain partners
Child Labour	100% of service-related value chain partners
Forced Labour/ Involuntary Labour	100% of service-related value chain partners
Wages	100% of service-related value chain partners
Others - Anti-bribery	100% of service-related value chain partners

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

No significant risk or concerns were identified in our operations.

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Principle 6

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

SDGs Impacted

Energy Intensity Reduced by

12.29%

Baseline Year-2021

Emission Intensity (Scope 1 & 2) Reduced by

24.20%

Baseline Year-2021

Water Intensity Reduced by

16.30%

Baseline Year-2021

Essential Indicators

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

Parameter	FY 2023-2024 (Current Financial Year) (GJ)	FY 2022-23 (Previous Financial Year) (GJ)
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	**0**	**0**
From non-renewable sources		
Total electricity consumption (D)	3,40,676.18	3,37,171.00
Total fuel consumption (E)	52,542.23	24,345.49
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**3,93,218.41**	**3,61,516.49**

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Parameter	FY 2023-2024 (Current Financial Year) (GJ)	FY 2022-23 (Previous Financial Year) (GJ)
Energy intensity per rupee of turnover (Total energy consumption/ revenue from operation) (approx.)	9,396.15	8,665.63
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	7,83,444.05 (1$=83.3739 INR)	7,74,814.6 (1$= 82.2169INR)
Energy intensity in terms of physical output	0.812	0.895

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 –

Yes, we have carried out an independent assessment of energy consumption. Energy audits were carried out by Nu Energy India for Coal Tar Division whereas Schneider Electric did for Carbon Black Division.

Energy Consumption Optimization through Equipment Upgradating

As one of the energy audit recommendations, it was noted that the LT Feeders of the plant exhibited notably high levels of Total Voltage and Current Harmonic Distortion (THDV & THDI), impacting most LT motors due to various odd-order harmonics. This situation led to a significant increase in line losses. Furthermore, the LT Capacitors in the Automatic Power Factor Control Panels experienced dangerous harmonic resonance, occasionally causing drops in the power factor at the LT Power of Control Centre of Transformers. Measurements in Feeders and Motors indicated that the power factor at motor terminals dropped due to the harmonic effect. The issues caused by harmonic currents were concerning, resulting in overloading of neutrals, overheating of transformers, nuisance tripping of circuit breakers, and over-stressing of power factor correction capacitors. Additionally, there were concerns related to the skin effect. Harmonic voltages resulted in voltage distortion and zero-crossing noise, further complicating the situation. The effects of these harmonics were widespread, causing overheating and failure of electric motors, power factor correction capacitors, distribution transformers, and neutral conductors. It also reduced the efficiency of power generation, transmission, and utilization, while prematurely aging the electrical plant components and shortening their lifespan. Moreover, electronic equipment malfunctioned, metering equipment experienced high measurement errors, and protective equipment showed spurious operation.

To address these issues, the primary goals were set to reduce input current harmonics to less than 5% and improve the power factor from 0.75 to a more desirable 0.98. For this purpose, an active harmonic filter (AHF) was introduced as a potential solution. The AHF panel was equipped with impressive features, including a closed-loop active filter with source current sensing, harmonic attenuation of up to 96%, programmable selective harmonic elimination, and PF compensation that worked for both leading and lagging power factors. It enabled switching between PF and harmonic compensation, relying on IGBT-based inverters and offering the option for multiple paralleling. Notably, the AHF panel was equipped for shunt operation and had self-current limiting capabilities.

The implementation of the AHF panel, together with the Capacitor Bank, produced remarkable results. The power factor improved significantly, going from 0.94 to 0.999 Additionally, the input current distortion was impressively reduced from 4.4% to a mere 3.3%. The input KVA also experienced a significant reduction, dropping from 1311 to 1191 KVA, which meant a direct reduction of 1311 KVA. Moreover, the implementation of the AHF panel and Capacitor Bank held the potential for substantial energy savings, with an estimated annual energy saving potential of approximately 9,50,400 KVAH, considering 330 working days.

Additionally, we regularly conduct awareness campaigns for internal as well as external stakeholders to conserve energy.

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.**

We are a net exporter of electricity. Since the Government of India does not identify our industry sector under the PAT scheme, we never have the chance to apply for the said scheme. However, we are positively looking forward to the inclusion of our sector under PAT scheme.

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3. **Details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface Water	Nil	Nil
(ii) Ground Water	10,19,020	9,13,328
(iii)Third party water	400	8,175
(iv) Seawater/ desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	**10,19,420**	**9,21,503**
Total volume of water consumption (in kilolitres)	**10,19,420**	**9,21,503**
Water intensity per rupee of turnover (Total Water consumed/revenue from operations) (KL/INR)	0.00002436	0.00002209
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumed / Revenue from operations adjusted for PPP)	0.0020310	0.0017995
Water intensity in terms of physical output	2.11	2.28

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 –

Yes, we have employed an independent 3rd party to assess our overall water withdrawal and consumption. This particular assessment was carried out by M/S AUROSHE during the current reporting year.

During the audit, it was found that our consumption was as per the permission from the regulators though there was a water loss at cooling towers. We are currently working towards minimizing the loss through novel engineering design.

In our journey to achieve over all sustainability aspirations, we constantly thrive to conserve water resource. In line with our sustainability agendas we have installed rain water harvesting systems in our manufacturing locations. We are enhancing rain water harvesting capacity to reuse rain water with every passing year.

In one of our manufacturing plant in Korba, we have already implemented rain water harvesting system. Details of the project are as follows:

Sl. No.	Location	Collection Area Dimension	AREA (sqmtr)
1.	Roof area of ADM building	1 5.4 Mtr x 18.8 Mtr	289.52 sqmtr
2	Roof area of store & process office	20.00 Mtr x 13.00 Mtr	260.00 sqmtr
3	Roof area of New weighbridge	3.00 Mtr x 3.00 Mtr	9.00 sqmtr

Through this project, we collect and reuse nearly 7,57,018 litres of water each year. Currently, we are in the process of implementing rain water harvesting in each of our operational sites after assessing the viability of the project.

Additionally, we regularly conduct awareness campaigns for internal as well as external stakeholders to save water.

4. **Provide the following details related to water discharge**

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water	Nil	Nil
- No treatment		
- With treatment- please specify level of treatment		
(ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment- please specify level of treatment		
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment- please specify level of treatment		

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Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(iv) Sent to third-parties	Nil	Nil
- No treatment		
- With treatment- please specify level of treatment		
(v) Other	Nil	Nil
- No treatment		
- With treatment- please specify level of treatment		
Total Water Discharged (in kilolitres)	**Nil**	**Nil**

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 –

Yes, we have employed an independent 3rd party to assess our overall water withdrawal and consumption. This particular assessment was carried out by M/S AUROSHE during the current reporting year. A comprehensive water circuit is one of the principle outcomes of the audit.

As an environmentally responsible organization, Himadri is committed to minimizing the water loss and reducing water intensity. To put policy into practice, we are currently in progress to enhance our WRP capacity so that internal domestic needs can be fulfilled by the processed waste water.

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

For our wastewater recycling and ZLD system, Himadri has installed a Water Recovery Plant (WRP) which is the final recovery part of the Effluent Treatment Plant (ETP). Treated wastewater from ETP, DM plant backwash, RO plant reject water, and cooling tower blow down water are stored in our WRP feed tank. From there, the water is directed to a clarifier after the dosing of dolomite, polyelectrolyte, Sodium Hypochlorite, Caustic, and coagulant. Suspended solids accumulate and settle at the bottom of the clarifier. The TSS-free water is then forwarded to the clarified tank. Subsequently, the water from the clarifier tank goes through a mixed grabbles filter (MGF) to remove any residual TSS after the addition of Hydrochloric Acid (HCL). Following this, the TDS water is forwarded to an Ultrafiltration unit which separates rejected and permeated water, storing them in their respective tanks. The water from the permeate tank is then directed to a two-stage reverse osmosis unit (1st stage with 5 candles, 2nd stage with 2 candles) through a Carbon filter after dosing with HCL, sodium meta-bi-sulphate, and anti-scalant. The rejected water from the RO unit is stored in the Reject tank, while the permeated water is temporarily stored in an intermediate permeate tank. Before reaching the final permeate tank, the water passes through a De-Gasifier unit to remove any excess Carbon Dioxide, which might affect the pH of the water. The final permeated tank water, with a daily generation capacity of 300 KL, is used for cooling tower makeup, process utilization, and feeding the RO plant. On the other hand, the water from the final reject tank, with a daily generation capacity of 130 KL, is used for road washing and CBD process quenching. This effective recycling of water from wastewater significantly reduces the consumption of groundwater.

6. **Details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NO_x	mg/m3	25.20	46.50
SO_x	mg/m3	22.59	50.98
Particulate matter (PM)	mg/m3	52.27	48.67
Persistent organic pollutants (POP)		Nil	Nil
Volatile organic compounds (VOC)		Nil	Nil
Hazardous air pollutants (HAP)		Nil	Nil
Others- please specify		Nil	Nil

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

At Himadri, we are launching new innovative solution for reduction of PM 2.5 & PM 10. With PURE SKIES 2.0, we present a transformative solution that effectively diminishes the levels of PM 2.5and PM 10 pollutants across expansive areas. By adopting Pure Skies 2.0, is about to cultivate a healthier environment for its employees and visitors, uphold its commitment to health and safety, and position itself as an industry leader that champions sustainability and innovation. This ground-breaking solution will set the course for a High Quality and healthier workplace.

The Hot Material Vapour Scrubbing Unit is designed to remove certain components from gases or vapours by washing them with a liquid absorbent called wash oil. The liquid, enriched with absorbed constituents, is then

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replaced with fresh liquid. The scrubber unit uses a packed tower where the gas enters from the bottom and the scrubbing liquid enters from the top, leading to absorption and condensation of vapors. To maintain the liquid temperature, a cooling coil with circulating water is employed. The unit follows a daily checklist, monitoring the level and temperature of the scrubbing liquid. If the temperature exceeds the limit, the water inlet valve is adjusted. Additionally, the cloud point of the liquid is tested, and if it goes beyond the specified temperature, the liquid is replaced. The optimal level range of the scrubbing liquid is 40% to 60%, with a temperature range of 45°C to 55°C and a cloud point of 35°C.

To control vapour emissions from light oil tanks, a nitrogen blanketing system is installed, reducing air pollution. The nitrogen pressure is regulated to maintain controlled pressure inside the tank. If the pressure increases, the tank vent actuator releases the excess pressure to the atmosphere. On the other hand, if the pressure decreases, the nitrogen actuator opens to introduce nitrogen and maintain the set tank pressure. The presence of nitrogen in the tank reduces air pollution by exhausting nitrogen first during vapour release, leading to the condensation of light oil vapour into liquid inside the tank.

The NOx Abatement Process at Himadri aims to reduce NOx emissions from the cellulose nitration reactors at the site. The process consists of two main components: a scrubber/absorber tower and a reaction vessel with a catalyst bed. The scrubber/absorber tower contacts NOx-laden fumes with water, producing nitric acid through absorption. Moreover, we regularly monitor POP across all our plants.

7. **Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	4,09,576.40	3,85,750.52
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	0.00	0.00
Total Scope 1 and Scope 2 emissions per rupee of turnover		**0.0000098**	**0.0000092**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0008160 (1$=83.3739 INR)	0.0007602 (1$= 82.2169INR)
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/MT	0.846	0.955

Scope 2 is zero because we are net exporter of electricity.

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 –

Yes, we have employed an independent 3rd rd party to account our for GHG emission. This particular assessment was carried out by M/S AUROSHE during the current reporting year. Accounting is done in accordance with the of methodologies detailed by the Green House Gas Protocol which is a global standard.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

At Himadri, we fulfill 90% of our power requirements through our 28MW capacity power plant, showcasing our dedication to environment preservation. To reduce waste gas and off-gas venting during carbon black production, we've implemented an innovative process that recirculates and feeds off-gas into power generation, significantly lowering Greenhouse Gas (GHG) emissions. Our power plant features three boilers that adequately meet the energy demands of our West Bengal unit, with surplus electricity being sold to the local grid. In fact, we've sold 80,523 MWH of electricity to the local grid after meeting our own needs.

The power generation process involves three waste heat recovery water tube boilers, two with a capacity of 40tph and one with a capacity of 75 tph. Off-gas generated during carbon black production is fed into an external combustor chamber. The resulting flue gas is piped to generate steam, which occurs through flue gas circulation

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on the shell side and water circulation on the tube side of a panel tube. The steam is collected in a common steam header and distributed to three turbines for power generation of 28MWH Capacity.

Our commitment to sustainability is further exemplified by our use of process emissions for power generation, reducing our reliance on conventionally produced electricity and showcasing our dedication to environmental stewardship.

Moreover, we identify that plantation drives offer a valuable opportunity to expand green spaces and promote environmental awareness. Himadri has initiated a significant plantation drive in collaboration with the forest, environment, and climate change department, aiming to enhance the green cover of the village by planting various tree species.

The plantation of 10,500 saplings this year is a remarkable achievement. The community's active involvement in this initiative is truly commendable as it contributes to creating a greener environment. These trees will not only provide shade and clean air for future generations but also enhance the overall health of our ecosystem.

Additionally, we regularly organize training for internal stakeholders and awareness campaigns for the external stakeholders on climate change and its effects.

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

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	210.95	127.62
E-waste **(B)**	0.9	4.22
Bio-medical waste **(C)**	0.001	0
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	9.64	1.17
Radioactive waste **(F)**	0	0
Other Hazardous waste- please specify **(G)**	3.91	3.07
Other Non-hazardous waste generated **(H).** Please specify, if any (Break-up by composition i.e., by materials relevant to the sector)	390.27	442.01
Process & metals	2,025.49	1,270.66
Total (A+B + C + D + E + F + G + H)	**2,641.16**	**1,848.75**
Waste intensity per rupee of turnover (total waste generated/Revenue from operation) (Mt/INR)	0.00000006311	0.00000004431
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total waste generated/ Revenue from operation adjusted for PPP)	0.000005262	0.000003643
Waste intensity in terms of physical output	**0.0055**	**0.0046**
Waste intensity (optional)- the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,637.25	1,845.68
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	**2,637.25**	**1,845.68**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(iv) Incineration	2.24	1.63
(v) Landfilling	1.67	1.44
(vi) Other disposal operations	Nil	Nil
Total	**3.91**	**3.07**

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, there is no independent 3rd party assessment on waste management. However, we are an EPR compliant company. Therefore, all the vendors with whom we work to process our wastes, are with mandatory compliances.

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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.

Environmental stewardship is not just a commitment for Himadri but a guiding principle for our daily operations. We understand our environmental responsibility and ensure that we consistently exceed our targets. Under the Board's oversight, Himadri has formulated a comprehensive waste management policy.

We strictly adhere to the recommendations of the state government waste management authorities for handling hazardous wastes such as effluent sludge, oil-contaminated hand gloves, jute, and soak sand, using pollution control board authorized vendors.

Apart from hazardous waste, we generate some non-hazardous wastes like plastics, wood, and e-waste in our daily activities. These wastes are managed by pollution control board authorized vendors.

Furthermore, the Company has initiated efforts to reintroduce recycled products as inputs after the end-of-life of our products.

Moreover, we are committed to furthering our efforts towards environmental protection. To translate policy into action, the Company has launched a pilot project to develop and implement a reusable packaging solution that has the potential to eliminate plastics and wood from our packaging.

In conclusion, as an organization, Himadri is dedicated to continuous improvement. We are committed to working tirelessly to achieve our ambitious environmental target for waste management, which is "zero waste to landfill."

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

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.	NA	NA	NA
2.	NA	NA	NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1.	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	NA	NA	NA	NA
2.	NA	NA	NA	NA

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

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

(i) Name of the area - NA

(ii) Nature of operations - NA

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(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(vi) Surface Water	NA	NA
(vii) Ground Water	NA	NA
(viii) Third party water	NA	NA
(ix) Seawater/ desalinated water	NA	NA
(x) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed/revenue from operations)	NA	NA
Water intensity (optional)- the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water	NA	NA
- No treatment	NA	NA
- With treatment- please specify the level of treatment	NA	NA
(ii) Into ground water	NA	NA
- No treatment	NA	NA
- With treatment- please specify the level of treatment	NA	NA
(iii) Into seawater	NA	NA
- No treatment	NA	NA
- With treatment- please specify the level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment- please specify the level of treatment	NA	NA
(v) Other	NA	NA
- No treatment	NA	NA
- With treatment- please specify the level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

No operational sites come under water stressed area.

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, there is no independent 3rd party assessment.

2. **Details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Categories	Unit	FY 2023-2024 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Purchased Goods and Service	MT CO2e	7,62,007.42	Not Measured
	Capital Goods	MT CO2e	8,186.29	
	Fuel and Energy related activities not included in Scope 1 and Scope 2	MT CO2e	884.87	
	Upstream Transport and Distribution	MT CO2e	1,15,657.13	
Total Scope 3 emissions per rupee of turnover		MT CO2e/ INR	**0.000021**	**Not measured**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		tCO_2e /MT	1.83	Not measured

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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.

Yes, we have employed an independent 3rd party to account for our GHG emission. This particular assessment was carried out by M/S AUROSHE during the current reporting year. Accounting is done in accordance with the methodologies detailed in the Green House Gas Protocol which is a global standard.

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, as per the following format:**

Sl. No.	Initiative undertaken	Details of the initiative (web link if any, may be provided along-with summary)	Outcome of the initiative
1.	Not initiated	Not applicable	Not applicable

Being an environmentally future ready organization, Himadri has taken an initiative to measure its climate change risk and opportunity assessment during the current reporting year. In our 2050 net-zero roadmap (please refer Preface) we have clearly outlined the futuristic yet potential projects such as fuel diversification, 100% electrification of entire operation including transportation to name a few. During the reporting year, we have assessed the value addition of these projects to our operation and internally we have announced a separate budget to reduce GHG emission. In the years to come, the Company will disclose the details of the initiatives whenever possible.

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

Yes, Himadri has a Business Continuity and Disaster Management Plan, which is outlined in our Risk Management Policy. The Business Continuity/Disaster Management Plan shows Himadri's commitment to continuous operation to protect shareholders' value, improve governance, and achieve strategic goals to be well-prepared for unforeseen events. Himadri consistently works to preserve policy scope in the face of disruptive and/or unnatural events to protect and reduce economic damage to people, the environment, other living organisms, and their ecosystems. All financial and non-financial risks are monitored and minimized under the direction of the Risk Management Committee

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.**

To the best of our knowledge, there is no such significant adverse impact on the environment due to our value chain. However, we have initiated assessing our value chain partners in accordance with our comprehensive sustainable procurement policy. Our sustainable procurement policy includes identification of environmental risks in our value chain if there is any. Additionally, we are dedicated to mitigate these risks often in collaboration with value chain partners.

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

As an environmentally conscious organization, Himadri clearly understands the impact of its operations on climate change and environment at large. Additionally, we categorically appreciate the value created by our business partners for us. To further our environmental commitments, we have laid out a comprehensive Sustainable Procurement Policy which is based on our global ambitions and in accordance with local laws.

A clear target was taken at the beginning of the current financial year to assess our value chain partners' environmental performance. A comprehensive assessment and audits are deployed to categorize our suppliers. Nearly 84% of 50% spent suppliers have been audited during the current reporting year. Going forward, Himadri has a plan to collaborate with its suppliers to further environmental protection.

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Principle 7

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

SDGs Impacted

Fair
Competition Incident

No cases registered

No of Affiliations

9

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Himadri affiliates with 9 trade and industry chambers/associations.

   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/association	Reach of trade and industry chambers/ associations (State/National)
	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)	National
	Bharat Chamber of Commerce	
	Federation of Indian Chambers of Commerce and Industry (FICCI)	
	Confederation of Indian Industry (CII)	
	Carbon Black Manufacturers Association	
	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	
	All India Rubber Industries Association	
	Hooghly Chamber of Commerce & Industry	State
	International Tar Association	International

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

Name of authority	Brief of the case	Corrective action taken
There were no incidents of anti-competitive behaviour involving the Company during the reporting period (2023-2024).		

Leadership Indicators

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

The Company works with all stakeholders, relevant government & regulatory bodies and apex industry associations. Industry associations include global, national and regional industry bodies, like the Carbon black manufacturers Association, Confederation of Indian Industry, Federation of Indian Chambers of Commerce & All India Rubber Industries Association.

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
None					

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Principle 8

Businesses should promote inclusive growth and equitable development

SDGs Impacted

Direct Purchase from Indian Market on overall Spend

68.34%

Job Creation at Rural Area

45%

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

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

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

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

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

The CSR Committee at the Board level is responsible for CSR activities, supported by the corporate CSR team. The CSR teams at the plant level deals with grievances received from stakeholders. We engage with the community on a regular basis directly or through implementing agencies. In case of any grievances, they are dealt with on a timely basis and one resolved by the CSR Team under guidance of the CSR Committee.

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	1.89%	2.28%
Directly from within India	68.34%	66.95%

Note: FY 22-23 MSME is changed from previous year. This year we considered, Input Material as Input material' - includes all types of procurement such as raw material, spares, services, capex procurement items etc.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	Permanent	41.30	42.30
	Non-Permanent	12.90	17.83
Semi-urban	Permanent	Nil	Nil
	Non-Permanent	Nil	Nil
Urban	Permanent	2.80	2.13
	Non-Permanent	0.60	0.50
Metropolitan	Permanent	41.60	36.28
	Non-Permanent	0.80	0.95

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)
None			

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?** 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

As a socially responsible organization, we identify the necessities of inclusion of marginalized/vulnerable groups across our value chain. Currently we are not procuring from any vulnerable groups due to the special nature of our raw materials and associated services. However, our comprehensive sustainable procurement policy clearly mentions the Company's responsibility to promote diversity and inclusion and in lieu with that we are formalizing the subsequent engagements.

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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.	Health Care Project – Conducted Free Doctors Check Up, Free Eye Testing, Free Spectacles Distribution, Medicine Distribution, Ayurveda, Naturopathic and Homeopathy Treatment at Village Medical Centre.	People of 20 villages surrounding or adjoining to Company's plants at West Bengal	These have not been identified as vulnerable/ marginalized groups.
2.	Organized Free Check-up Camps, Contribution for Hospital Development and Medical Purpose.		
3.	Foods & Clothes (Blankets & Saree) Distribution.		
4.	Contribution towards Promoting Nationally Recognized Sports.		
5.	Conducted Training Schools & Hostel Facilities for Disabled in Villages.		
6.	Setting up New Hospital in Village.		
7.	Free Distribution of Books, Scholarship for Education, Development of School, Library		
8.	Rural Development Projects for Economically Weaker Sections (EWS) of the Society in Villages - Setting up of Pucca Houses, Drinking Water Facilities/ Electrification, Setting up of playground. Training to Promote Rural Sports, setting up of Centre for Handicapped Children, Setting up of Schools etc.		

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Principle 9

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

Number of Consumer Complaints	Number of Data Security Issues
Nil	Nil

Essential Indicators

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

   Any issues and complaints raised by any customer is registered by regional managers of the Marketing department which generally mentions Product, Grade, Invoice details, nature of Complaint, Customer/Agent details, picture (if any) etc. It then gets forwarded to the Head of Technical Services with a copy to Head of Quality Control. Regional Marketing Managers acknowledge the Compliant by informing the customer. Then, the Head of Technical Services circulates it internally to the concerned heads within one working day.

   The concerned head collects all the necessary information for analysis and presents the same to the Cross Functional Team in a Corrective Action and Preventive Action (CAPA) meeting within two working days and appropriate action is initiated to resolve the Complaint. Once resolved, the same is sent to the customer via the Marketing Manager.

   If the complaint is found to be not justified, then the Head of Technical Service and Regional Marketing Manager discuss with the concerned customer and resolved the same.

   The complaint closure form is filled in by the Head of Technical Service with authorization from the Plant Head.

   Based on the final findings, changes if necessary are incorporated in the procedures / work instructions / process specifications. A record of all the complaints with a detailed analysis is kept by the Head of Quality Control.

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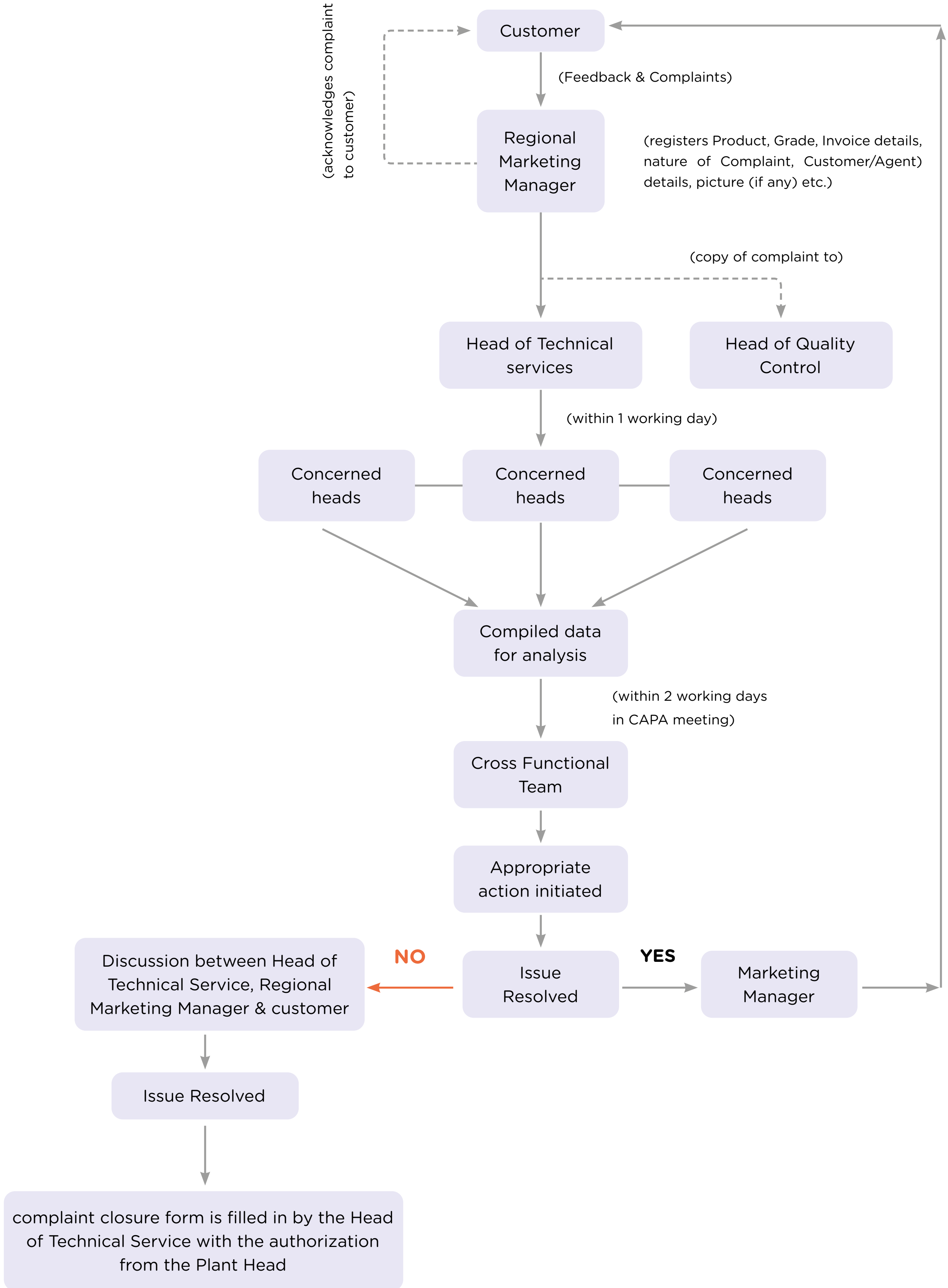

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2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 23-24 (Current Financial Year)		Remarks	FY 22-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

Number of Customer feedback for process/Product improvement.

Even though we do not have any complaints on the above mentioned categories. We have received Some of our customer's feedback to improve product Quality, Process technical, packing process, logistics efficiency. Himadri ensures addressing customer feedback effectively for providing customer satisfaction and improving our products & services.

Feedback category	FY23-24	FY22-23
Product Quality	5	20
Process Technical	22	4
Packing process	48	133
Logistics Efficiency	15	17

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

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Himadri has a comprehensive policy on information security and data privacy, Himadri's information security policy majorly talks about the Compliance, Employee Training, IT Support, IT Equipment Usage, Network Access, Password protection, Email & chat, Software & USB usage. Himadri is committed to providing the highest level of protection regarding the data processing of its employees, vendors and clients/customers personal data based on applicable data protection laws and regulations.

The detailed policy is available on the Company's website at https://www.himadri.com/pdf/it-policy.pdf

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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.**

   Himadri is committed to protecting any data concerning its employees, vendors and customers. Active monitoring of the cyber security for Himadri has been managed by internal IT team. The regular reviews are conducted, and corrective actions are taken to improve the cyber security infrastructure.

   Regular training sessions are currently being organized to enhance the "Do's" and "Don'ts" regarding data security. These training sessions are conducted by external experts. During the current reporting year training on topics like Phishing, Ransomware, Malware were conducted for the employees of Himadri.

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- Not applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The information on products of the Company can be accessed from the website of the Company at www.himadri.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   MSDS containing all the relevant information is available on the website of the Company and communicated to customers separately. SOPs for product handling are shared and explained to customers for safe handling wherever required.

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

   Information related to any risk of disruption/discontinuation of essential services is communicated to consumers through e-mails.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Product information is available on the Product Information Sheet, made available to the Company's dealers and can be found on the Company's website.

   The Company does semi-annual/annual customer satisfaction surveys for different product categories. The survey is a comprehensive one covering quality, performance, service delivery, commercial, responsiveness and other relevant parameters. Apart from quantitative ratings, qualitative comments are also sought for continuous improvement. Based on survey inputs, Customer Satisfaction Index is computed and monitored on regular basis which forms a key input for our customer interaction and service delivery model.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

   None

   b. **Percentage of data breaches involving personally identifiable information of customers**

   Nil

For and on behalf of the Board

	Sd/-	Sd/-
	Anurag Choudhary	**Shyam Sundar Choudhary**
	Chairman cum Managing Director	Executive Director
Place: Kolkata	& Chief Executive Officer	(DIN: 00173732)
Date: 25 April 2024	(DIN: 00173934)	

Standalone Financial Statements

Himadri

Independent Auditor's Report

To the Members of
Himadri Speciality Chemical Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Himadri Speciality Chemical Ltd (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in *the Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context:

Descriptions of Key Audit Matter	How we addressed the matter in our audit
A. Valuation of Inventories Refer to note 15 to the standalone financial statements. The Company is having Inventory of ₹ 70,608.63 lakhs as on 31 March 2024. Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 15 to the financial statements, inventories are carried at the lower of cost and net realisable value. The management applies judgment in determining the appropriate provisions against inventory of Stores, Raw Material, Finished goods and Work in progress based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. To ensure that all inventories owned by the entity are recorded and recorded inventories exist as at the year-end and valuation has been done correctly, inventory valuation has been considered as Key audit matters.	We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by: • Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. • Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. • Verify that the adequate cut off procedure has been applied to ensure that purchased inventory and sold inventory are correctly accounted. • Reviewing the document and other record related to physical verification of inventories done by the management during the year. • Verify that inventories are valued in accordance with Ind AS 2 • Verifying for a sample of individual products that costs have been correctly recorded.

Independent Auditor's Report (Contd.)

Descriptions of Key Audit Matter	How we addressed the matter in our audit
	• Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.
B. Revenue Recognition Refer to note 26 to the standalone financial statements. Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. Revenue is recognized when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including Incoterms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period. The estimation of discounts, rebates and price adjustments to be recognised based on sales made during the year is material and considered to be complex and judgmental. Due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers' and the judgments and estimates involved in making the estimation of discounts, rebates and price adjustments, we determined the recognition of revenue, estimation of discounts, rebated & price adjustments as a key audit matter. As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition, estimation of discounts rebates and price adjustments and evaluated the design and operative effectiveness of the financial controls for the above through our test of control procedures.	• Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. • Performing procedures to ensure that the revenue recognition criteria adopted by Company for all major revenue streams is appropriate and in line with the Company's accounting policies. • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, rebates and price adjustments recorded and disbursed / allowed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately. • Our audit procedures included, among other things, the evaluation of the process to calculate the provision for price adjustments and the evaluation of the relevant assumptions and their derivation for the measurement of the provisions. • We also compared costs incurred to the previously recognized provisions to assess the quality of the management estimates. Based on the evidence obtained, we concluded that management's process for identifying and quantifying the provision for rebates and price adjustments was appropriate and that the resulting provision was reasonable. • Performed procedures to identify any unusual trends of revenue recognition. • Traced disclosure information to accounting records and other supporting documentation • Based on the audit procedures performed, we did not identify any material exceptions in the revenue recognition and in estimation of discounts, rebates & price adjustments.

Independent Auditor's Report (Contd.)

Information other than the Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 system in place with reference to financial statements and the operating effectiveness of such controls.

Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

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

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

Report on other Legal and Regulatory requirements

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

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

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

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

   c) The standalone balance sheet, the standalone statement of profit and loss including the statement of other comprehensive income, standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

   e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

Independent Auditor's Report (Contd.)

f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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, as amended, 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 standalone financial statements - Refer Note 8(d), 16(b), 24(c) and 35(a) to the standalone financial statements;

ii. The Company does 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. (a) The management has represented to us that, to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

(b) The Board of Directors of the Company has proposed dividend for the year, which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

Independent Auditor's Report (Contd.)

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 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 31 March 2024.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN - 24053816BKACCJ5419

Place: Kolkata
Date: April 25, 2024

Annexure "A"

to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the Members of Himadri Speciality Chemical Ltd on the standalone financial statements as of and for the year ended 31 March 2024)

i. In respect of the Company's fixed assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a program of verification to cover all the items of property plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of property plant & equipments were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(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 immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	518.86	Equal Commodeal Private Limited	No	2017-2019	Refer note 4A(a) of the standalone financial Statements

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March 2024.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted unsecured loans to two wholly owned subsidiary companies and has also provided corporate guarantee to one wholly owned subsidiary company during the year. The Company also has made investments in equity shares of 2 (two) subsidiary companies, preference shares of 1 (one) body corporate, 9 (nine) mutual fund schemes and in debentures

Annexure "A"

to the Independent Auditor's Report (Contd.)

of 4 (four) bodies corporate during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to loans granted and corporate guarantee given to subsidiaries are as per the table given below:

(₹ In lakhs)

Particulars	Aggregate amount of loan granted / corporate guarantee provided during the year	Balance outstanding as a balance sheet date
Loan to Subsidiary Companies	105.00	105.00
Corporate Guarantee to Subsidiary Company	81,976.55	27,513.39

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and terms and conditions of the grant of loans and the guarantees provided are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest bearing loans given, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loan granted along with the interest due thereon, to one employee has been renewed which had fallen due during the year. The aggregate amount of such loan extended is Rs. 97.22 lakhs and percentage of such loan extended to the total loans granted during the year is 43.41 %.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013, in respect of loan given and guarantee provided. In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

Annexure "A"

to the Independent Auditor's Report (Contd.)

(b) According to the information and explanations given to us and the records of the Company examined by us, the statutory dues of Goods and Service Tax, Sales Tax, Value added tax, Income-tax, Service tax, Duty of Customs, Entry Tax, Cess or other statutory dues as at 31 March 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of the dues	Amount under dispute (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period	Forum where dispute is pending
Central Sale Tax Act, 1956	Central Sale Tax	773.68	90.03	2005-06 to 2006-07, 2009-10 and 2013-14	Appellated and Revision Board
		30.45	7.61	2005 - 2006	Sales Tax Appellate Tribunal
		18.24	3.49	2016-17	Addl. Commissioner (Appeal)
		0.89	0.44	2010 - 2011	Deputy Commissioner
		0.26	14.42	2017-18	Commissioner (Appeal)
		137.86	-	2008-09	Hon'ble Calcutta High Court
West Bengal Value Added Tax Act, 2003	Value Added Tax	905.86	-	2008 - 2009	West Bengal Taxation Tribunal
		936.00	24.36	2005-06 to 2006-07; 2009-2010 and 2013-14	Appellated and Revision Board
		87.35	-	2006-07	Senior Joint Commissioner - Special Cell
Chhattisgarh Value Added Sales Tax Act, 2003	Value Added Tax	276.31	-	2017 - 2018	Commissioner
Good & Service Tax Act, 2017	GST - Korba	177.75	17.44	Jul 17 – Mar 18, 2018-19, Apr - Sep 21	First Appellate Authority
The Central Excise Act, 1944	Excise Duty	0.31	0.09	2011-12 to 2014-15	Custom Excise and Service Tax Appellate Tribunal
		171.79	10.50	2004 to 2006 and 2012-13, 2015-16, 2016-17	Commissioner (Appeals) of Central Excise
The Custom Act, 1962	Custom Act	28.83	3.00	2000-2001	Custom Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	3.35	0.13	2012-13 to 2014-15	Custom Excise and Service Tax Appellate Tribunal
Chhattisgarh Entry Tax Act, 1976	Entry Tax	232.94	154.04	2012-13 to 2013-14,2016-17 to 2017-18 1st qtr	Hon'ble High Court of Judicature Chhattisgarh at Bilaspur
		25.98	5.14	2016-17	Addl. Commissioner (Appeal)
		55.89	-	2017-18	Commissioner
		188.79	94.34	2014-15 to 2015-16	Assistant Commissioner
Income Tax Act, 1961	Income Tax	1337.30	659.50	AY 2011-12, AY 2013-14, AY 2017-18, AY 2018-19 & AY 2019-20	Commissioner of Income Tax (Appeals)

Annexure "A"

to the Independent Auditor's Report (Contd.)

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given by the and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, the Company has not taken any term loan during the year.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary companies (as defined under Companies Act, 2013) hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. The funds raised, have been used for the purposes for which the funds were raised. The Company has not issued any debentures during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) & (c) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone 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 for the year under audit, issued to the Company during the year and till date.

Annexure "A"

to the Independent Auditor's Report (Contd.)

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) As represented by the Management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(b) In our opinion and according to the information and explanations given to us, in respect of ongoing projects, there were no unspent amount as on 31 March 2024 which were required to be transferred to a special account.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -24053816BKACCJ5419

Place: Kolkata
Date: April 25, 2024

Annexure "B"

to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the Members of Himadri Speciality Chemical Ltd on the Standalone Financial Statements as of and for the year ended March 31, 2024)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Himadri Speciality Chemical Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 system with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 these standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial control with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone financial statements, including the possibility of collusion or

Annexure "B"

to the Independent Auditor's Report (Contd.)

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at 31 March 2024, based on the internal financial control with reference to standalone 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.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -24053816BKACCJ5419

Place: Kolkata
Date: April 25, 2024

Standalone Balance Sheet

as at 31 March 2024

Amount in ₹ lakhs

	Note	31 March 2024	31 March 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	**1,45,737.84**	1,43,177.68
(b) Capital work-in-progress	4B	**6,651.87**	9,353.11
(c) Right of use assets	5	**1,726.95**	1,964.33
(d) Intangible assets	6	**82.22**	65.73
(e) Financial assets			
(i) Investments	7	**47,675.16**	13,190.87
(ii) Loans	11	**105.00**	100.00
(iii) Trade receivables	8	**1,018.41**	1,008.49
(iv) Other financial assets	12	**2,386.57**	2,176.93
(f) Non-current tax assets (net)	13	**733.06**	737.48
(g) Other non-current assets	14	**2,321.50**	1,222.66
Total non-current assets		**2,08,438.58**	1,72,997.28
(2) Current assets			
(a) Inventories	15	**70,608.63**	54,524.44
(b) Financial assets			
(i) Trade receivables	8	**65,564.98**	50,489.37
(ii) Cash and cash equivalents	9	**20,939.95**	20,604.60
(iii) Bank balances other than (ii) above	10	**51,652.73**	41,699.81
(iv) Loans	11	**126.48**	152.63
(v) Other financial assets	12	**2,881.33**	2,476.21
(c) Other current assets	16	**15,587.63**	17,747.11
Total current assets		**2,27,361.73**	1,87,694.17
TOTAL ASSETS		**4,35,800.31**	3,60,691.45
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	**4,925.95**	4,327.07
(b) Other equity	18	**2,93,195.04**	2,17,233.03
Total equity		**2,98,120.99**	2,21,560.10
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**2,153.78**	4,830.74
(ii) Lease liabilities	35(c)	**80.45**	122.10
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**900.20**	589.06
(c) Deferred tax liabilities (net)	33	**16,913.24**	9,396.26
Total non-current liabilities		**20,073.44**	14,963.93
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**57,888.19**	78,788.87
(ii) Lease liabilities	35(c)	**54.24**	57.23
(iii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		**292.03**	444.83
- total outstanding dues of creditors other than micro enterprises and small enterprises		**54,200.41**	33,659.21
(iv) Derivatives	21	**-**	11.00
(v) Other financial liabilities	22	**2,515.83**	2,931.84
(b) Other current liabilities	23	**1,737.55**	8,257.48
(c) Provisions	24	**110.38**	12.54
(d) Current tax liabilities (net)	25	**807.25**	4.42
Total current liabilities		**1,17,605.88**	1,24,167.42
TOTAL EQUITY AND LIABILITIES		**4,35,800.31**	3,60,691.45

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration Number: 302049E

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Sd/-
Anurag Choudhary
Chairman cum Managing Director & Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Place: Kolkata
Date: 25 April 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

Amount in ₹ lakhs

		Note	Year ended 31 March 2024	Year ended 31 March 2023
I.	Revenue from operations	26	**4,18,489.03**	4,17,184.13
II.	Other income	27	**4,255.06**	2,797.46
III.	**Total income (I + II)**		**4,22,744.09**	4,19,981.59
IV.	**Expenses**			
	Cost of materials consumed	28	**3,07,184.52**	3,29,728.25
	Changes in inventories of finished goods and work-in-progress	29	**(3,670.28)**	(3,013.87)
	Employee benefits expense	30	**10,996.88**	9,094.78
	Finance costs	31	**6,371.76**	6,587.51
	Depreciation and amortisation expense	4A, 5 and 6	**4,774.78**	4,865.73
	Other expenses	32	**39,772.69**	42,537.96
	Total expenses		**3,65,430.35**	3,89,800.36
V.	**Profit before exceptional item and tax (III-IV)**		**57,313.74**	30,181.23
VI.	**Exceptional items**	46	**-**	(3,000.00)
VII.	**Profit before tax (V-VI)**		**57,313.74**	27,181.23
VIII.	**Tax expenses**			
	Current tax	33	**10,003.48**	4,745.61
	Deferred tax	33	**6,210.72**	1,654.77
	Total tax expenses		**16,214.20**	6,400.38
IX.	**Profit for the year (VII-VIII)**		**41,099.54**	20,780.85
X.	**Other comprehensive income**	36		
	A. Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the net defined benefit plan		**(59.37)**	(3.04)
	(b) Net gain/ (loss) on investment in equity instruments accounted at fair value		**6,035.00**	1,905.45
	(c) Income-tax relating to items that will not be reclassified to profit or loss		**(1,306.26)**	(425.12)
	Net other comprehensive income not to be reclassified subsequently to profit or loss		**4,669.37**	1,477.29
	B. Items that will be reclassified subsequently to profit or loss		**-**	-
	Net other comprehensive income to be reclassified subsequently to profit or loss		**-**	-
	Other comprehensive income for the year (net of income tax)		**4,669.37**	1,477.29
XI.	**Total comprehensive income for the year (IX+X)**		**45,768.91**	22,258.14
XII.	**Earnings per equity share**	34		
	[Face value of equity share ₹ **1 each** (previous year ₹ 1 each)]			
	- Basic		**9.17**	4.94
	- Diluted		**9.16**	4.94

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Place: Kolkata
Date: 25 April 2024

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director & Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Standalone Statement of Changes in Equity
for the year ended 31 March 2024

A. Equity share capital

Amount in ₹ lakhs

	Note	Number	Amount
Balance as at 1 April 2022		41,89,65,278	4,189.65
Changes in equity share capital during the year	17	1,37,41,920	137.42
Balance as at 31 March 2023		43,27,07,198	4,327.07
Equity shares issued during the year	17	**5,98,87,375**	**598.88**
Balance as at 31 March 2024		**49,25,94,573**	**4,925.95**

B. Other equity

Amount in ₹ lakhs

	Note	Reserves and surplus					Items of Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium	General reserve	Share option outstanding reserve	Retained earnings	Equity instruments through other comprehensive income		
Balance at 1 April 2022		1,280.50	45,600.10	18,955.61	381.86	1,03,945.22	6,024.98	-	1,76,188.27
Total comprehensive income for the year ended 31 March 2023									
Profit for the year 2022-2023		-	-	-	-	20,780.85	-	-	20,780.85
Remeasurement of net defined benefit plan		-	-	-	-	(2.04)	-	-	(2.04)
Net change in fair value of Equity investments		-	-	-	-	-	1,479.33	-	1,479.33
Total comprehensive income for the year		-	-	-	-	20,778.81	1,479.33	-	22,258.14
Dividends	17I	-	-	-	-	(838.68)	-	-	(838.68)
Received on issue of share warrants convertible into equity shares		-	-	-	-	-	-	19,678.75	19,678.75
Conversion of share warrants into equity shares	17H	-	9,177.00	-	-	-	-	(9,310.00)	(133.00)
Issue of equity shares on exercise of employee stock option	38	-	113.65	-	(113.65)	-	-	-	-
Share based payments- Equity settled	38	-	79.55	-	-	-	-	-	79.55
Balance at 31 March 2023		1,280.50	54,970.30	18,955.61	268.21	1,23,885.35	7,504.31	10,368.75	2,17,233.03

Standalone Statement of Changes in Equity

for the year ended 31 March 2024 (Contd.)

B. Other equity (Contd.)

Amount in ₹ lakhs

	Note	Reserves and surplus					Items of Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium	General reserve	Share option outstanding reserve	Retained earnings	Equity instruments through other comprehensive income		
Balance at 1 April 2023		1,280.50	54,970.30	18,955.61	268.21	1,23,885.35	7,504.31	10,368.75	2,17,233.03
Total comprehensive income for the year ended 31 March 2024									
Profit for the year 2023-2024		-	-	-	-	41,099.54	-	-	41,099.54
Remeasurement of net defined benefit plan		-	-	-	-	(38.69)	-	-	(38.69)
Net change in fair value of Equity investments		-	-	-	-	-	4,708.06	-	4,708.06
Total comprehensive income for the year		-	-	-	-	41,060.85	4,708.06	-	45,768.91
Dividends	17I	-	-	-	-	(1,081.95)	-	-	(1,081.95)
Received on issue of share warrants convertible into equity shares		-	-	-	-	-	-	31,106.25	31,106.25
Conversion of share warrants into equity shares	17H	-	40,882.50	-	-	-	-	(41,475.00)	(592.50)
Issue of equity shares on exercise of employee stock option	38	-	145.11	-	(145.11)	-	-	-	-
Share based payments- Equity settled	38	-	761.30	-	-	-	-	-	761.30
Balance at 31 March 2024		1,280.50	96,759.21	18,955.61	123.10	1,63,864.25	12,212.37	-	2,93,195.04

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of Reserves:

(i) Capital reserve: Capital reserve represents profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(iii) General reserve: It represents a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer of profit to general reserve is not mandatory under the Companies Act, 2013.

Standalone Statement of Changes in Equity

for the year ended 31 March 2024 (Contd.)

(iv) Share option outstanding reserve: The Company has a stock option scheme under which options to subscribe for the Company's share have been granted to certain executives and senior employees. The share option outstanding reserve is used to recognise the value of equity-settled share based payments provided to employees, including certain key management personnel, as part of their remuneration. (refer note 39).

(v) 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.

(vi) Equity instruments through other comprehensive income: The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income (OCI). These changes are accumulated within the equity instruments through OCI shown under the head other equity. The Company transfers amounts therefrom to retained earnings when the relevant equity instruments are derecognised.

(vii) Money received against share warrants: The Company had issued and allotted warrants, each convertible into one equity share of ₹ 1 each, on Preferential allotment basis to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity, upon receipt of 25% of the issue price as warrant subscription money. Balance 75% of the issue price was payable within 18 months from the date of allotment at the time of exercising the option to apply for fully paid-up equity share of ₹ 1 each of the Company, against each warrant held by the warrant holder. On conversion of such warrants into equity shares, the Company transfers the amount therefrom to securities premium and share capital.

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration
Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Place: Kolkata
Date: 25 April 2024

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Standalone Statement of Cash Flows

for the year ended 31 March 2024

Accounting Policy

Cash flows are reported using the indirect method as set out in Ind AS 7 "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013, whereby the profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amount in ₹ lakhs

	Year ended 31 March 2024		Year ended 31 March 2023	
A. Cash flows from operating activities				
Net profit before tax		**57,313.74**		27,181.23
Adjustments for:				
Depreciation and amortisation expense	**4,774.78**		4,865.73	
Finance costs	**6,371.76**		6,587.51	
Interest income	**(3,620.91)**		(1,602.98)	
Net (gain)/ loss on sale of current investments carried at Fair value through profit and loss (FVTPL)	**(110.88)**		(143.20)	
Loss allowance for doubtful trade receivables	**182.99**		-	
Unrealised foreign exchange fluctuation (gain)/ losses, net	**(517.27)**		332.31	
Loss/ (gain) (net) on sale of property, plant and equipment	**5.14**		329.88	
		7,085.61		10,369.25
Cash generated from operations before working capital changes		**64,399.35**		37,550.48
Movement in working capital:				
(Increase)/ Decrease in inventories	**(16,084.19)**		22,715.32	
(Increase)/ Decrease in trade receivables	**(15,032.54)**		249.03	
Decrease/ (Increase) in financial and other assets	**2,134.96**		(6,989.65)	
Increase/ (Decrease) in trade payables	**20,289.18**		(43,422.48)	
(Decrease) in financial liabilities (net)	**(395.21)**		(194.84)	
(Decrease)/ Increase in other liabilities and provisions (net)	**(6,079.93)**		158.38	
		(15,167.73)		(27,484.24)
Cash generated from operations		**49,231.62**		10,066.24
Taxes paid		**(9,196.23)**		(4,741.19)
Net cash generated from operating activities		**40,035.39**		5,325.05
B. Cash flows from investing activities				
Purchase of property, plant and equipment	**(5,236.08)**		(8,252.37)	
Proceeds from sale of property, plant and equipment	**10.55**		685.23	
Purchase of intangible assets	**(38.69)**		(62.83)	
Interest income received	**3,147.48**		301.18	
Loan given to a subsidiary	**(105.00)**		-	
Sale/ (Purchase) of current investments	**15.78**		143.20	
Sale of non-current investments	**13,800.00**		46.40	
Purchase of non-current investments	**(42,151.01)**		-	
Investment in subsidiaries	**(3.18)**		-	
Redemption of bank deposits (having maturity of more than 3 months)	**41,654.02**		9,312.41	
Investment in bank deposits (having maturity of more than 3 months)	**(51,606.11)**		(41,833.48)	
Net cash (used in) investing activities		**(40,512.24)**		(39,660.26)
C. Cash flows from financing activities				
Proceeds from allotment of equity share under employee stock options	**767.68**		83.97	
Proceeds from issue of warrants convertible into equity shares	**31,106.25**		19,678.75	
Proceeds from non-current borrowings	**270.06**		-	
Repayment of non-current borrowings	**(6,168.23)**		(3,936.05)	
Proceeds from/ (Repayment of) current borrowings (net)	**(18,110.77)**		27,879.49	
Interest paid	**(6,288.57)**		(4,854.83)	
Payment of lease liabilities (principal portion)	**(44.64)**		(169.65)	
Payment of lease liabilities (interest portion)	**(12.58)**		(19.04)	

Standalone Statement of Cash Flows

for the year ended 31 March 2024 (Contd.)

Amount in ₹ lakhs

	Year ended 31 March 2024		Year ended 31 March 2023	
Net proceeds/ (Outflow) on settlement of derivative contracts	**374.93**		(14.05)	
Dividend paid	**(1,081.95)**		(838.68)	
Net cash generated from financing activities		**812.18**		37,809.91
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**335.33**		3,474.70
Cash and cash equivalents at the beginning of the year (refer note 9)		**20,604.60**		17,129.44
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)		**0.02**		0.46
Cash and cash equivalents at the end of the year (refer note 9)		**20,939.95**		20,604.60

Notes:

1. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.

2. Changes in liability arising from financing activities:

Amount in ₹ lakhs

	1 April 2023	**Cash flow (net)**	**Foreign exchange movement**	**Lease additions**	**Other changes#**	**31 March 2024**
Borrowings (refer note 19)	**83,619.61**	**(24,008.94)**	**408.88**	**-**	**22.42**	**60,041.97**
Derivative contracts	**11.00**	**374.93**	**-**	**-**	**(487.32)**	**(101.39)**
Lease Liabilities	**179.33**	**(57.22)**	**-**	**-**	**12.58**	**134.69**

Amount in ₹ lakhs

	1 April 2022	Cash flow (net)	Foreign exchange movement	Lease additions	Other changes#	31 March 2023
Borrowings (refer note 19)	57,837.83	23,943.44	1,807.50	-	30.84	83,619.61
Derivative contracts	1,130.00	(14.05)	-	-	(1,104.95)	11.00
Lease Liabilities	348.98	(188.69)	-	-	19.04	179.33

#Other changes with respect to borrowings and lease liabilities represent adjustment for effective interest and for derivative contracts it represents fair value changes.

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration
Number: 302049E

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Place: Kolkata
Date: 25 April 2024

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

1. Reporting entity

Himadri Speciality Chemical Limited ("the Company") is a public company domiciled and headquartered in India, having its registered office situated at 23A, N. S. Road, Kolkata- 700 001 and corporate office situated at 8, India Exchange Place, 2nd floor, Kolkata -700 001. The Company was incorporated on 28 July 1987 and its equity shares are listed on National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE). The Company is primarily engaged in the manufacturing of carbon materials and chemicals. The Company has operations in India and caters to both domestic and international markets.

The Standalone financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 25 April 2024.

Statement of Compliance

These Standalone financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as the "Ind AS") notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act"), notified under Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions and presentation requirements of Division II of Schedule III to the Act, as applicable, to the Financial Statements.

New or amended Ind AS

Effective 01 April 2023 the Company has applied the following amendments to existing standards which has been notified by the Ministry of Corporate Affairs ("MCA").

(i) Ind AS1, Presentation of Financial Statements-

The Company has adopted the amendments to Ind AS 1 for the first time in the current year. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Accordingly, the financial statements have been prepared considering the above amendments.

(ii) Ind AS 8, Accounting policies, Change in Accounting Estimates and Errors-

The Company has adopted the amendments to Ind AS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

(iii) Ind AS 12, Income Taxes-

The Company has adopted the amendments to Ind AS 12 for the first time in the current year. The amendments have narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

These amendments did not have any material impact on the amounts recognised in the current year.

2. Basis of preparation and measurement of Standalone financial statements

(a) Basis of preparation and measurement

The Standalone financial statements have been prepared and presented on a going concern basis and under the historical cost convention on the accrual basis, except for certain financial instruments, defined benefit plans and employee share-based payments which are measured at fair value or amortised cost at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company determines materiality depending on the nature or magnitude of information, or both. Information is material if omitting, misstating or obscuring it could reasonably influence decisions made by the primary users, on the basis of those financial statements.

(b) Functional and presentation currency

The financial statements have been presented in Indian Rupees (INR), which is the Company's Functional Currency. Transactions in foreign currencies are recorded at their respective functional currency at the exchange rates prevailing at the date, the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All Financial information presented in INR has been rounded off to nearest two decimals of lakhs, unless otherwise indicated.

3. Material Accounting Policies

Material accounting policy information has been identified and disclosed based on the guidance provided under Ind AS 1. The material accounting policy information used in preparation of the standalone financial statements have been disclosed in the respective notes.

3.1 Key accounting estimates and judgements

The preparation of the Company's Standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes and disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Revisions to accounting estimates are recognised prospectively. The changes in the estimates are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment and Other intangible assets

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets (refer note 4A and 6).

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk and credit risk (refer note 40).

(iii) Defined benefit plan

The Company provides defined benefit employee retirement plans. Measurement of such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation (refer note 24).

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(iv) Recognition of current tax and deferred tax (including MAT credit entitlements)

The Company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances, and disallowances which is exercised while determining the provision for income tax. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability (refer note 33).

(v) Recognition and measurement of provisions and contingencies

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates

The Company uses significant judgements to assess contingent liabilities.

The Company does not recognize contingent liability but discloses its existence in the Standalone financial statements (refer note 24).

(vi) Determination of lease liabilities

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics [refer note 35(c)].

(vii) Determination of Right of use (ROU) assets

Certain key assumptions used in determination of ROU assets and liabilities, incremental borrowing rate and lease term. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (refer note 5).

(viii) Loss allowance on trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with, and the countries where it operates. The identification of credit impaired balances of trade receivable requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables, and credit impaired expenses in the period in which such estimate has been changed (refer note 8, 40 and 41).

3.2 Recent pronouncements

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

4A. Property, plant and equipment

Accounting Policy

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs.

Depreciation is calculated on estimated useful lives using the written down value method for Property, plant and equipment situated at Liluah Unit - I (Howrah), Vapi and Vizag, and on property, plant and equipment situated at other locations are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act except in respect of certain categories of assets, where the useful life of the assets has been assessed based on a technical evaluation.

Freehold land is not depreciated. Leasehold land (includes development cost) is amortised on a straight-line basis over the period of respective lease, except land acquired on perpetual lease. Useful lives and residual values are reviewed at each financial year end and adjusted, as appropriate. Leasehold improvements are amortised/ depreciated over the remaining tenure of the contract.

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Management estimate of useful life (in years)
Buildings	10-60
Plant and equipment	5-60
Office equipment	3-25
Vehicles	8-10
Furniture and fixtures	10

Based on technical assessment done by experts in earlier years and management's estimate:

- Useful life of property, plant and equipment are different than those indicated in Schedule II to the Act, as stated above.
- Residual value on property, plant and equipment has been estimated at 5% of the cost, specified in Schedule II of the Act.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

4A. Property, plant and equipment (Contd.)

Reconciliation of carrying amount

Amount in ₹ lakhs

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Gross carrying amount									
Balance at 1 April 2022	5,626.61	123.53	10,417.60	1,83,417.60	1,169.09	1,889.76	2,785.07	391.45	2,05,820.71
Additions during the year	57.08	-	322.30	2,181.30	46.71	252.29	133.45	-	2,993.13
Discard/ disposals during the year	(30.00)	-	-	(1,542.37)	(5.79)	(513.30)	(352.36)	-	(2,443.82)
Balance at 31 March 2023	5,653.69	123.53	10,739.90	1,84,056.53	1,210.01	1,628.75	2,566.16	391.45	2,06,370.02
Balance at 1 April 2023	**5,653.69**	**123.53**	**10,739.90**	**1,84,056.53**	**1,210.01**	**1,628.75**	**2,566.16**	**391.45**	**2,06,370.02**
Additions during the year	**77.68**	**-**	**956.66**	**5,348.18**	**11.72**	**500.75**	**169.96**	**26.11**	**7,091.06**
Discard/ disposals during the year	**-**	**-**	**-**	**-**	**-**	**(126.91)**	**-**	**-**	**(126.91)**
Balance at 31 March 2024	**5,731.37**	**123.53**	**11,696.56**	**1,89,404.71**	**1,221.73**	**2,002.59**	**2,736.12**	**417.56**	**2,13,334.17**
Accumulated depreciation and amortisation									
Balance at 1 April 2022	-	9.30	3,085.37	53,076.61	786.75	1,048.59	1,937.51	238.75	60,182.88
Depreciation/ amortisation during the year	-	1.55	254.61	3,734.81	65.20	133.64	148.59	99.76	4,438.16
Discard/ disposals during the year	-	-	-	(780.77)	(5.26)	(310.60)	(332.07)	-	(1,428.70)
Balance at 31 March 2023	-	10.85	3,339.98	56,030.65	846.69	871.63	1,754.03	338.51	63,192.34
Balance at 1 April 2023	**-**	**10.85**	**3,339.98**	**56,030.65**	**846.69**	**871.63**	**1,754.03**	**338.51**	**63,192.34**
Depreciation/ amortisation during the year	**-**	**1.55**	**279.70**	**3,830.65**	**49.90**	**156.07**	**161.47**	**35.86**	**4,515.20**
Discard/ disposals during the year	**-**	**-**	**-**	**-**	**-**	**(111.21)**	**-**	**-**	**(111.21)**
Balance at 31 March 2024	**-**	**12.40**	**3,619.68**	**59,861.30**	**896.59**	**916.49**	**1,915.50**	**374.37**	**67,596.33**
Net carrying amount									
At 31 March 2023	5,653.69	112.68	7,399.92	1,28,025.88	363.32	757.12	812.13	52.94	1,43,177.68
At 31 March 2024	**5,731.37**	**111.13**	**8,076.88**	**1,29,543.41**	**325.14**	**1,086.10**	**820.62**	**43.19**	**1,45,737.84**

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

4A. Property, plant and equipment (Contd.)

Notes:

(a) Title deeds of immovable properties not held in the name of the Company:

Amount in ₹ lakhs

	Description of the item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director	Property held since which date	Reason for not being held in the name of the Company
As at 31 March 2024						
Property, plant and equipment	Freehold Land	**518.86**	**Equal Commodeal Private Limited**	**No**	**2017-2019**	refer note (d) below

(b) As at 31 March 2024, Property, plant and equipment with net carrying amount of ₹ **1,38,572.66 lakhs** (31 March 2023: ₹ 1,37,715.69 lakhs) are subject to first charge to secure borrowings (refer note 19).

(c) Gross carrying amount includes Research and development assets (Building, Plant and equipment, Furniture and fixtures and Office equipment) of ₹ **2,488.59 lakhs** (31 March 2023: ₹ 2,043.30 lakhs) and net carrying amount of ₹ **1,334.07 lakhs** (31 March 2023: ₹ 1,127.33 lakhs). Additions to the Research and development assets during the year 2023-2024 is ₹ **445.29 lakhs** (2022-2023: ₹ 168.99 lakhs).

(d) The title deeds of leasehold Land are duly registered with appropriate authorities and title deeds of Freehold land amounting to ₹ **518.86 lakhs**, which were transferred to the Company pursuant to the Scheme of Amalgamation, are in the process of transfer in the name of the Company.

(e) For contractual commitment with respect to Property, plant and equipment, refer note 35(b).

(f) The Company has performed an assessment of its property plant and equipment for possible triggering events or circumstances for an indication of impairment and has concluded that there were no triggering events or circumstances that would indicate the property plant and equipment are impaired.

4B. Capital work-in-progress

Accounting Policy

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital work-in-progress and are carried at cost, less any recognised impairment loss, if any. Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Directly attributable expenditure (including finance costs relating to borrowed funds/general borrowings for construction or acquisition of property, plant and equipment) incurred on project under implementation are treated as Pre-operative expenses pending allocation to the asset and are shown under CWIP.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Balance at the beginning of the year	**9,353.11**	7,655.24
Additions during the year	**4,428.51**	4,753.83
Capitalised during the year	**(7,129.75)**	(3,055.96)
Balance at the end of the year	**6,651.87**	9,353.11

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

4B. Capital work-in-progress (Contd.)

Notes:

(a) Capital work-in-progress ageing schedule :

Amount in ₹ lakhs

	Amount of CWIP for a period of:				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March 2023:					
Projects in progress	3,816.53	1,398.32	1,244.08	2,894.18	9,353.11
As at 31 March 2024:					
Projects in progress	**1,559.24**	**2,442.03**	**1,132.75**	**1,517.85**	**6,651.87**

(b) Details of projects where activity has been suspended. - **Nil** (31 March 2023: Nil)

Capital work-in-progress includes:

Expenditure incurred on addition to manufacturing facility of the Company, given below:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Balance at the beginning of the year	**682.21**	213.60
Additions during the year:		
Employee benefits expense	**171.53**	304.64
Power and fuel	**0.37**	0.44
Rent	**115.93**	47.73
Miscellaneous expenses (includes professional fees, inspection charges, testing charges, etc.)	**35.30**	117.95
	323.13	470.76
Less: Capitalised during the year	**(688.74)**	(2.15)
Balance at the end of the year	**316.60**	682.21

The Company has performed an assessment of its Capital work in progress for possible triggering events or circumstances for an indication of impairment and has concluded that there were no triggering events or circumstances that would indicate the Capital work in progress are impaired.

5. Right of use assets

Accounting Policy

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Reconciliation of carrying amount

Amount in ₹ lakhs

	Land	Buildings	Total
Gross carrying amount			
Balance at 1 April 2022	2,706.44	525.78	3,232.22
Additions during the year	-	-	-
Discard/ disposals during the year	-	(337.14)	(337.14)
Balance at 31 March 2023	2,706.44	188.64	2,895.08
Balance at 1 April 2023	**2,706.44**	**188.64**	**2,895.08**
Additions during the year	**-**	**-**	**-**
Discard/ disposals during the year	**-**	**-**	**-**
Balance at 31 March 2024	**2,706.44**	**188.64**	**2,895.08**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

5. Right of use assets (Contd.)

Amount in ₹ lakhs

	Land	Buildings	Total
Accumulated amortisation			
Balance at 1 April 2022	633.85	270.29	904.14
Amortisation during the year	199.66	164.09	363.75
Discard/ disposals during the year	-	(337.14)	(337.14)
Balance at 31 March 2023	833.51	97.24	930.75
Balance at 1 April 2023	**833.51**	**97.24**	**930.75**
Amortisation during the year	**199.65**	**37.73**	**237.38**
Discard/ disposals during the year	**-**	**-**	**-**
Balance at 31 March 2024	**1,033.16**	**134.97**	**1,168.13**
Net carrying amount			
At 31 March 2023	1,872.93	91.40	1,964.33
At 31 March 2024	**1,673.28**	**53.67**	**1,726.95**

6. Intangible assets

Accounting Policy

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortized over their estimated useful life using straight line method which reflects the pattern in which the economic benefits are expected to be consumed and have a useful life of 3 to 5 years.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Reconciliation of carrying amount of Computer software

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Gross carrying amount		
Balance at the beginning of the year	**374.16**	311.33
Additions during the year	**38.69**	62.83
Discard/ disposals during the year	**-**	-
Balance at the end of the year	**412.85**	374.16
Accumulated amortisation		
Balance at the beginning of the year	**308.43**	244.61
Amortisation during the year	**22.20**	63.82
Discard/ disposals during the year	**-**	-
Balance at the end of the year	**330.63**	308.43
Net carrying amount	**82.22**	65.73

Intangible assets under development - Nil

The Company has performed an assessment of its Intangible assets for possible triggering events or circumstances for an indication of impairment and has concluded that there were no triggering events or circumstances that would indicate the Capital work in progress are impaired.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

7. Financial Assets

Accounting Policy

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind AS 32 Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Initial Recognition and Subsequent Recognition

(i) Amortised Cost

Financial assets are subsequently measured at amortised cost using the effective interest method, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets classified at amortised cost comprise trade receivables, loans, investments in preference shares, debentures, government securities etc.

(ii) Fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other Equity. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other Equity is directly reclassified to retained earnings.

On intial recognition, the Company has an irrevocable option to present changes in the fair value of equity investments not held for trading in OCI. This option is made on an investment-by-investment basis.

(iii) Fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Disclosure related to Fair value measurement of financial instruments (refer note 40).

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

7. Financial Assets (Contd.)

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Ind AS 109 requires expected credit losses to be measured through a loss allowance.

Investments

A. Non-current investments

(All the investments are fully paid, unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Investments in subsidiary carried at cost		
16,250 (31 March 2023: Nil) equity shares of Combe Projects Private Limited, a wholly-owned subsidiary (face value - ₹ 10 each)	**2.18**	-
10,000 (31 March 2023: Nil) equity shares of Himadri Clean Energy Limited, a wholly-owned subsidiary (face value - ₹ 10 each)	**1.00**	-
	3.18	-
7,07,83,680 (31 March 2023: 7,07,83,680) equity shares of AAT Global Limited, a wholly-owned subsidiary (face value - HKD 1 each)	**5,244.64**	5,244.64
Less: Impairment of investment in equity shares of AAT Global Limited, a wholly-owned subsidiary (refer note below)	**(5,244.64)**	(5,244.64)
	-	-
	3.18	-

The Company had made investments in equity shares and given loans and advances to its wholly owned subsidiary, AAT Global Limited ('AAT'), Hongkong. AAT, in turn, invested in equity shares and had given loans and advances to its subsidiary, Shandong Dawn Himadri Chemical Industry Limited ('SDHCIL'), China. There had been shortfall in the business performance of both AAT and SDHCIL as compared with budgets and further changes in the technology, market, economic environment have had adverse impact on the value of the investments and recoverability of loans and advances given. Due to the on-going size of operations and cost-benefit trend, both AAT and SDHCIL had been incurring losses and their net worth are fully eroded. Accordingly, the Company's investments in equity shares of AAT, amounting to ₹ 5,244.64 lakhs, had been fully impaired and loans and advances given to AAT, amounting to ₹ 7,554.01 lakhs, had been fully provided during the year ended 31 March 2020.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Investments carried at fair value through other comprehensive income (FVOCI)		
Equity instruments		
Quoted		
3,34,900 (31 March 2023: 3,34,900) equity shares of Himadri Credit & Finance Limited (face value - ₹ 10 each)	**944.42**	606.17
8,000 (31 March 2023: 8,000) equity shares of Transchem Limited (face value - ₹ 10 each)	**2.24**	1.51
	946.66	607.68
Unquoted		
17,000 (31 March 2023: 17,000) equity shares of Himadri e-Carbon Limited (face value - ₹ 10 each)	**1.87**	2.06
22 (31 March 2023: 22) equity shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)	**20.19**	5.90
1 (31 March 2023: Nil) equity share of Birla Tyres Limited (face value - ₹ 10 each)	**-**	-
	22.06	7.96

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

7. Financial Assets (Contd.)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Preference shares (unquoted)		
12,48,774 (31 March 2023: 12,48,774) 1% Non-cumulative optionally convertible preference shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each) (refer note a)	**18,257.08**	12,575.16
	18,257.08	12,575.16
Investments carried at fair value through profit or loss (FVTPL)		
Preference shares (unquoted)		
42,41,143 (31 March 2023: Nil) Class A Preference shares of Sicona Battery Technologies Pty Ltd (face value - AUD 1 each)	**5,611.01**	-
	5,611.01	-
Debentures (unquoted)		
49,99,999 (31 March 2023: Nil) 0.01% Secured Optionally Convertible Debentures (OCDs) of Birla Tyres Limited (face value - ₹ 10 each) (refer note b)	**718.50**	-
1,50,00,000 (31 March 2023: Nil) 0.01% Secured Optionally Convertible Debentures (OCDs) of Himadri Birla Tyre Manufacturer Private Limited (face value - ₹ 10 each) (refer note c)	**1,465.50**	-
11,80,00,000 (31 March 2023: Nil) 0.01% Unsecured Optionally Convertible Debentures (OCDs) of Himadri Birla Tyre Manufacturer Private Limited (face value - ₹ 10 each) (refer note c)	**11,517.30**	-
	13,701.30	-
Non convertible debenture (NCDs) (unquoted)		
8,94,00,000 (31 March 2023: Nil) 0.001% Secured, redeemable Non-Convertible Debentures ("NCDs") of Dalmia Bharat Refactories Limited (face value - ₹ 10 each) (refer note d)	**9,133.80**	-
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (deposited with sales tax authorities)	**0.07**	0.07
	47,675.16	13,190.87
Aggregate book value of quoted investments	**946.66**	607.68
Aggregate market value of quoted investments	**946.66**	607.68
Aggregate value of unquoted investments (net of impairment)	**46,728.50**	12,583.19
Aggregate amount of impairment in book value of unquoted investments	**(5,244.64)**	(5,244.64)
Investment carried at amortised cost	**3.25**	0.07
Investment carried at fair value through profit or loss (FVTPL)	**28,446.11**	-
Investment carried at fair value through other comprehensive income (FVOCI)	**19,225.80**	13,190.80

(a) Non-cumulative optionally convertible Preference shares (OCPS) of Modern HI-Rise Private Limited are convertible/ redeemable at any time before the expiry of 20 years from the date of allotment (i.e. 1 March 2019) at the option of the Issuer. Each OCPS, if not opted for conversion shall be redeemable at value equal to fair market value (post considering the market value of underlying assets) of the proportionate equity shares of the Issuer (if it were converted) as on 1 June 2018 (i.e. amalgamation appointed dated). The outstanding OCPS, if not redeemed, would be converted into equity shares at any time at the option of the Issuer, but not later than 20 years from the date of allotment at the option of the Issuer in a manner that the Company would obtain same proportion of equity shareholding (ownership) of the Issuer as on 1 June 2018 i.e. 7.7% of the total outstanding as on 1 June 2018 and would be subject to any dilution thereof pursuant to fresh allotment by MHPL. In case conversion is made by the Issuer, the OCPS will be converted into 6,253 equity shares (i.e. fixed number of equity shares) whenever converted.

(b) Optionally Convertible Debentures (OCDs) issued by Birla Tyres Limited (Issuer) are Convertible into equal number of equity shares at the option of the Debenture Holder any time within 5 years from the date of allotment. OCDs shall be redeemed upon expiry of 5 years from the date of allotment, if not converted by Debenture Holder, at a premium as may be fixed by the Issuer at the time of redemption.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

7. Financial Assets (Contd.)

(c) Optionally Convertible Debentures (OCDs) issued by Himadri Birla Tyre Manufacturer Private Limited (Issuer) are Convertible into equal number of equity shares at the option of the Debenture Holder any time within 5 years from the date of allotment. OCDs shall be redeemed upon expiry of 5 years from the date of allotment, if not converted by Debenture Holder, at a premium as may be fixed by the Issuer at the time of redemption.

(d) Redeemable Non-Convertible Debentures (NCDs) issued by Dalmia Bharat Refractories Limited (Issuer) are redeemable on expiry of 5 years from the date of Allotment unless mutually extended by the Issuer and Debenture Holder. However, both parties may mutually agree for part redemption of debentures. NCDs shall be subject to such other terms and conditions (including redemption premium, if any) as may be agreed between the Issuer and Debenture Holder.

Information about the Company's fair value measurement and exposure to credit and market risks are disclosed in note 40 and 41.

B. Investments designated at fair value

Amount in ₹ lakhs

	Fair value as at	Dividend income recognised during	Fair value as at	Dividend income recognised during	Fair value as at
	31 March 2024	2023-2024	31 March 2023	2022-2023	1 April 2022
Fair value through other comprehensive income					
Equity shares					
Investment in Himadri Credit & Finance Limited	944.42	-	606.17	-	576.03
Investment in Transchem Limited	2.24	-	1.51	-	1.76
Investment in Modern Hi-Rise Private Limited	20.19	-	5.90	-	3.43
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	-	-	-	-	0.03
Investment in Himadri e-Carbon Limited	1.87	-	2.06	-	2.14
Preference shares					
Investment in Modern Hi-Rise Private Limited	18,257.08	-	12,575.16	-	10,701.99
Fair value through profit or loss (FVTPL)					
Preference shares					
Investment in Sicona Battery Technologies Pty Ltd	5,611.01	-	-	-	-
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	-	-	-	-	46.37
Optionally convertible debentures (OCDs)					
Investment in Birla Tyres Limited	718.50	-	-	-	-
Investment in Himadri Birla Tyre Manufacturer Private Limited	12,982.80	-	-	-	-
Non convertible debentures (NCDs)					
Investment in Dalmia Bharat Refractories Limited	9,133.80	-	-	-	-
	47,671.91	-	13,190.80	-	11,331.75

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

8. Trade receivables

Accounting Policy

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance, if any.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Trade receivable considered good - secured	**1,900.62**	1,493.16
Trade receivable considered good - unsecured	**65,582.77**	50,721.71
	67,483.39	52,214.87
Less: Loss allowance	**(900.00)**	(717.01)
	66,583.39	51,497.86
Non-current	**1,018.41**	1,008.49
Current	**65,564.98**	50,489.37
	66,583.39	51,497.86
(a) Movement in loss allowance		
Balance as at beginning of the year	**717.01**	717.01
Change in loss allowances during the year	**182.99**	-
Trade receivables written off during the year	**-**	-
Balance as at the end of the year	**900.00**	717.01

(b) Trade receivables ageing schedule is as follows:

Amount in ₹ lakhs

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024							
(i) Undisputed Trade receivables:							
- considered good	**54,164.82**	**11,452.80**	**207.89**	**133.14**	**28.11**	**148.00**	**66,134.76**
- which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Disputed Trade receivables:							
- considered good	**-**	**-**	**-**	**-**	**-**	**1,018.41**	**1,018.41**
- credit impaired	**-**	**-**	**-**	**41.22**	**-**	**289.00**	**330.22**
Total	**54,164.82**	**11,452.80**	**207.89**	**174.36**	**28.11**	**1,455.41**	**67,483.39**

Amount in ₹ lakhs

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
(i) Undisputed Trade receivables:							
- considered good	38,379.03	12,160.83	160.25	48.24	69.95	118.21	50,936.51
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,008.49	1,008.49
- credit impaired	-	-	-	-	9.31	260.56	269.87
Total	38,379.03	12,160.83	160.25	48.24	79.26	1,387.26	52,214.87

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

8. Trade receivables (Contd.)

(c) For trade receivables given as security for borrowings, refer note 19.

(d) Non-current trade receivables represent an amount of ₹ **1,018.41 lakhs** (31 March 2023: ₹ 1,008.49 lakhs) due from a customer which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained by the Company, the Company continues to believe that the outcome of the said proceedings would be in favour of the Company.

(e) No trade receivables are due from directors of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(f) Information about the Company's exposure to credit, market and currency risks, and loss allowances related to trade receivables are disclosed in note 41.

9. Cash and cash equivalents

Accounting Policy

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, and have maturities of less than 3 months from the date of such deposits, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Cash on hand	**50.86**	62.19
Balances with banks		
- On current accounts	**20,871.41**	19,303.43
- On EEFC accounts	**17.68**	426.48
- On deposit account (with original maturities less than 3 months) [refer note below]	**-**	812.50
	20,939.95	20,604.60

Balances with banks on current accounts includes earmarked balances of ₹ **142.19 lakhs** (31 March 2023: ₹ 643.67 lakhs) lying in CSR account.

Bank deposits of ₹ **Nil** (31 March 2023: ₹ 812.50 lakhs) have been pledged with the banks against various credit facilities availed by the Company.

10. Bank balances other than cash and cash equivalents

Accounting Policy

The Company considers balances and deposits with banks having maturity of more than three months but less than 12 months to be bank balances other than Cash & Cash Equivalents.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date [refer note (a) below]	**51,614.45**	41,662.36
Earmarked balances with banks		
- Earmarked balances with banks for unpaid dividend accounts	**38.01**	37.18
- Other deposits [refer note (b) below]	**0.27**	0.27
	51,652.73	41,699.81

(a) Bank deposits of ₹ **51,110.68 lakhs** (31 March 2023: ₹ 41,158.81 lakhs) have been pledged with various banks against various credit facilities availed by the Company.

(b) Earmarked balances with banks of ₹ **0.27 lakh** (31 March 2023: ₹ 0.27 lakh) is held as security against various credit facilities availed by the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

11. Loans

Accounting policy (refer note 7)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Loan given		
- to employees	-	100.00
- to wholly owned subsidiaries	6,403.98	6,298.98
	6,403.98	6,398.98
Less: Loss allowance	(6,298.98)	(6,298.98)
	105.00	100.00
Current		
Loan given		
- to employees	16.27	55.41
- to related party	110.21	97.22
	126.48	152.63
	231.48	252.63
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured	231.48	252.63
Loan receivables which have significant increase in credit risk	6,298.98	6,298.98
Loan receivables - loss allowance	(6,298.98)	(6,298.98)
	231.48	252.63

A. Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Loans and advances in the nature of loan to subsidiaries		
(i) AAT Global Limited		
Amount outstanding as at year ended	6,298.98	6,298.98
Less: loss allowances	(6,298.98)	(6,298.98)
Maximum balance of loan outstanding during the year	6,298.98	6,298.98
Loan given for business purpose		
Percentage of total loan	-	-
(ii) Combe Projects Private Limited		
Amount outstanding as at year ended	100.00	-
Less: loss allowances	-	-
Maximum balance of loan outstanding during the year	100.00	-
Loan given for business purpose		
Percentage of total loan	43%	-
(iii) Himadri Clean Energy Limited		
Amount outstanding as at year ended	5.00	-
Less: loss allowances	-	-
Maximum balance of loan outstanding during the year	5.00	-
Loan given for business purpose		
Percentage of total loan	2%	-
(b) Loans and advances in the nature of loan to KMPs		
Amount outstanding as at year ended	110.21	97.22
Less: loss allowances	-	-
Maximum balance of loan outstanding during the year	110.21	97.22
Loan given		
Percentage of total loan	48%	38%

(c) **Details of investments:** Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7.

B. Information about the Company's exposure to credit and market risks are disclosed in note 41.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

12. Other financial assets

Accounting policy (refer note 7)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Security and other deposits	**2,385.97**	2,176.44
Bank deposits due to mature after 12 months of the reporting date	**0.46**	0.46
Interest accrued on bank deposits	**0.05**	0.03
Interest receivable	**0.09**	-
	2,386.57	2,176.93
Current		
Receivable from parties other than related parties		
Security and other deposits	**535.16**	535.16
Interest accrued on bank deposits	**1,678.45**	1,377.64
Insurance claim receivable	**-**	5.96
Export incentive receivable	**1.68**	0.39
Derivatives	**101.39**	-
Government grants receivable	**557.06**	557.06
Other receivable	**7.59**	-
	2,881.33	2,476.21
	5,267.90	4,653.14

Bank deposits of ₹ **0.46 lakh** (31 March 2023: ₹ 0.46 lakh) have been pledged with various banks against various credit facilities availed by the Company.

Information about the Company's exposure to credit and market risks are disclosed in note 41.

13. Non-current tax assets (net)

Accounting policy (refer note 33)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Advance income tax	**733.06**	737.48
[net of provision for income tax ₹ **30,725.18 lakhs** (31 March 2023: ₹ 25,997.06 lakhs)]		
	733.06	737.48

14. Other non-current assets

(Unsecured, considered good)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Capital advances*		
Other than related party	**1,428.06**	338.56
Deposits with government authorities (Custom, excise etc.)	**893.44**	884.10
	2,321.50	1,222.66

*Represents advances paid towards acquisition of Property, plant and equipment.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

15. Inventories

Accounting Policy

(Valued at the lower of cost and net realisable value)

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) cost basis. Cost of raw material and traded goods comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition and are net of rebates and discounts. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Raw materials [including goods-in-transit ₹ **2,241.44 lakhs** (31 March 2023: ₹ 1,542.92 lakhs)]	**34,421.08**	22,256.51
Work-in-progress	**8,476.32**	6,676.73
Finished goods	**23,408.16**	21,537.47
Packing materials	**830.25**	758.50
Stores and spares	**3,472.82**	3,295.23
	70,608.63	54,524.44

Carrying amount of inventories pledged as securities for borrowings (refer note 19).

16. Other current assets

(Unsecured considered good unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Parties other than related parties		
Advances to suppliers		
Unsecured, considered good [refer note (b) below]	**12,214.24**	13,093.52
Unsecured, considered doubtful	**216.75**	216.75
	12,430.99	13,310.27
Less: Allowances for unsecured advances [refer note (a) below]	**(216.75)**	(216.75)
	12,214.24	13,093.52
Others		
Balance with government authorities	**2,204.12**	1,546.06
Others (prepaid expenses and other receivables)	**1,169.27**	536.69
To related party		
Advance for supplies: AAT Global Limited (refer note 39)	**1,255.03**	3,825.87
Less: Allowances for advances [refer note (a) below]	**(1,255.03)**	(1,255.03)
	-	2,570.84
	15,587.63	17,747.11

(a) Movement in allowances for unsecured advances

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Balance as at beginning of the year	**1,471.78**	1,471.78
Changes in allowances for advances during the year	**-**	-
Advances written off during the year	**-**	-
Balance as at the end of the year	**1,471.78**	1,471.78

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

16. Other current assets (Contd.)

(b) Advances to suppliers includes ₹ **833.93 lakhs** (31 March 2023: ₹ 833.93 lakhs) as advance given in earlier years to a supplier against supply of raw materials which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained, the Company continues to believe that the outcome of the said proceedings would be in favour of the Company.

(c) For financial instrument details refer note 40 & for details of financial risk management refer note 41.

17. Equity share capital

Accounting Policy

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Authorised		
70,01,00,000 (31 March 2023: 70,01,00,000) equity shares of ₹ 1 each	**7,001.00**	7,001.00
Issued, subscribed and fully paid-up		
49,25,94,573 (31 March 2023: 43,27,07,198) equity shares of ₹ 1 each	**4,925.95**	4,327.07
	4,925.95	4,327.07

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
At the beginning of the year	**43,27,07,198**	**4,327.07**	41,89,65,278	4,189.65
Add: Equity shares issued on exercise of employee stock option (refer note 38)	**6,37,375**	**6.38**	4,41,920	4.42
Add: Equity shares issued against conversion of warrants (refer note H)	**5,92,50,000**	**592.50**	1,33,00,000	133.00
At the end of the year	**49,25,94,573**	**4,925.95**	43,27,07,198	4,327.07

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

C. Equity shares held by upstream associates (shareholders of the Company) having significant influence over the Company

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Modern Hi-Rise Private Limited	**18,25,99,607**	**1,826.00**	18,25,99,607	1,826.00

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

17. Equity share capital (Contd.)

D. Details of equity shareholders holding more than 5% shares of fully paid up equity shares of the aggregate equity shares of the Company

	31 March 2024		31 March 2023	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 1 each fully paid up held by:				
Modern Hi-Rise Private Limited	**18,25,99,607**	**37.07%**	18,25,99,607	42.20%
Anurag Choudhary	**3,30,00,000**	**6.70%**	1,33,00,000	3.07%

E. Shareholding of promoters are as follows:

	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares in the class	% change during the year
As at 31 March 2024					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited *	**18,25,99,607**	**-**	**18,25,99,607**	**37.07%**	**-**
Himadri Credit & Finance Limited *	**14,84,067**	**-**	**14,84,067**	**0.31%**	**-**
Anurag Choudhary	**1,33,00,000**	**1,97,00,000**	**3,30,00,000**	**6.70%**	**4.00%**
Shyam Sundar Choudhary	**-**	**82,50,000**	**82,50,000**	**1.67%**	**1.67%**
Shikha Choudhary	**-**	**37,00,000**	**37,00,000**	**0.75%**	**0.75%**
Sheela Devi Choudhary	**-**	**30,00,000**	**30,00,000**	**0.61%**	**0.61%**
Amit Choudhary	**-**	**1,37,50,000**	**1,37,50,000**	**2.79%**	**2.79%**
Rinku Choudhary	**-**	**8,50,000**	**8,50,000**	**0.17%**	**0.17%**
Anooshka C Bathwal	**-**	**11,00,000**	**11,00,000**	**0.22%**	**0.22%**
	19,73,83,674	**5,03,50,000**	**24,77,33,674**	**50.29%**	**10.21%**

	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares in the class	% change during the year
As at 31 March 2023					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited	18,25,99,607	-	18,25,99,607	42.20%	-
Himadri Credit & Finance Limited	14,84,067	-	14,84,067	0.35%	-
Anurag Choudhary	-	1,33,00,000	1,33,00,000	3.07%	3.07%
	18,40,83,674	1,33,00,000	19,73,83,674	45.62%	3.07%

*Change in percentage is due to increase in equity share capital of the Company during the year.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

17. Equity share capital (Contd.)

F. Shares reserved for issue under options

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016) equity shares of ₹ 1 each (refer note 38)	**4,36,449**	**4.36**	10,77,729	10.78

Information of stock options granted to employees are disclosed in note 38 regarding share based payments.

G. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

No equity shares have been allotted as fully paid up pursuant to contracts for consideration other than cash during the period of five years immediately preceeding the reporting date.

H. Equity Shares issued on conversion of warrants

During the previous year, the Company had issued and allotted 7,25,50,000 warrants, each convertible into one equity share of ₹ 1 each, on Preferential allotment basis at an issue price of ₹ 70 per warrant, to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity, upon receipt of 25% of the issue price (i.e. ₹ 17.50 per warrant) as warrant subscription money. Balance 75% of the issue price (i.e. ₹ 52.50 per warrant) was payable within 18 months from the date of allotment i.e.22 August 2022, at the time of exercising the option to apply for fully paid-up equity share of ₹ 1 each of the Company, against each warrant held by the warrant holder. Subsequently during the previous year the Company upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 1,33,00,000 warrants, had allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder. As a result of such allotment, the paid-up equity share capital of the Company had increased by 1,33,00,000 equity shares of face value of ₹ 1 each.

During the financial year 2023-24 the Company upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for remaining 5,92,50,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holders. As a result of such allotment, the paid-up equity share capital of the Company has increased by 5,92,50,000 equity shares of face value of ₹ 1 each.

I. Distribution made and proposed dividend on equity shares

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended on 31 March 2023: ₹ **0.25 per share** (31 March 2022: ₹ 0.20 per share)	**1,081.95**	838.68
Total dividend paid	**1,081.95**	838.68
Proposed dividend on equity shares not recognised as liability		
Final dividend for the year ended on 31 March 2024: ₹ **0.50 per share** (31 March 2023: ₹ 0.25 per share)	**2,463.59**	1,081.95
Total dividend proposed for the year	**2,463.59**	1,081.95

Proposed dividend on equity shares is subject to the approval of the equity shareholders of the Company at the Annual General Meeting and not recognised as a liability as at Standalone Balance Sheet date.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

18. Other equity

Refer Standalone statement of changes in equity for detailed movement in other equity balance.

A. Movement in other equity balance

Amount in ₹ lakhs

Components	1 April 2022	Movement during the year	31 March 2023	Movement during the year	31 March 2024
Capital reserve	1,280.50	-	1,280.50	**-**	**1,280.50**
Securities premium	45,600.10	9,370.20	54,970.30	**41,788.91**	**96,759.21**
General reserve	18,955.61	-	18,955.61	**-**	**18,955.61**
Share option outstanding reserve*	381.86	(113.65)	268.21	**(145.11)**	**123.10**
Money received against share warrants	-	10,368.75	10,368.75	**(10,368.75)**	**-**
Retained earnings	1,03,945.22	19,940.13	1,23,885.35	**39,978.90**	**1,63,864.25**
Items of other comprehensive income:					
- Equity instruments through Other Comprehensive income	6,024.98	1,479.33	7,504.31	**4,708.06**	**12,212.37**
	1,76,188.27	41,044.76	2,17,233.03	**75,962.01**	**2,93,195.04**

*Disclosure of share based payment (refer note 38).

B. Other comprehensive income accumulated in other equity (net of income-tax)

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

Amount in ₹ lakhs

	Equity instruments through other comprehensive income
As at 1 April 2022	6,024.98
Equity instruments through other comprehensive income - net change in fair value	1,905.45
Tax on above items	(426.12)
As at 31 March 2023	7,504.31
Equity instruments through other comprehensive income - net change in fair value	**6,035.00**
Tax on above items	**(1,326.94)**
As at 31 March 2024	**12,212.37**

19. Financial Liabilities

Accounting Policy

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability. They are measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired.

Disclosure related to Fair value measurement of financial instruments (refer Note 40).

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

19. Financial Liabilities (Contd.)

Borrowings

Amount in ₹ lakhs

	Interest	Maturity	31 March 2024	31 March 2023
Non-current borrowings				
Secured				
Term loans				
Rupee term loan (secured)	refer note [A(i)] below			
From banks			**3,117.30**	9,219.88
Loan against vehicles and equipments (secured)	7%-8.3%	2025-2028	**354.48**	127.65
			3,471.78	9,347.53
Less: Current maturities of non-current borrowings			**(1,318.00)**	(4,516.79)
			2,153.78	4,830.74

			31 March 2024	31 March 2023
Current borrowings				
Secured				
From banks (repayable on demand)				
Rupee loans			**27,872.04**	17,009.69
Foreign currency loans			**28,698.15**	55,957.66
			56,570.19	72,967.35
Current maturities of non-current borrowings			**1,318.00**	4,516.79
Unsecured				
From banks (repayable on demand)				
Rupee loans			**-**	1,304.73
			57,888.19	78,788.87

Information about the Company's exposure to fair value measurement, interest rate, currency and liquidity risks related to borrowings are disclosed in note 40 and 41.

A. Terms of repayment/ conversion/ redemption

Term loans

Amount in ₹ lakhs

Name of the lender	Interest	Repayment schedule	31 March 2024	31 March 2023
(i) Rupee term loans				
HDFC Bank Limited [₹ **Nil** (31 March 2023: ₹ 4,875.00 lakhs)]	-	-	**-**	4,859.07
Kotak Mahindra Bank Limited [₹ **3,125.00 lakhs** (31 March 2023: ₹ 4,375.00 lakhs)]	3 Month REPO Rate+ 1.75%	Repayable at quarterly rest: 10 of ₹ 312.50	**3,117.30**	4,360.81

(ii) Loans against vehicles and equipments are for a period of three to seven years and repayable by way of equated monthly instalments.

B. Details of security

(i) Rupee term loans are secured by way of pari passu first charge on the movable fixed assets and equitable mortgage of the Mahistikry Unit of the Company situated in West Bengal.

(ii) Loans against vehicles and equipments are secured by way of hypothecation of the respective underlying asset financed.

(iii) Current borrowings from Axis Bank Ltd amounting to ₹ **19,240 lakhs** (31 March 2023: ₹ Nil) is secured by way of pari passu first charge on the movable fixed assets, both present and future, of the Company, and current borrowings from other banks aggregating to ₹ **37,330.19 lakhs** (31 March 2023: ₹ 72,967.35 lakhs) are secured by hypothecation of currents assets of the Company both present and future on pari passu basis.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

20. Trade payables

Accounting Policy

Trade payables represent liabilities for goods and services provided to the Company and are unpaid at the reporting period. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

They are recognised initially at their transactional value which represents the fair value and subsequently measured at amortised cost using the effective interest method wherever applicable.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Trade payable for goods and services		
- total outstanding dues of micro enterprises and small enterprises (refer note (b) below)	**292.03**	444.83
- total outstanding dues of creditors other than micro enterprises and small enterprises	**53,471.21**	33,343.78
Acceptances	**729.20**	315.43
	54,492.44	34,104.04
Non-current	**-**	-
Current	**54,492.44**	34,104.04
	54,492.44	34,104.04

(a) Trade payables ageing:

Amount in ₹ lakhs

	Outstanding for following periods from the transaction date				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
(i) MSME	**292.03**	**-**	**-**	**-**	**292.03**
(ii) Others	**42,094.87**	**3,495.79**	**23.16**	**1,345.10**	**46,958.92**
(iii) Disputed dues- MSME	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues- others	**-**	**-**	**-**	**-**	**-**
Total	**42,386.90**	**3,495.79**	**23.16**	**1,345.10**	**47,250.95**
Add: Accrued Liabilities					**6,512.29**
Add: Acceptances					**729.20**
					54,492.44

Amount in ₹ lakhs

	Outstanding for following periods from the transaction date				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023					
(i) MSME	444.83	-	-	-	444.83
(ii) Others	26,325.60	23.10	1,299.08	141.08	27,788.86
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
Total	26,770.43	23.10	1,299.08	141.08	28,233.69
Add: Accrued Liabilities					5,554.92
Add: Acceptances					315.43
					34,104.04

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

20. Trade payables (Contd.)

(b) Due to micro enterprises and medium enterprises

The disclosure pursuant to the Micro, Small and Medium enterprise development Act, 2006 (MSMED Act) for dues to Micro enterprises and Small enterprises as at 31 March 2024 and 31 March 2023 are as under

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(i) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year:		
- Principal	**292.03**	444.83
- Interest	**-**	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	**-**	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	**-**	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	**-**	-

(c) Information about the Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 41.

21. Derivatives

Accounting Policy

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, cross currency swap and option contracts to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately, if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Standalone Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Mark to market on derivative contracts	**-**	11.00
	-	11.00
Non-current	**-**	-
Current	**-**	11.00
	-	11.00

Information about the Company's exposure to currency risks related to derivatives are disclosed in note 41.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

22. Other financial liabilities

Accounting policy (refer note 19)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Security deposits	**25.77**	25.77
	25.77	25.77
Current		
Interest accrued but not due on borrowings	**407.50**	671.71
Unclaimed dividend	**38.01**	37.18
Liability for capital goods	**767.87**	525.29
Others (including Employee related liabilities and Security deposits)	**1,302.45**	1,697.66
	2,515.83	2,931.84

(a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(b) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities are disclosed in note 41.

23. Other current liabilities

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Statutory dues (including provident fund, tax deducted at source, goods and services tax and others)	**369.55**	2,266.99
Contract Liabilities		
- Advance from customers	**1,368.00**	5,990.49
	1,737.55	8,257.48

24. Provisions

Accounting Policy

(a) Employee benefits - refer note 30

(b) Other Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

The amortisation or "unwinding" of the discount applied in establishing the provision is charged to the income statement in each accounting period. The amortisation of the discount is shown within finance costs in the Statement of profit or loss.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Net defined benefit liability - Gratuity [refer note (B) below]	**476.29**	380.78
Liability for compensated absences [refer note (C) below]	**345.49**	129.86
Provision for litigation [refer note (C) below]	**78.42**	78.42
	900.20	589.06
Current		
Liability for compensated absences [refer note (C) below]	**110.38**	12.54
	110.38	12.54

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

24. Provisions (Contd.)

The Company has clasified the various benefits provided to employees as under:

A. Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund and Employee State Insurance ('ESI') which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are recognised in the Standalone Statement of Profit and Loss as they accrue.

The expense for defined contribution plans amounts to ₹ **371.60 lakhs** (31 March 2023: ₹ 324.30 lakhs). Out of these, ₹ **358.06 lakhs** (31 March 2023: ₹ 305.78 lakhs) pertains to provident fund plan and ₹ **13.54 lakhs** (31 March 2023: ₹ 18.52 lakhs) pertains to ESI.

B. Defined benefits - Gratuity

The Company's gratuity benefit scheme for its employees in India is a defined benefit plan (funded).

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk. These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, salary inflation risk, demographic risk and market (investment) risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Standalone Statement of Profit and Loss, actuarial assumptions and other information.

(i) Reconciliation of present value of defined benefit obligation

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Balance at the beginning of the year	**772.89**	690.02
(b) Current service cost	**93.70**	80.94
(c) Interest cost	**54.01**	48.19
(d) Actuarial (gains)/ losses recognised in other comprehensive income	**59.81**	(4.89)
(e) Benefits paid	**(65.95)**	(41.37)
Balance at the end of the year	**914.46**	772.89

(ii) Reconciliation of fair value of plan assets

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Balance at the beginning of the year	**392.11**	335.84
(b) Expected return on plan asset	**29.22**	25.57
(c) Actual return on plan asset less interest on plan asset	**0.44**	(7.93)
(d) Contributions by the employer	**82.35**	80.00
(e) Benefits paid	**(65.95)**	(41.37)
Balance at the end of the year	**438.17**	392.11

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

24. Provisions (Contd.)

(iii) Net liability recognised in the Standalone Balance Sheet

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Present value of defined benefit obligation	**(914.46)**	(772.89)
(b) Fair value of plan assets	**438.17**	392.11
Net liability recognised in the Standalone Balance Sheet	**(476.29)**	(380.78)

(iv) Expense recognised in Standalone Statement of Profit or Loss

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Current service cost	**93.70**	80.94
(b) Interest cost	**54.01**	48.19
(c) Expected return on plan assets	**(29.22)**	(25.57)
Amount charged to Standalone Statement of Profit or Loss	**118.49**	103.56

(v) Remeasurements recognised in Standalone Other Comprehensive Income

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	**30.42**	(8.58)
- experience adjustment	**29.39**	3.69
(b) Actual return on plan asset less interest on plan asset	**(0.44)**	7.93
Amount recognised in Standalone Other Comprehensive Income	**59.37**	3.04

(vi) The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

	31 March 2024	31 March 2023
Impact on defined benefit obligation on discount rate plus **100 basis points**	**(95.67)**	(78.19)
Impact on defined benefit obligation on discount rate minus **100 basis points**	**113.58**	92.90
Impact on defined benefit obligation on salary growth rate plus **100 basis points**	**(100.97)**	84.31
Impact on defined benefit obligation on salary growth rate minus **100 basis points**	**(88.52)**	(72.91)

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Standalone Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(vii) Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Standalone Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

24. Provisions (Contd.)

Financial assumptions

	31 March 2024	31 March 2023
Discount rate	**7.00%**	7.30%
Expected rate of salary increase	**7.00%**	7.00%
Retirement age (years)	**60**	60
Attrition rate based on different age group of employees:		
ages from 20-25	**5%**	5%
ages from 25-30	**3%**	3%
ages from 30-35	**2%**	2%
ages from 35-50	**1%**	1%
ages from 50-55	**2%**	2%
ages from 55-58	**3%**	3%

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

Demographic assumptions

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-2008).

(viii) Maturity profile of defined benefit obligation (undiscounted)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Within next 12 months	**27.29**	48.81
1-2 year	**51.01**	38.18
2-3 year	**40.54**	52.69
3-4 year	**58.45**	48.01
4-5 year	**65.82**	72.46
Thereafter	**311.60**	471.57

	31 March 2024	31 March 2023
(ix) Weighted average duration of defined benefit obligation	**12 years**	12 years

(x) The Company expects to pay ₹ **476.29 lakhs** in contribution to its defined benefit plans during the year 2024-2025.

(xi) Asset liability matching strategy:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

There is no compulsion on the part of the Company to fully prefund the liability of the plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

C. Other employee benefits

Amount in ₹ lakhs

	Liability for compensated absences	Provision for litigation
Balance as at 1 April 2022	160.90	78.42
Add: Provisions made during the year 2022-2023	10.86	-
Less: Amount utilised/ reversed during the year 2022-2023	(29.36)	-
Balance as at 31 March 2023	142.40	78.42

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

24. Provisions (Contd.)

Amount in ₹ lakhs

	Liability for compensated absences	Provision for litigation
Add: Provisions made during the year 2023-2024	**356.19**	**-**
Less: Amount utilised/ reversed during the year 2023-2024	**(42.72)**	**-**
Balance as at 31 March 2024	**455.87**	**78.42**

Movement of provision for litigation during the year as required by Ind AS 37: "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013, the Company as a prudent measure had made provisions in the earlier year amounting to ₹ 78.42 lakhs representing estimates made mainly for probable claims arising out of disputes pending with the sales tax authorities. The probability and timing of the outflow with regard to these matters depend upon the ultimate settlement with the relevant authorities.

25. Current tax liabilities (net)

Accounting policy (refer note 33)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Income-tax liabilities [net of advance tax ₹ **9,196.23 lakhs** (31 March 2023: ₹ 4,741.19 lakhs)]	**807.25**	4.42
	807.25	4.42

26. Revenue from operations

Accounting Policy

The Company's revenue primarily from sale of Carbon materials and chemicals, and power (generation and distribution). Revenue excludes any taxes and duties collected on behalf of the Government.

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the products.

At contract inception, the Company assess the goods promised in a contract with a customer and identifies as a performance obligation of each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods is transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances and trade discounts.

The Company's derives its power revenue from the production and sale of electricity based on long-term Power Purchase Agreements. Revenue is recognised upon delivery of electricity produced to the electricity grid based on the agreed tariff rate.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	**4,18,460.80**	4,17,182.60
Other operating revenue		
- Export incentive	**28.23**	1.53
Total revenue from operations	**4,18,489.03**	4,17,184.13

(i) Sales are net of price adjustments settled during the year by the Company, discounts and Goods and Services tax (GST) etc.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

26. Revenue from operations (Contd.)

(ii) Revenue disaggregation is as follows:

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Disaggregation of goods		
- Carbon materials and chemicals	**4,16,074.45**	4,15,226.34
- Power	**2,386.35**	1,956.26
	4,18,460.80	4,17,182.60
(b) Disaggregation based on geography		
India	**3,39,719.69**	3,25,385.41
Outside India	**78,741.11**	91,797.19
	4,18,460.80	4,17,182.60
Geographical location is based on the location of customers excluding export incentives		
(c) Reconciliation of Revenue from sale of products with the contracted price		
Contracted price	**4,18,654.41**	4,20,466.32
Add/(less): Adjustment for variable consideration	**(193.61)**	(3,283.72)
	4,18,460.80	4,17,182.60
(d) Information about major customers (refer note 41)		
(e) Contract balances		
Trade receivables (refer note 8)	**66,583.39**	51,497.86
	66,583.39	51,497.86

27. Other income

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income under the effective interest method:		
- Interest on bank deposits	**3,294.54**	1,591.55
- Others	**150.41**	5.44
- Income from a related party (refer note 39):		
- On loan given to a wholly owned subsidiaries	**5.52**	-
- Others	**5.99**	5.99
- Unwinding of discount on security deposits and others	**164.45**	154.91
Gain on sale proceeds of current investments measured at fair value through profit or loss	**110.88**	143.20
Insurance claims	**116.36**	350.76
Gain on fair valuation of non current investments measured at fair value through profit or loss	**95.10**	-
Rental income (refer note 39)	**22.50**	90.00
Miscellaneous income	**289.31**	455.61
	4,255.06	2,797.46

28. Cost of materials consumed

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory of raw materials at the beginning of the year	**22,256.51**	48,237.88
Add: Purchases during the year	**3,19,349.09**	3,03,746.88
	3,41,605.60	3,51,984.76
Less: Inventory of raw materials at the end of the year	**(34,421.08)**	(22,256.51)
Cost of materials consumed	**3,07,184.52**	3,29,728.25

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

29. Change in inventories of finished goods and work-in-progress

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventories		
Finished goods	**21,537.47**	16,075.11
Work-in-progress	**6,676.73**	9,125.22
	28,214.20	25,200.33
Closing inventories		
Finished goods	**23,408.16**	21,537.47
Work-in-progress	**8,476.32**	6,676.73
	31,884.48	28,214.20
Change in inventories of finished goods and work-in-progress	**(3,670.28)**	(3,013.87)

30. Employee benefits expense

Accounting Policy

Retirement benefit costs and termination benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds having terms approximating to the terms of related obligation. The gratuity fund is being managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. Expense on non-accumulating compensated absences is recognized in the period in which they arise. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, Bonus etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

30. Employee benefits expense (Contd.)

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	**9,098.07**	7,673.99
Contribution to provident and other funds	**553.96**	436.18
Defined benefit plan expenses - Gratuity [refer note 24 (b)]	**93.70**	80.94
Staff welfare expenses	**1,251.15**	903.67
	10,996.88	9,094.78

Salaries, wages and bonus includes ₹ **672.46 lakhs** (31 March 2023: ₹ 606.83 lakhs) relating to outsource manpower cost.

31. Finance costs

Accounting Policy

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost	**5,755.69**	4,864.55
Exchange difference regarded as an adjustment to borrowing costs	**312.40**	1,349.87
Other borrowing costs	**291.09**	354.05
Interest cost on lease liability [refer note 35(c)]	**12.58**	19.04
	6,371.76	6,587.51

32. Other expenses

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	**908.79**	621.29
Power and fuel* [refer note (a) below]	**1,283.42**	1,592.52
Rent	**1,665.23**	547.74
Rates and taxes	**177.95**	210.92
Repairs to*:		
- Building	**90.32**	74.69
- Plant and equipment	**3,024.50**	3,458.74
- Others	**663.32**	671.52
Payment to auditors' [refer note (b) below]	**83.25**	80.40
Insurance	**606.19**	541.77
Loss allowance for doubtful trade receivables	**182.99**	-
Packing expenses	**3,178.02**	3,434.16
Freight and forwarding expenses	**18,049.49**	19,981.51
Commission on sales	**1,482.78**	1,504.29
Net foreign exchange loss/ (gain)	**(968.98)**	1,980.35
Expenditure on corporate social responsibility [refer note (c) below]	**316.39**	160.99
Miscellaneous expenses [refer note (d) below]	**9,029.03**	7,677.07
	39,772.69	42,537.96
* includes stores and spares consumed	**3,138.36**	5,797.49

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

32. Other expenses (Contd.)

(a) Power and fuel includes expenses incurred on operation of the power plant

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	**219.43**	221.25
Repairs	**132.61**	196.16
Other operational expenses	**17.30**	18.48
	369.34	435.89

(b) Payment to auditors'

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
As auditors':		
- Statutory audit fees	**53.50**	50.50
- Limited review of quarterly results	**21.50**	9.50
- Certification fees	**6.10**	15.33
Reimbursement-Out of pocket expenses	**2.15**	5.07
	83.25	80.40

Payment to auditors for the current financial year includes ₹ **Nil** (31 March 2023: ₹ 21.85 lakhs) paid to erstwhile auditors as under.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
As auditors':		
- Limited review of quarterly results	**-**	3.00
- Certification fees	**-**	13.98
Reimbursement-Out of pocket expenses	**-**	4.87
	-	21.85

(c) Expenditure on corporate social responsibility (CSR)

As per Section 135 of the Act, a Company meeting the applicability threshold, is required to spend at least 2% of its average net profit for the immediate preceeding three financial years on CSR activities. The area of CSR activities are eradicating hunger, poverty and malnutrition, promoting education, promoting healthcare including preventive healthcare. A CSR committee has been formed by the Company under the Act.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
A. Gross amount required to be spent by the Company	**316.39**	160.99
B. Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**562.03**	121.60
C. Related party transactions in relation to corporate social responsibility (refer note 39)	**1,157.86**	541.47
D. Provision movement during the year		
Opening provision	**683.06**	1,035.14
Addition during the year	**-**	39.39
Utilised during the year	**(540.87)**	(391.47)
Closing provision	**142.19**	683.06

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

32. Other expenses (Contd.)

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
E. Details of ongoing projects		
(a) Opening unspent amount brought forward	-	-
(b) Amount required to be spent by the Company for the year	**316.39**	160.99
(c) Amount spent during the year from Company's bank account	**(562.03)**	(121.60)
(d) Amount transferred to CSR unspent account*	-	(39.39)
(e) Amount of excess CSR spent carried forward for set-off*	**245.64**	-
Closing balance	-	-
Closing balance:		
(a) With Company	-	-
(b) In CSR unspent account	**142.19**	683.06
Nature of major CSR activities undertaken :		
(a) Promoting Education		
(b) Eradicating hunger, poverty and malnutrition, distribution of food, drinking water and cloth.		
(c) Health Care		
(d) Rural Development		

*In compliance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021,there was no amount unspent for the year ended 31 March 2024. Amount available for set off in succeeding financial years ₹ **245.64 lakhs** (31 March 2023: ₹ Nil). CSR unspent amount for the year ended 31 March 2023 was transferred to CSR unspent account on 21 April 2023.

(d) Miscellaneous expenses

It includes loss of ₹ **Nil** (31 March 2023: ₹ 290.91 lakhs) on account of sale of two windmill assets of the Company situated at Dhule, Maharashtra. The sale of aforesaid windmills had no material impact on the operations of the Company as the aggregate revenue generated by it forms a negligible part of the turnover of the Company.

33. Income tax

Accounting Policy

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

33. Income tax (Contd.)

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the period

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

A. Reconciliation of effective tax rate

Amount in ₹ lakhs

	Year ended 31 March 2024		Year ended 31 March 2023	
	Percentage	Amount	Percentage	Amount
Profit before tax		**57,313.74**		27,181.23
Statutory income-tax rate	**34.94%**	**20,027.71**	34.94%	9,498.21
Tax Effects of:				
Reversal of deferred tax liabilities (net) due to re-measurement of deferred tax assets / liabilities as per Ind AS 12 "Income Taxes"	**(1.79%)**	**(1,025.00)**	0.00%	-
Non - deductible expenses for tax purposes	**0.21%**	**117.73**	0.82%	222.66
Tax exempt income/ additional deduction as per income-tax	**(5.07%)**	**(2,906.24)**	(12.22%)	(3,320.49)
	28.29%	**16,214.20**	23.55%	6,400.38
Amount recognised in profit or loss				
- Current tax		**10,003.48**		4,745.61
- Deferred tax		**6,210.72**		1,654.77
Total tax expenses		**16,214.20**		6,400.38

B. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

C. Movement in deferred tax assets and liabilities

Amount in ₹ lakhs

Movement during the year ended 31 March 2023	Balance as on 1 April 2022	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2023
Deferred tax (assets)/liabilities:				
Property, plant and equipment	22,691.56	1,204.08	-	23,895.64
Trade receivables	(255.63)	1.61	-	(254.02)
Right of use assets	1,066.36	(370.99)	-	695.37
Loans	(867.86)	52.24	-	(815.62)
Other assets	(32.74)	(1.18)	-	(33.92)
Borrowings	18.57	(8.82)	-	9.75
Other liabilities	(122.00)	59.29	-	(62.71)

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

33. Income tax (Contd.)

Amount in ₹ lakhs

Movement during the year ended 31 March 2023	Balance as on 1 April 2022	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2023
Other financial liabilities	(392.64)	392.64	-	-
Share based payments- Equity-settled	(147.24)	53.52	-	(93.72)
Provisions	(150.98)	(8.23)	(1.00)	(160.21)
MAT credit entitlement	(16,889.19)	280.61	-	(16,608.58)
Gain/ loss on fair valuation of Investments in equity instruments	2,398.16	-	426.12	2,824.28
Net deferred tax liabilities	7,316.37	1,654.77	425.12	9,396.26

Amount in ₹ lakhs

Movement during the year ended 31 March 2024	**Balance as on 1 April 2023**	**Charge / (credit) to profit or loss**	**Charge / (credit) to OCI**	**Balance as on 31 March 2024**
Deferred tax (assets)/liabilities:				
Property, plant and equipment	**23,895.64**	**428.86**	**-**	**24,324.50**
Trade receivables	**(254.02)**	**(60.48)**	**-**	**(314.50)**
Right of use assets	**695.37**	**(91.90)**	**-**	**603.47**
Loans	**(815.62)**	**55.57**	**-**	**(760.05)**
Other assets	**(33.92)**	**(0.74)**	**-**	**(34.66)**
Borrowings	**9.75**	**(7.22)**	**-**	**2.53**
Other liabilities	**(62.71)**	**15.60**	**-**	**(47.11)**
Share based payments- Equity-settled	**(93.72)**	**50.71**	**-**	**(43.01)**
Provisions	**(160.21)**	**(12.63)**	**(20.68)**	**(193.52)**
MAT credit entitlement	**(16,608.58)**	**5,718.89**	**-**	**(10,889.69)**
Gain/ loss on fair valuation of Investments in equity instruments	**2,824.28**	**114.06**	**1,326.94**	**4,265.28**
Net deferred tax liabilities	**9,396.26**	**6,210.72**	**1,306.26**	**16,913.24**

a) Deferred tax assets is not recognised on certain items [such as investment impairment, loss allowances on advances and capital loss] due to lack of reasonable certainty.

b) MAT credit entitlement is the amount which is available for set off in subsequent years against income tax liabilities as per the provisions of the Income-tax Act, 1961.

c) Section 115 BAA of the Income-tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income-tax at reduced rate with effect from financial year commencing 1 April 2019 subject to certain conditions. The Company had made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated Minimum Alternative Tax ('MAT'). The Company has re-assessed the deferred tax assets / liability that is expected to reverse on exercising the option on the future date as per Ind AS 12 'Income Taxes' and thus reversal of net deferred tax liability of ₹ **1,025 lakhs** (31 March 2023: ₹ Nil) has been recognised during the current year.

34. Earnings per equity share (EPS)

Accounting Policy

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

34. Earnings per equity share (EPS) (Contd.)

A. Basic earnings per equity share

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
(i) Profit for the year, attributable to the equity share holders of the Company (before exceptional items)	**41,099.54**	23,780.85
(ii) Profit for the year, attributable to the equity share holders of the Company (after exceptional items)	**41,099.54**	20,780.85
(iii) Weighted average number of equity shares (basic) (number)	**44,83,58,106**	42,09,06,342
Basic earnings per equity share (before exceptional items) [(i)/ (iii)]	**9.17**	5.65
Basic earnings per equity share (after exceptional items) [(ii)/ (iii)]	**9.17**	4.94

B. Diluted earnings per equity share

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
(i) Weighted average number of equity shares (basic) (number)	**44,83,58,106**	42,09,06,342
(ii) Effect of dilutive potential equity shares on account of employee stock options (number)	**2,43,082**	-
(iii) Weighted average number of equity shares (diluted) for the year (i+ii)	**44,86,01,188**	42,09,06,342
Diluted earnings per equity share (before exceptional items) [(A) (i)/ (B) (iii)]	**9.16**	5.65
Diluted earnings per equity share (after exceptional items) [(A) (ii)/ (B) (iii)]	**9.16**	4.94

35. Contingent liability and commitments

(to the extent not provided for)

Accounting Policy

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. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

(a) Contingent liabilities

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Claim against the Company not acknowledged as debts		
Sales tax/VAT matters in dispute/ under appeal	**3,088.47**	5,030.85
GST matters in dispute/ under appeal	**177.75**	105.61
Excise/ Service Tax matters in dispute/under appeal	**175.46**	2,112.22
Custom duty matter in dispute/ under appeal	**28.83**	28.83
Entry tax in dispute/ under appeal - West Bengal	**-**	5,028.82
Entry tax in dispute/ under appeal - Chhattisgarh	**503.60**	511.88
Income tax in dispute/ under appeal	**1,337.30**	463.24
Others [refer note (ii) below]	**266.71**	266.71

Note:

(i) Cash outflows for the above are determinable only on receipt of final judgments pending at various forums/ authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

35. Contingent liability and commitments (Contd.)

(ii) Others represents dispute with a lessor in respect of arrear dues. The Company based on independent legal opinion, does not foresee any significant financial liability on this account.

(b) Commitments

Capital and other commitments

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Estimated amount of contracts in capital account remaining to be executed and not provided for (net of capital advance)	**2,782.98**	1,582.38

(c) Leases (Ind AS 116)

Accounting Policy

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk and makes adjustments specific to the lease, e.g. term, security etc.

Carrying value of right of use assets at the end of the reporting period by class (refer note 5).

Amount in ₹ lakhs

	Year ended 31 March 2024			Year ended 31 March 2023		
	Land	Buildings	Amount	Land	Buildings	Amount
Balance at the beginning of the year	**1,872.93**	**91.40**	**1,964.33**	2,072.59	255.49	2,328.08
Addition during the year	**-**	**-**	**-**	-	-	-
Amortisation during the year	**(199.65)**	**(37.73)**	**(237.38)**	(199.66)	(164.09)	(363.75)
Balance at the end of the year	**1,673.28**	**53.67**	**1,726.95**	1,872.93	91.40	1,964.33

Movement in lease liabilities

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	**179.33**	348.98
Additions during the year	**-**	-
Finance cost accrued during the year (refer note 31)	**12.58**	19.04
Payment of lease liabilities during the year (including interest)	**(57.22)**	(188.69)
Balance at the end of the year	**134.69**	179.33
Lease liabilities - Non-current	**80.45**	122.10
Lease liabilities - Current	**54.24**	57.23

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

35. Contingent liability and commitments (Contd.)

Maturity analysis of lease liabilities

Amount in ₹ lakhs

Maturity analysis - contractual undiscounted cash flows	31 March 2024	31 March 2023
Less than one year	**54.24**	57.23
One to five years	**68.90**	111.92
More than five years	**54.72**	65.94
Total undiscounted lease liabilities at the end of the year	**177.86**	235.09

Amount recognised in Standalone Statement of Profit and Loss

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	**12.58**	19.04
Amortisation during the year	**237.38**	363.75
Expenses relating to short-term leases and low value assets	**1,665.23**	547.74

Amount recognised in the Standalone Statement of Cash Flows

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses recognised during the year (refer note 31)	**12.58**	19.04
Lease payments reflected in Standalone Statement of Cash Flows	**44.64**	169.65

36. Other comprehensive income

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Items that will not be reclassified subsequently to Profit and Loss		
Re-measurement of Defined Benefit Plans	**(59.37)**	(3.04)
Income Tax relating to items that will not be reclassified to Profit or Loss	**20.68**	1.00
	(38.69)	(2.04)
Equity Instrument at Fair Value through Other Comprehensive Income	**6,035.00**	1905.45
Income Tax relating to items that will not be reclassified to Profit or Loss	**(1,326.94)**	(426.12)
	4,708.06	1,479.33
Items that will be reclassified subsequently to Profit and Loss	**-**	-
	-	-
Other comprehensive income for the year (net of income tax)	**4,669.37**	1,477.29

37. Research and development expenses

Research and development expenses aggregating to ₹ **3,206.38 lakhs** (31 March 2023: ₹ 3,071.43 lakhs) in the nature of revenue expenditure and addition of ₹ **445.29 lakhs** (31 March 2023: ₹ 168.99 lakhs) in the nature of capital expenditure during the year have been included under the relevant account heads.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

38. Share based payments

A. Description of share-based payment arrangement

Himadri Employees Stock Option Plan 2016 (equity-settled)

The Company at its 28th Annual General Meeting held on 24 September 2016, has approved "Himadri Employees Stock Option Plan 2016" (ESOP 2016 or Plan) for granting 40,00,000 Employees Stock Options to certain "eligible employees". The Plan is administered by the Nomination and Remuneration Committee of the Board ("the Committee") in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions of the Companies Act. 2013 for the time being in force. The option granted to certain eligible employees including certain key management personnel on vesting condition of time basis, Company performance and individual performance as specified in the grant letter issued to each employee.

Scheme	Vesting Period	Exercise Period	Year	Date of grant	Number of options granted	Exercise price ₹ per equity share
ESOP 2016 Plan (Tranche I)	Vested after 1 year but not later than 5 years from the date of grant of options.	Any time within a period of 5 years from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid plan.	2016-2017	05 January 2017	13,04,600	19
ESOP 2016 Plan (Tranche II)			2018-2019	08 May 2018	26,95,000	140

B. Measurement of fair values

Equity-settled share based payment arrangements

The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows:

	ESOP 2016 (Tranche I)		ESOP 2016 (Tranche II)	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Fair value at grant date	**₹ 24.94**	₹ 24.94	**₹ 23.01**	₹ 23.01
Share price at grant date	**₹ 36.70**	₹ 36.70	**₹ 121.15**	₹ 121.15
Exercise price	**₹ 19.00**	₹ 19.00	**₹ 140.00**	₹ 140.00
Expected volatility* (weighted average volatility)	**57.57%**	57.57%	**23.77%**	23.77%
Expected life (expected weighted average life)	**4.39 years**	4.39 years	**3.07 years**	3.07 years
Expected dividends**	**0.27%**	0.27%	**0.41%**	0.41%
Risk-free interest rate (based on government bonds)	**6.48%**	6.48%	**7.35%**	7.35%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Expected life of the options has been calculated on the assumption that options would exercise within one year from the date of vesting.

The fair value of option on the date of grant have been done by an independent valuer appointed by the management using the Black Scholes Merton Model.

*Expected volatility on the Company's stock price on National Stock Exchange of India Ltd based on the data commensurate with the expected life of the options up to the date of grant.

**Expected dividend on underlying shares is taken as 10% on market price as on the date of grant.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

38. Share based payments (Contd.)

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share option under the share option plan (refer A above) are as follows.

	31 March 2024		31 March 2023	
	Weighted average exercise price per option (in ₹)	Number of options	Weighted average exercise price per option (in ₹)	Number of options
Outstanding at 1 April	**126.89**	**10,77,729**	95.00	15,71,812
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**19.00**	**3,905**	79.77	52,163
Exercised during the year	**120.44**	**6,37,375**	19.00	4,41,920
Outstanding at 31 March	**137.28**	**4,36,449**	126.89	10,77,729
Exercisable at 31 March	**137.28**	**4,36,449**	126.89	10,77,729

A weighted average remaining contractual life of **1.92 years** (31 March 2023: 2.90 years).

The weighted average share price at the date of exercise for share options exercised during the year 2023-2024 was ₹ **155.68** (2022-2023: ₹ 60.69).

Weighted average fair value of the options granted during the year 2023-2024 was ₹ **Nil** (2022-2023: ₹ Nil).

D. Expense recognised in Standalone Statement of Profit and Loss

During the year ended 31 March 2024, the Company has charged ₹ **Nil** (31 March 2023: ₹ Nil) as share based payment equity-settled expenses.

E. Details of the liabilities arising out of the share based payments to employees - Equity settled were as follows:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Total carrying amount	**123.10**	268.21

39. Related party disclosure

A. Enterprises where control exists:

i) Subsidiaries

Name of the related party	Principal place of business	% of shareholding and voting power	
		31 March 2024	31 March 2023
AAT Global Limited (AAT), Wholly owned subsidiary	Hongkong	**100**	100
Shandong Dawn Himadri Chemical Industry Limited (SDHCIL), subsidiary of AAT	China	**94**	94
Combe Projects Private Limited (CPPL), Wholly owned subsidiary (w.e.f. 20 July 2023)	India	**100**	-
Himadri Clean Energy Limited (HCEL), Wholly owned subsidiary (w.e.f. 30 November 2023)	India	**100**	-
Himadri Future Material Technology Limited (HFMTL), Wholly owned subsidiary of HCEL (w.e.f. 01 February 2024)	India	**100**	-

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

39. Related party disclosure (Contd.)

ii) Other related parties with whom transactions have taken place during the year

a) Key Management Personnel (KMP) and relatives of KMP

Name of the related parties	Relationship
Mr. Bankey Lal Choudhary, Executive Director*	Key Management Personnel
Mr. Shyam Sundar Choudhary, Executive Director	Key Management Personnel
Mr. Vijay Kumar Choudhary, Executive Director *	Key Management Personnel
Mr. Anurag Choudhary, Chairman cum Managing Director & Chief Executive Officer	Key Management Personnel
Mr. Amit Choudhary, Executive Director	Key Management Personnel
Mr. Tushar Choudhary, Executive Director *	Key Management Personnel
Mr. Kamlesh Kumar Agarwal, Chief Financial Officer	Key Management Personnel
Mrs. Monika Saraswat, Company Secretary	Key Management Personnel
Mrs. Sheela Devi Choudhary	Relative of KMPs (wife of Mr. Shyam Sundar Choudhary)
Mrs. Shikha Choudhary	Relative of KMPs (wife of Mr. Anurag Choudhary)
Mrs. Rinku Choudhary	Relative of KMPs (wife of Mr. Amit Choudhary)
Mrs. Anooshka C Bathwal	Relative of KMPs (daughter of Mr. Anurag Choudhary)
Mr. Amritesh Choudhary (w.e.f. 01 November 2022)	Relative of KMPs (son of Mr. Amit Choudhary)
Mr. Samridh Choudhary (w.e.f. 01 November 2022)	Relative of KMPs (son of Mr. Anurag Choudhary)
Mr. Soham Bathwal	Relative of KMPs (son-in-law of Mr. Anurag Choudhary)

b) Non-executive Directors

Name of the related parties
Mr. Sakti Kumar Banerjee, Non-Executive Independent Director (upto 31 March 2024)
Mr. Hardip Singh Mann, Non-Executive Independent Director*
Mr. Santimoy Dey, Non-Executive Independent Director
Mr. Santosh Kumar Agrawala, Non-Executive Independent Director**
Mrs. Sucharita Basu De, Non-Executive Independent Director*
Mrs. Rita Bhattacharya, Non-Executive Independent Director (Appointed w.e.f 11 August 2022)
Mr. Girish Paman Vanvari, Non-Executive Independent Director
Mr. Gopal Ajay Malpani, Non-Executive Independent Director

* Resigned w.e.f. 8 July 2022

** Resigned w.e.f. 7 August 2023

iii) Enterprises controlled by the Key Managerial Personnel or relatives of KMP or both

Himadri Credit & Finance Limited

Sri Agro Himghar Limited

Himadri e-Carbon Limited

Bharat Seva Nidhi (New)

Himadri Foundation

Tuaman Engineering Limited

Himadri Birla Tyre Manufacturer Private Limited (Formerly: Dalmia Mining & Services Private Limited) (w.e.f 17 November 2023)

Next Generation Traders Private Limited

iv) Entities with significant influence over the Company

Modern Hi-Rise Private Limited

v) Firm in which director is a partner

Transaction Square LLP

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

39. Related party disclosure (Contd.)

B. Disclosure of transactions between the Company and related parties other than Key Managerial Persons

Amount in ₹ lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
AAT Global Limited	Purchase of raw materials	**1,05,252.94**	90,201.00
	Payment for supplies	**84,081.17**	92,565.94
	Corporate Guanrantee issued (including renewals)	**81,976.55**	-
	Corporate Guanrantee released	**(54,527.09)**	-
Tuaman Engineering Limited	Engineering, procurement and construction of project (EPC)	**-**	451.23
	Payment for EPC	**-**	4,825.01
	Purchase of stores & spares	**643.35**	-
	Payment for purchases	**758.86**	-
	Rental income	**22.50**	90.00
Combe Projects Private Limited	Loan given	**100.00**	-
	Interest income on loan given	**5.42**	-
Himadri Clean Energy Limited	Loan given	**5.00**	-
	Interest income on loan given	**0.09**	-
Himadri Birla Tyre Manufacturer Private Limited (Formerly: Dalmia Mining & Services Private Limited)	Investment in Optionally convertible debentures (OCDs)	**13,300.00**	-
	Interest income on investments	**0.04**	-
Modern Hi-Rise Private Limited	Rent paid	**0.14**	0.14
Sri Agro Himghar Limited	Rent paid	**0.06**	0.06
Next Generation Traders Private Limited	Rent paid (w.e.f 01 November 2023)	**600.00**	-
Transaction Square LLP	Consultancy expenses	**152.00**	305.97
Himadri Foundation	Donation/Expenditure on corporate social responsibility	**1,157.86**	541.47
Modern Hi-Rise Private Limited	Dividend paid	**456.50**	365.20
Himadri Credit & Finance Limited	Dividend paid	**3.71**	2.97

C. Disclosure of transactions with Key Management Personnel & relatives of KMP

Key management personnels (KMP) remuneration comprised of the following:

Amount in ₹ lakhs

Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	**1,178.63**	1,023.41
Share based payments to employees - Equity settled	**17.00**	21.14
Other long-term benefits	**8.17**	6.21
Total remuneration paid to key management personnel	**1,203.80**	1,050.76
Sitting fees paid	**46.75**	38.25
Non compete fees paid	**-**	3,000.00
Loan to KMPs	**7.00**	-
Interest income on loan to KMPs	**5.99**	5.99
Purchase of shares	**3.17**	-
Sale of investment	**-**	0.08
Received against issue of share warrants, convertible into equity shares	**27,179.25**	18,177.25
Received against issue of shares under ESOP	**138.18**	-
Dividend paid	**33.42**	12.60

As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

39. Related party disclosure (Contd.)

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMP's are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

The above transactions are exclusive of GST, wherever applicable.

D. Outstanding balances

Amount in ₹ lakhs

Name of the related party	Nature of transaction	31 March 2024	31 March 2023
AAT Global Limited	Loan given (including interest receivable)	**6,298.98**	6,298.98
	Loss allowance for loan (including interest receivable)	**(6,298.98)**	(6,298.98)
	Advance/ (Payable) for supplies (net)	**(17,625.85)**	3,825.87
	Loss allowance for advances	**(1,255.03)**	(1,255.03)
	Corporate Guanrantee (restated at the closing currency exchange rate)	**27,513.39**	-
Combe Projects Private Limited	Loan given (including interest receivable)	**104.88**	-
Himadri Clean Energy Limited	Loan given (including interest receivable)	**5.09**	-
KMPs	Loan given (including interest receivable)	**110.21**	97.22
Himadri Birla Tyre Manufacturer Private Limited (Formerly : Dalmia Mining & Services Private Limited)	Investment in OCDs (including interest receivable)*	**13,300.04**	-

* Fair value of OCD ₹ **12,982.80 lakhs** (31 March 2023: ₹ Nil)

E. Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

40. Financial Instrument

Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The Company has an established control framework with respect to the measurement of fair values. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair value for measurement and/or disclosure purposes in the financial statement is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets.

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

40. Financial Instrument (Contd.)

A. Fair value measurement of financial instrument

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Amount in ₹ lakhs

As on 31 March 2024	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in preference shares (unquoted)	7	-	-	18,257.08	18,257.08	-	18,257.08	-
Investment in equity instruments (unquoted)	7	-	-	22.06	22.06	-	20.19	1.87
Investment in equity instruments (quoted)	7	-	-	946.66	946.66	2.24	-	944.42
Investment in debentures (unquoted)	7	-	28,446.11	-	28,446.11	-	28,446.11	-
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	66,583.39	-	-	66,583.39	-	-	-
Cash and cash equivalents	9	20,939.95	-	-	20,939.95	-	-	-
Bank balances other than cash and cash equivalents	10	51,652.73	-	-	51,652.73	-	-	-
Loans	11	231.48	-	-	231.48	-	-	-
Other financial assets	12	5,166.51	101.39	-	5,267.90	-	101.39	-
Financial liabilities:								
Borrowings	19	60,041.97	-	-	60,041.97	-	-	-
Trade payables	20	54,492.44	-	-	54,492.44	-	-	-
Lease liabilities	22	134.69	-	-	134.69	-	-	-
Other financial liabilities	22	2,541.60	-	-	2,541.60	-	-	-

Amount in ₹ lakhs

As on 31 March 2023	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in preference shares (unquoted)	7	-	-	12,575.16	12,575.16	-	12,575.16	-
Investment in equity instruments (unquoted)	7	-	-	7.96	7.96	-	5.90	2.06
Investment in equity instruments (quoted)	7	-	-	607.68	607.68	1.51	-	606.17
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	51,497.86	-	-	51,497.86	-	-	-
Cash and cash equivalents	9	20,604.60	-	-	20,604.60	-	-	-
Bank balances other than cash and cash equivalents	10	41,699.81	-	-	41,699.81	-	-	-
Loans	11	252.63	-	-	252.63	-	-	-
Other financial assets	12	4,653.14	-	-	4,653.14	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

40. Financial Instrument (Contd.)

Amount in ₹ lakhs

As on 31 March 2023	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities:								
Borrowings	19	83,619.61	-	-	83,619.61	-	-	-
Trade payables	20	34,104.04	-	-	34,104.04	-	-	-
Derivatives	21	-	11.00	-	11.00	-	11.00	-
Lease liabilities	22	179.33	-	-	179.33	-	-	-
Other financial liabilities	22	2,957.61	-	-	2,957.61	-	-	-

B. Fair value hierarchy

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of the unquoted investments included in level 2 has been determined using valuation techniques with market observable inputs. The model incorporate various inputs including prevailing market value of investments in listed company.

(c) The fair value of the quoted /unquoted investments included in level 3 are based on the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

(d) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

(e) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

(f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rate used is based on the Company's estimates.

(g) The fair value of the commodity hedge is determined using the commodity rates existing as at the end of the reporting period.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

40. Financial Instrument (Contd.)

The significant observable inputs used in the fair value measurement of the fair value hierarchy of level 3 inputs like discounted cash flows, market multiple method, option pricing model etc.

There were no transfer of financial assets or liabilities measured at fair value between level 1 and level 2, or transfer into or out of level 3 during the year ended 31 March 2024 and 31 March 2023.

Reconciliation of level 3 fair value measurements

The following table shows a reconciliation from opening balances to closing balances for level 3 for fair values on a recurring basis.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Balance as at beginning of the year	**608.23**	624.57
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**338.06**	30.06
Change in value due to sale of investment in equity instruments measured at FVTPL (realised)	**-**	(46.40)
Balance as at end of the year	**946.29**	608.23

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2023.

Financial assets and liabilities measured at fair value as at Standalone Balance Sheet date

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

Other financial assets and liabilities

- Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Significant unobservable inputs used in level 3 fair values

Certain investments are valued using level 3 techniques. A change in one or more of the inputs to reasonably possible alternative assumptions would not change the value significantly.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

41. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The key risks and mitigating actions are also placed before the audit committee of the Company

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Foreign exchange risk	Committed commercial transaction Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts. Foreign currency options principal only/currency swaps
Interest rate	Long term borrowings at variable rates and other debt securities	Sensitivity analysis Interest rate movements	Interest rate swaps
Commodity price risk	Movement in prices of raw materials	Commodity price tracking	Maintaining inventory at optimum level
Security prices	Investment in equity instruments	Sensitivity analysis	Portfolio diversification

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and restricts the exposure in equity markets.

Himadri

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

41. Financial risk management (Contd.)

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, investments in debt securities and foreign exchange transactions. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However the Company also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customer operates. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customers.

Details of concentration percentage of revenue generated from a top customer and top five customers are stated below:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from a top customer	**16%**	16%
Revenue from top five customers	**42%**	44%

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

Movement in impairment loss:

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	**717.01**	717.01
Add: Provided during the year	**182.99**	-
Less: Utilised during the year	**-**	-
Balance at the end of the year	**900.00**	717.01

Ageing analysis of trade receivables is disclosed in note 8

Corporate Overview

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Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

41. Financial risk management (Contd.)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Amount in ₹ lakhs

31 March 2024	**Carrying amount**	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-5 years**	**> 5 years**	**Total**
Borrowings (including estimated interest)	**60,041.97**	**59,043.03**	**1,490.46**	**708.01**	**98.05**	**-**	**61,339.55**
Trade payables (including acceptances)	**54,492.44**	**54,492.44**	**-**	**-**	**-**	**-**	**54,492.44**
Other financial liabilities	**2,541.60**	**2,515.83**	**-**	**-**	**-**	**25.77**	**2,541.60**
Lease liabilities including lease interest	**134.69**	**54.24**	**26.40**	**20.07**	**22.43**	**54.72**	**177.86**

Amount in ₹ lakhs

31 March 2023	Carrying amount	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	83,619.61	79,449.54	3,175.11	1,381.65	663.02	6.23	84,675.55
Trade payables (including acceptances)	34,104.04	34,104.04	-	-	-	-	34,104.04
Derivatives	11.00	11.00	-	-	-	-	11.00
Other financial liabilities	2,957.61	2,931.84	-	-	-	25.77	2,957.61
Lease liabilities including lease interest	179.33	57.23	54.23	26.40	31.29	65.94	235.09

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

All such transactions are carried out within the guidelines set by the management. Generally, the Company seeks to apply hedge accounting to manage volatility in other comprehensive income.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

41. Financial risk management (Contd.)

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The currency in which these transactions are primarily denominated is USD. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts and cross currency swap. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Exposure to currency risk

The Company's exposure to foreign currency as at the end of the reporting period are as follows:

31 March 2024	**In original currency (USD in lakhs)**	**In local currency (₹ in lakhs)**
Financial Assets		
Trade receivables	**150.32**	**12,532.69**
Cash and cash equivalents	**0.21**	**17.68**
	150.53	**12,550.37**
Financial Liabilities		
Borrowings	**344.21**	**28,698.15**
Trade payables	**276.51**	**23,053.69**
Other financial liabilities	**6.78**	**565.08**
Less: Forward currency contracts/options	**(354.23)**	**(29,533.28)**
	273.27	**22,783.64**
Net exposure in respect of recognised financial assets and financial liabilities	**(122.74)**	**(10,233.27)**

31 March 2023	In original currency (USD in lakhs)	In local currency (₹ in lakhs)
Financial Assets		
Trade receivables	100.32	8,247.68
Cash and cash equivalents	5.19	426.48
	105.51	8,674.16
Financial Liabilities		
Borrowings	680.61	55,957.66
Trade payables	61.43	5,050.70
Other financial liabilities	10.69	879.18
Less: Forward currency call options	(443.00)	(36,422.09)
	309.73	25,465.45
Net exposure in respect of recognised financial assets and financial liabilities	(204.22)	(16,791.29)

Note : Loans and advances given to subsidiary company has not been considered in the above table as the same stands impaired in the books.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

41. Financial risk management (Contd.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Amount in ₹ lakhs

	(Profit) or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (5% Movement)	**(511.66)**	**511.66**	**(332.87)**	**332.87**
31 March 2023				
USD (5% Movement)	(839.56)	839.56	(546.19)	546.19

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's current borrowings with floating interest rates. For all non-current borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Fixed rate instruments		
Financial assets	**51,846.39**	42,727.95
Financial liabilities	**(29,052.63)**	(56,085.31)
	22,793.76	(13,357.36)
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(30,989.34)**	(27,534.30)
	(30,989.34)	(27,534.30)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Amount in ₹ lakhs

	(Profit) or loss		Equity (net of tax)	
	Decrease in rate	Increase in rate	Decrease in rate	Increase in rate
31 March 2024				
Variable rate instruments (1% Movement)	**(309.89)**	**309.89**	**(201.60)**	**201.60**
Cash flow sensitivity (net)	**(309.89)**	**309.89**	**(201.60)**	**201.60**

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

41. Financial risk management (Contd.)

Amount in ₹ lakhs

	(Profit) or loss		Equity (net of tax)	
	Decrease in rate	Increase in rate	Decrease in rate	Increase in rate
31 March 2023				
Variable rate instruments (1% Movement)	(275.34)	275.34	(179.13)	179.13
Cash flow sensitivity (net)	(275.34)	275.34	(179.13)	179.13

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period and all other variables, in particulars foreign currency exchange rates, remain constant. Further, the calculation for the unhedged floating rate borrowing have been done on the notional value of the foreign currency.

(c) Equity price risks

The Company's quoted and unquoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments made by the Company are listed on the BSE Ltd (BSE), National Stock Exchange of India Ltd (NSE) and Calcutta Stock Exchange (CSE) in India. There is no significant investment outstanding as at 31 March 2024. Hence, sensitivity analysis is not given.

(d) The following table gives details in respect of outstanding foreign currency forward, cross currency swaps, interest rate swaps and option contracts:

	Currency pair	Position	31 March 2024		31 March 2023	
			Amount in foreign currency in lakhs	Amount in ₹ in lakhs	Amount in foreign currency in lakhs	Amount in ₹ in lakhs
Forward contracts [**6**, (previous year Nil)]	USD/INR	Sell	**354.23**	**29,533.28**	-	-
Forward contracts [**Nil**, (previous year 7)]	USD/INR	Buy	**-**	**-**	293.00	24,089.55
Foreign Currency Option contracts [**Nil**, (previous year 1)]	USD/INR	Options	**-**	**-**	150.00	12,332.54

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Standalone Balance Sheet date:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Not later than one month	**-**	(1.50)
Later than one month and not later than three months	**58.84**	(9.50)
Later than three months and not later than one year	**42.55**	-
	101.39	(11.00)

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

41. Financial risk management (Contd.)

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Derivative financial asset	**Derivative financial liability**	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	**101.39**	**-**	-	(11.00)
Net amount presented in Standalone Balance Sheet	**101.39**	**-**	-	(11.00)

42. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders. The Company's objective when managing capital are to: (a) maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. The Company may take appropriate steps in order to maintain or adjust its capital structure.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Amount in ₹ lakhs

		31 March 2024	31 March 2023
Borrowings	A	**60,041.97**	83,619.61
Cash and bank balances	B	**72,592.68**	62,304.41
Total	C = A-B	**(12,550.71)**	21,315.20
Equity	D	**2,98,120.99**	2,21,560.10
Debt to Equity	E = A / D	**0.20**	0.38
Debt to Equity (net)	F = C / D	**(0.04)**	0.10

For the purpose of the Company's capital management

(a) Borrowings include as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in note 19.

(b) Equity includes issued, subscribed and fully paid-up equity share capital and other equity attributable to the equity holders of the Company as described in note 17 and 18.

(c) Cash and bank balances include cash and cash equivalents, mutual funds and Bank balances other than cash and cash equivalents (refer note 9 and 10).

43. Segment information

The Company has presented segment information in the Consolidated financial statements which are presented in the same annual report. Accordingly, in terms of paragraph 4 of Ind AS 108 'Operating segment', no disclosures related to segments are presented in these Standalone financial statements.

44. Balances in the accounts of Trade Receivables, Trade Payable, advances to suppliers, Contract Liabilities, security deposits and other advances are under confirmation / reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations. However, in the opinion of the management, the Trade Receivable, trade payables, security deposits and advances are realisable / payable in the ordinary course of the business.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

45. Other Additional Regulatory Information

(i) Ratios to disclosed as per requirement of Schedule III to the Act

	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
(a) Current ratio (times)	Current assets	Current liabilities	**1.93**	1.51	27.81%	Increase in current assets resulting in improvement in current ratio
Solvency Ratio						
(b) Debt-equity ratio (times)	Total Debt (Including lease liabilities)	Shareholder's Equity	**0.20**	0.38	(47.37%)	Reduction in total debt & increase in shareholders equity on account of higher profitability.
(c) Net Debt-equity ratio (times)	Net Debt (Including lease liabilities)	Shareholder's Equity	**(0.04)**	0.10	(140.00%)	Reduction in net debt & increase in shareholders equity on account of higher profitability.
(d) Debt service coverage ratio (times)	Earning for Debt Service (i.e. Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets+Loss allowances for doubtful trade receivables etc.)	Debt service (i.e. Interest & Lease Payments + Principal Repayments excluding Prepayments)	**4.84**	3.36	44.05%	Increase in profitability resulting into improvement in Debt service coverage ratio
Profitability ratio						
(e) Net profit ratio (%)	Net profit after tax	Net sales	**9.82%**	4.98%	97.17%	Increase in operating profitability resulting into overall improvement in net profit ratio
(f) Return on equity ratio (%)	Net profit after taxes - preference dividend (if any)	Average shareholder's equity	**15.82%**	10.34%	52.97%	Increase in profitability resulting into overall improvement in return on equity ratio

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

45. Other Additional Regulatory Information (Contd..)

	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% of variance	Explanation for change in the ratio by more than 25%
(g) Return on Capital employed (%)	Earning before interest and tax	Capital employed (i.e. tangible net worth-Capital work-in-progress + total debt+Lease liability-Cash and Bank Balances + deferred tax liability)	**21.52%**	13.89%	54.91%	Increase in profitability along with reduction in debt resulting into overall improvement in return on capital employed
(h) Return on Investment (%)	Interest (finance income)	Average fixed deposits	**7.00%**	5.87%	19.31%	Not applicable
Utilization ratio						
(i) Trade Receivables turnover ratio (times)	Net Credit Sales	Average trade receivables	**7.09**	8.10	(12.47%)	Not applicable
(j) Inventory turnover ratio (times)	Cost of goods sold	Average inventory	**4.85**	4.96	(2.22%)	Not applicable
(k) Trade payables turnover ratio (times)	Net credit purchases	Average trade payables	**7.21**	5.45	32.29%	Mainly due to decrease in average trade payable in current year
(l) Net capital turnover ratio (times)	Net sales	Working capital	**3.81**	6.57	(42.01%)	Mainly on account of increase in working capital.

(ii) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowing secured against current assets

The Company has taken working capital borrowings from banks and financial institutions on the basis of security of current assets. The quarterly statement filed to the banks and financial institutions are in agreement with the books of accounts:

(iv) Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Notes to the Standalone Financial Statements
for the year ended 31 March 2024 (Contd.)

45. Other Additional Regulatory Information (Contd..)

(v) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 except the following:

Amount in ₹ lakhs

Name of the struck off Company	Nature of transactions with struck off Company	Relationship with the struck off Companies	Number of shares outstanding 31 March 2024	Number of shares outstanding 31 March 2023	31 March 2024	31 March 2023
Frohar Trading Private Limited	Shares held by struck off Company	NA	**1,700**	1,700	**0.00**	0.00
Trishul Vintrade Private Limited	Shares held by struck off Company	NA	**590**	590	**0.00**	0.00
Nipu Commercial Limited	Shares held by struck off Company	NA	**650**	650	**0.00**	0.00

(vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested funds (either 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified 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.

(ix) Undisclosed income

The Company do not have any such transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

45. Other Additional Regulatory Information (Contd..)

(x) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii)Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(xiv) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operate throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered.

46. Exceptional items in the previous year represent compensation for non-compete fees paid to the outgoing promoters of the Company. The Board, at its meeting held on 8 July 2022, took on record that the promoters of the Company entered into the Family Settlement Agreement. Pursuant to the family settlement agreement, the Company entered into a non-compete agreement at a consideration of ₹ 3,000.00 lakhs with the outgoing promoters.

47. The management has evaluated all activities of the Company till 25 April 2024 and concluded that there were no additional subsequent events required to be reflected in the company's financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration
Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Place: Kolkata
Date: 25 April 2024

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Consolidated Financial Statements

Independent Auditor's Report

To the Members of
Himadri Speciality Chemical Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Himadri Speciality Chemical Ltd ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") comprising the consolidated balance sheet as at 31 March 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2024, their consolidated total comprehensive income (comprising consolidated profit and consolidated other comprehensive income) their consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph 15 of the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context:

Descriptions of Key Audit Matter	How we addressed the matter in our audit
A. Valuation of Inventories Refer to note 15 to the consolidated financial statements. The Group is having Inventory of ₹ 70,252.06 lakh as on 31 March 2024. Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 15 to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value. As a result, the management applies judgment in determining the appropriate provisions against inventory of Stores, Raw Material, Finished Goods and Work in Progress based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory.	We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by: • Completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. • Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. • Verify that the adequate cut off procedure has been applied to ensure that purchased inventory and sold inventory are correctly accounted. • Reviewing the document and other record related to physical verification of inventories done by the management during the year.

Independent Auditor's Report (Contd.)

Descriptions of Key Audit Matter	How we addressed the matter in our audit
To ensure that all inventories owned by the entity are recorded and recorded inventories exist as at the year-end and valuation has been done correctly, inventory valuation has been considered as Key audit matters.	• Verify that inventories are valued in accordance with Ind AS 2 • Verifying for a sample of individual products that costs have been correctly recorded. • Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.
B. Revenue Recognition Refer to note 26 to the consolidated financial statements. Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. Revenue is recognized when the control of the underlying products has been transferred to customer along with the satisfaction of the Company's performance obligation under a contract with customer. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including Incoterms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period. The estimation of discounts, rebates and price adjustments to be recognised based on sales made during the year is material and considered to be complex and judgmental. Due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers 'and the judgments and estimates involved in making the estimation of discounts, rebates and price adjustments, we determined the recognition of revenue, estimation of discounts, rebated & price adjustments as a key audit matter.	As part of our audit, we understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition, estimation of discounts, rebates and price adjustments and evaluated the design and operative effectiveness of the financial controls for the above through our test of control procedures. • Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. • Performing procedures to ensure that the revenue recognition criteria adopted by Company for all major revenue streams is appropriate and in line with the Company's accounting policies. • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, rebates and price adjustments recorded and disbursed / allowed during the year as well as credit notes issued after the year end to determine whether these were recorded appropriately. • Our audit procedures included, among other things, the evaluation of the process to calculate the provision for price adjustments and the evaluation of the relevant assumptions and their derivation for the measurement of the provisions. • We also compared costs incurred to the previously recognized provisions to assess the quality of the management estimates. • Based on the evidence obtained, we concluded that management's process for identifying and quantifying the provision for rebates and price adjustments was appropriate and that the resulting provision was reasonable. • Performed procedures to identify any unusual trends of revenue recognition. • Traced disclosure information to accounting records and other supporting documentation. • Based on the audit procedures performed, we did not identify any material exceptions in the revenue recognition and in estimation of discounts, rebates & price adjustments.

Independent Auditor's Report (Contd.)

Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

9. **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

   Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

Independent Auditor's Report (Contd.)

- 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph 15 of the section titled "Other Matters" in this audit report.

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

12. We communicate with those charged with governance of the Holding Company 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31 March 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.

Other Matters

15. (a) We did not audit the financial statements of 2 foreign subsidiaries (including 1 step down foreign subsidiary), whose financial statements reflects total assets (before consolidation adjustments) of ₹ 26,886.31 lakhs and net assets of ₹ (-)13,060.83 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of ₹ 105,571.06 lakhs, total Net profit after tax (before consolidation adjustments) of ₹ 419.43 lakhs, total comprehensive income (before consolidation adjustments) of ₹ 419.43 lakhs for the year ended 31 March 2024 and net cash inflows (before consolidation adjustments) amounting to ₹ 347.30 lakhs for the financial year ended on that date, as considered in the consolidated financial statements. These

Independent Auditor's Report (Contd.)

financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) We did not audit the financial statements of 3 subsidiaries (including 1 step down subsidiary) included in the Statement, whose financial statements (before consolidation adjustment) reflect total assets of ₹ 109.26 lakhs and net assets of ₹ (-)1.00 lakh as of 31 March 2024, total revenues of ₹ 2.23 lakhs, total net profit after tax of ₹ (-)3.79 lakhs, total comprehensive income of ₹ (-)3.79 lakhs for the year ended 31 March 2024 and net cash in-flow amounting to ₹ 24.23 lakhs for the financial year ended on that date as considered in the consolidated financial statement. This financial statements / financial information has been audited by other auditors as per Indian GAAP whose reports have been furnished to us and in our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary are based solely on the reports of the other auditors..

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Holding Company's Management.

Report on other Legal and Regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 (xxi) of the Order, to the extent applicable.

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

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.

    c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

    e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report (Contd.)

f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India.

g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid / payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact, if any, of pending litigations as at 31 March 2024 on the consolidated financial position of the group – Refer Note 8(d), 16(b), 24(c) and 35(a) to the consolidated financial statements.

ii. The Group does 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 and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary company that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary company that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and performed by us and those performed by the auditors of the subsidiary company, which is company incorporated in India whose financial statements have been audited under the Act, 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 (a) and (b) above, contain any material misstatement.

Independent Auditor's Report (Contd.)

v. (a) The final dividend proposed in the previous year, declared, and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Holding Company has proposed dividend for the year, which is subject to the approval of the Members of the Holding company at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks and as communicated by the respective auditors of three subsidiaries, the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act, we report that the holding company and the above referred subsidiary companies have used an accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 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 31 March 2024.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN: 24053816BKACCK4069

Place: Kolkata
Date: April 25, 2024

Annexure "A"

to the Independent Auditor's Report

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the Members of Himadri Speciality Chemical Ltd on the consolidated financial statements as of and for the year ended 31 March 2024)

(xxi) As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company.

SL	Name of Company	CIN	Holding Company/ Subsidiary/ Associate	Date of Respective Auditor's Report	Paragraph number in the respective CARO Reports
1	Himadri Speciality Chemical Limited	L27106WB1987PLC042756	Holding Company	25-04-2024	3(i)(c),
2	Combe Projects Private Limited	U70101WB2010PTC153215	Subsidiary Company	22-04-2024	3(xvii)
3	Himadri Clean Energy Limited	U20296WB2023PLC261077	Subsidiary Company	25-04-2024	3(xvii)
4	Himadri Future Material Technology Limited	U20296WB2023PLC261076	Step-down Subsidiary Company	25-04-2024	3(xvii)

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN : 24053816BKACCK4069

Place: Kolkata
Date: April 25, 2024

Annexure "B"

to the Independent Auditor's Report

(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's Report of even date to the Members of Himadri Speciality Chemical Ltd on the consolidated financial statements as of and for the year ended 31 March 2024)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company, as of and for the year ended 31 March 2024, we have audited the internal financial controls of Himadri Speciality Chemical Limited ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated 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 system with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with respect to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor of the subsidiary company, which are companies incorporated in India, in terms of their reports referred to in 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated 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 "B"

to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our and according to information provided to us and based on the considerations of the reports of the other auditors as referred in Other Matters paragraph below, the Holding Company and its subsidiary Companies which are Companies incorporated in India, have in all material respects, an adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at 31 March 2024, based on the internal financial control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner

Place: Kolkata
Date: April 25, 2024

Membership No. - 053816
UDIN : 24053816BKACCK4069

Consolidated Balance Sheet

as at 31 March 2024

Amount in ₹ lakhs

	Note	31 March 2024	31 March 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	**1,51,021.84**	1,48,812.32
(b) Capital work-in-progress	4B	**6,651.87**	9,353.11
(c) Right of use assets	5	**2,293.58**	2,636.32
(d) Intangible assets	6	**82.22**	65.73
(e) Financial assets			
(i) Investments	7	**47,671.98**	13,190.87
(ii) Loans	11	**-**	100.00
(iii) Trade receivables	8	**1,018.41**	1,008.49
(iv) Other financial assets	12	**2,386.97**	2,176.93
(f) Non-current tax assets (net)	13	**733.06**	737.48
(g) Other non-current assets	14	**2,321.50**	1,222.66
Total non-current assets		**2,14,181.43**	1,79,303.91
(2) Current assets			
(a) Inventories	15	**70,252.06**	54,421.64
(b) Financial assets			
(i) Investments	7	**82.23**	-
(ii) Trade receivables	8	**65,564.98**	50,489.37
(iii) Cash and cash equivalents	9	**21,488.41**	20,780.33
(iv) Bank balances other than (ii) above	10	**51,652.73**	41,699.81
(v) Loans	11	**139.50**	166.18
(vi) Other financial assets	12	**2,876.37**	2,476.21
(c) Other current assets	16	**18,641.03**	18,475.45
Total current assets		**2,30,697.31**	1,88,508.99
TOTAL ASSETS		**4,44,878.74**	3,67,812.90
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	**4,925.95**	4,327.07
(b) Other equity	18	**2,99,631.57**	2,23,723.49
Equity attributable to the owners of the Company		**3,04,557.52**	2,28,050.56
Non-controlling interests		**(279.43)**	(281.43)
Total equity		**3,04,278.09**	2,27,769.13
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**2,153.78**	4,830.74
(ii) Lease liabilities	35(c)	**309.60**	442.00
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**900.20**	589.06
(c) Deferred tax liabilities (net)	33	**16,913.24**	9,396.26
Total non-current liabilities		**20,302.59**	15,283.83
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**57,888.19**	78,788.87
(ii) Lease liabilities	35(c)	**144.09**	150.73
(iii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		**292.03**	444.83
- total outstanding dues of creditors other than micro enterprises and small enterprises		**56,744.26**	34,114.03
(iv) Derivatives	21	**-**	11.00
(v) Other financial liabilities	22	**2,520.47**	2,936.58
(b) Other current liabilities	23	**1,737.75**	8,257.48
(c) Provisions	24	**110.38**	12.54
(d) Current tax liabilities (net)	25	**860.89**	43.88
Total current liabilities		**1,20,298.06**	1,24,759.94
TOTAL EQUITY AND LIABILITIES		**4,44,878.74**	3,67,812.90

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director & Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Place: Kolkata
Date: 25 April 2024

Himadri

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

Amount in ₹ lakhs

	Note	Year ended 31 March 2024	Year ended 31 March 2023
I. Revenue from operations	26	4,18,489.03	4,17,184.13
II. Other income	27	4,251.77	2,797.46
III. Total income (I + II)		4,22,740.80	4,19,981.59
IV. Expenses			
Cost of materials consumed	28	3,06,697.60	3,28,453.74
Changes in inventories of finished goods and work-in-progress	29	(3,670.28)	(3,013.87)
Employee benefits expense	30	11,048.10	9,151.30
Finance costs	31	6,386.74	6,606.90
Depreciation and amortisation expense	4A, 5 and 6	4,985.87	5,084.76
Other expenses	32	39,907.16	42,673.79
Total expenses		3,65,355.19	3,88,956.62
V. Profit before exceptional item and tax (III-IV)		57,385.61	31,024.97
VI. Exceptional items	47	-	(3,000.00)
VII. Profit before tax (V-VI)		57,385.61	28,024.97
VIII. Tax expenses			
Current tax	33	10,096.88	4,784.30
Deferred tax	33	6,210.72	1,654.77
Income tax related to earlier years		9.83	-
Total tax expenses		16,317.43	6,439.07
IX. Profit for the year (VII-VIII)		41,068.18	21,585.90
X. Other comprehensive income	36		
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the net defined benefit plan		(59.37)	(3.04)
(b) Net gain/ (loss) on investment in equity instruments accounted at fair value		6,035.00	1,905.45
(c) Income-tax relating to items that will not be reclassified to profit or loss		(1,306.26)	(425.12)
Net other comprehensive income not to be reclassified subsequently to profit or loss		4,669.37	1,477.29
B. Items that will be reclassified subsequently to profit or loss			
(a) Exchange differences in translating financial statements of foreign operations		(20.57)	(712.49)
Net other comprehensive income to be reclassified subsequently to profit or loss		(20.57)	(712.49)
Other comprehensive income for the year (net of income tax)		4,648.80	764.80
XI. Total comprehensive income for the year (IX+X)		45,716.98	22,350.70
XII. **Profit attributable to:**			
Owners of the Company		41,077.16	21,597.73
Non-controlling interests		(8.98)	(11.83)
Profit after tax for the year		41,068.18	21,585.90
XIII. Other comprehensive income attributable to:			
Owners of the Company		4,637.82	765.05
Non-controlling interests		10.98	(0.25)
Other comprehensive income for the year		4,648.80	764.80
XIV. Total comprehensive income attributable to:			
Owners of the Company		45,714.98	22,362.78
Non-controlling interests		2.00	(12.08)
Total comprehensive income for the year		45,716.98	22,350.70
XV. **Earnings per equity share**	34		
[Face value of equity share ₹ **1 each** (previous year ₹ 1 each)]			
- Basic		9.16	5.13
- Diluted		9.16	5.13

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Place: Kolkata
Date: 25 April 2024

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director & Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

A. Equity share capital

Amount in ₹ lakhs

	Note	Number	Amount
Balance as at 1 April 2022		41,89,65,278	4,189.65
Changes in equity share capital during the year	17	1,37,41,920	137.42
Balance as at 31 March 2023		43,27,07,198	4,327.07
Changes in equity share capital during the year	17	**5,98,87,375**	**598.88**
Balance as at 31 March 2024		**49,25,94,573**	**4,925.95**

B. Other equity

Amount in ₹ lakhs

	Note	Reserves and surplus					Items of Other comprehensive income		Money received against share warrants	Total attributable to the owners of the Company	Attributable to Non-controlling interests	Total
		Capital reserve	Securities premium	General reserve	Share option outstanding reserve	Retained earnings	Currency translation reserve	Equity instruments through other comprehensive income				
Balance at 1 April 2022		1,280.50	45,600.10	18,955.61	381.86	1,12,109.24	(1,778.20)	6,024.98	-	1,82,574.09	(269.35)	1,82,304.74
Total comprehensive income for the year ended 31 March 2023												
Profit for the year 2022-2023		-	-	-	-	21,597.73	-	-	-	21,597.73	(11.83)	21,585.90
Remeasurement of net defined benefit plan		-	-	-	-	(2.04)	-	-	-	(2.04)	-	(2.04)
Net change in fair value of Equity investments		-	-	-	-	-	(712.24)	1,479.33	-	767.09	(0.25)	766.84
Total comprehensive income for the year		-	-	-	-	21,595.69	(712.24)	1,479.33	-	22,362.78	(12.08)	22,350.70
Dividends	17I	-	-	-	-	(838.68)	-	-	-	(838.68)	-	(838.68)
Received on issue of share warrants convertible into equity shares		-	-	-	-	-	-	-	19,678.75	19,678.75	-	19,678.75
Conversion of share warrants into equity shares	17H	-	9,177.00	-	-	-	-	-	(9,310.00)	(133.00)	-	(133.00)
Issue of equity shares on exercise of employee stock option	38	-	113.65	-	(113.65)	-	-	-	-	-	-	-
Share based payments- Equity settled	38	-	79.55	-	-	-	-	-	-	79.55	-	79.55
Balance at 31 March 2023		1,280.50	54,970.30	18,955.61	268.21	1,32,866.25	(2,490.44)	7,504.31	10,368.75	2,23,723.49	(281.43)	2,23,442.06

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024 (Contd.)

B. Other equity (Contd.)

Amount in ₹ lakhs

	Note	Reserves and surplus					Items of Other comprehensive income		Money received against share warrants	Total attributable to the owners of the Company	Attributable to Non-controlling interests	Total
		Capital reserve	Securities premium	General reserve	Share option outstanding reserve	Retained earnings	Currency translation reserve	Equity instruments through other comprehensive income				
Balance at 1 April 2023		1,280.50	54,970.30	18,955.61	268.21	1,32,866.25	(2,490.44)	7,504.31	10,368.75	2,23,723.49	(281.43)	2,23,442.06
Total comprehensive income for the year ended 31 March 2024												
Profit for the year 2023-2024		-	-	-	-	41,077.16	-	-	-	41,077.16	(8.98)	41,068.18
Remeasurement of net defined benefit plan		-	-	-	-	(38.69)	-	-	-	(38.69)	-	(38.69)
Net change in fair value of Equity investments		-	-	-	-	-	(31.55)	4,708.06	-	4,676.51	10.98	4,687.49
Total comprehensive income for the year		-	-	-	-	41,038.47	(31.55)	4,708.06	-	45,714.98	2.00	45,716.98
Dividends	17I	-	-	-	-	(1,081.95)	-	-	-	(1,081.95)	-	(1,081.95)
Received on issue of share warrants convertible into equity shares		-	-	-	-	-	-	-	31,106.25	31,106.25	-	31,106.25
Conversion of share warrants into equity shares	17H	-	40,882.50	-	-	-	-	-	(41,475.00)	(592.50)	-	(592.50)
Issue of equity shares on exercise of employee stock option	38	-	145.11	-	(145.11)	-	-	-	-	-	-	-
Share based payments- Equity settled	38	-	761.30	-	-	-	-	-	-	761.30	-	761.30
Balance at 31 March 2024		1,280.50	96,759.21	18,955.61	123.10	1,72,822.77	(2,521.99)	12,212.37	-	2,99,631.57	(279.43)	2,99,352.14

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of Reserves:

(i) Capital reserve: Capital reserve represents profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments.

(ii) Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(iii) General reserve: It represents a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of the Companies Act, 1956. Transfer of profit to general reserve is not mandatory under the Companies Act, 2013.

(iv) Share option outstanding reserve: The Holding Company has a stock option scheme under which options to subscribe for the Holding Company's share have been granted to certain executives and senior employees. The share option outstanding reserve is used to recognise the value of equity-settled share based payments provided to employees, including certain key management personnel, as part of their remuneration. (refer note 39).

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024 (Contd.)

(v) **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to equity shareholders.

(vi) **Equity instruments through other comprehensive income:** The Group has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income (OCI). These changes are accumulated within the equity instruments through OCI shown under the head other equity. The Group transfers amounts therefrom to retained earnings when the relevant equity instruments are derecognised.

(vii) **Money received against share warrants:** The Holding Company had issued and allotted warrants, each convertible into one equity share of ₹ 1 each, on Preferential allotment basis to the Promoter/ Promoter Group of the Holding Company and certain identified non-promoter persons / entity, upon receipt of 25% of the issue price as warrant subscription money. Balance 75% of the issue price was payable within 18 months from the date of allotment at the time of exercising the option to apply for fully paid-up equity share of ₹ 1 each of the Holding Company, against each warrant held by the warrant holder. On conversion of such warrants into equity shares, the Holding Company transfers the amount therefrom to securities premium and share capital.

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration
Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Place: Kolkata
Date: 25 April 2024

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Himadri

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

Accounting Policy

Cash flows are reported using the indirect method as set out in Ind AS 7 "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013, whereby the profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Amount in ₹ lakhs

	Year ended 31 March 2024		Year ended 31 March 2023	
A. Cash flows from operating activities				
Net profit before tax		**57,385.61**		28,024.97
Adjustments for:				
Depreciation and amortisation expense	**4,985.87**		5,084.76	
Finance costs	**6,386.74**		6,606.90	
Interest income	**(3,615.39)**		(1,596.99)	
Gain of fair valuation of investments through profit or loss	**(2.23)**		-	
Net gain on sale of current investments carried at Fair value through profit and loss (FVTPL)	**(110.88)**		(143.20)	
Loss allowance for doubtful trade receivables	**182.99**		-	
Unrealised foreign exchange fluctuation losses, net	**(517.27)**		332.31	
Exchange differences in translating financial statements of foreign operations	**224.34**		(717.56)	
Loss (net) on sale of property, plant and equipment	**5.14**		329.88	
		7,539.31		9,896.10
Cash generated from operations before working capital changes		**64,924.92**		37,921.07
Movement in working capital:				
(Increase)/ Decrease in inventories	**(15,830.42)**		22,729.01	
(Increase)/ Decrease in trade receivables	**(15,032.54)**		249.03	
(Increase) in financial and other assets	**(203.96)**		(7,325.93)	
Increase/ (Decrease) in trade payables	**22,378.21**		(43,399.32)	
(Decrease) in financial liabilities (net)	**(395.31)**		(194.84)	
(Decrease)/ Increase in other liabilities and provisions (net)	**(6,079.73)**		158.38	
		(15,163.75)		(27,783.67)
Cash generated from operations		**49,761.17**		10,137.40
Taxes paid		**(9,285.28)**		(4,741.16)
Net cash generated from operating activities		**40,475.89**		5,396.24
B. Cash flows from investing activities				
Purchase of property, plant and equipment	**(5,236.08)**		(8,252.37)	
Proceeds from sale of property, plant and equipment	**10.55**		685.23	
Purchase of intangible assets	**(38.69)**		(62.83)	
Interest income received	**3,145.05**		295.19	
Sale/ (Purchase) of current investments	**(64.22)**		143.20	
Sale of non-current investments	**13,800.00**		46.40	
Purchase of non-current investments	**(42,151.01)**		-	
Redemption of bank deposits (having maturity of more than 3 months)	**41,654.02**		9,312.41	
Investment in bank deposits (having maturity of more than 3 months)	**(51,606.11)**		(41,833.48)	
Net cash (used in) investing activities		**(40,486.49)**		(39,666.25)
C. Cash flows from financing activities				
Proceeds from allotment of equity share under employee stock options	**767.68**		83.97	
Proceeds from issue of warrants convertible into equity shares	**31,106.25**		19,678.75	
Proceeds from non-current borrowings	**270.06**		-	
Repayment of non-current borrowings	**(6,168.23)**		(3,936.05)	
Proceeds from/ (Repayment of) current borrowings (net)	**(18,110.77)**		27,879.49	

Corporate Overview

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Consolidated Statement of Cash Flows

for the year ended 31 March 2024 (Contd.)

Amount in ₹ lakhs

	Year ended 31 March 2024		Year ended 31 March 2023	
Interest paid	**(6,291.95)**		(4,859.79)	
Payment of lease liabilities (principal portion)	**(123.18)**		(248.68)	
Payment of lease liabilities (interest portion)	**(24.18)**		(33.47)	
Net proceeds/ (Outflow) on settlement of derivative contracts	**374.93**		(14.05)	
Dividend paid	**(1,081.95)**		(838.68)	
Net cash generated from financing activities		**718.66**		37,711.49
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**708.06**		3,441.48
Cash and cash equivalents at the beginning of the year (refer note 9)		**20,780.33**		17,338.39
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)		**0.02**		0.46
Cash and cash equivalents at the end of the year (refer note 9)		**21,488.41**		20,780.33

Notes:

1. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.

2. Changes in liability arising from financing activities:

Amount in ₹ lakhs

	1 April 2023	Cash flow (net)	Foreign exchange movement	Lease additions	Other changes#	31 March 2024
Borrowings (refer note 19)	**83,619.61**	**(24,008.94)**	**408.88**	**-**	**22.42**	**60,041.97**
Derivative contracts	**11.00**	**374.93**	**-**	**-**	**(487.32)**	**(101.39)**
Lease Liabilities	**592.73**	**(147.36)**	**(15.86)**	**-**	**24.18**	**453.69**

Amount in ₹ lakhs

	1 April 2022	Cash flow (net)	Foreign exchange movement	Lease additions	Other changes#	31 March 2023
Borrowings (refer note 19)	57,837.83	23,943.44	1,807.50	-	30.84	83,619.61
Derivative contracts	1,130.00	(14.05)	-	-	(1,104.95)	11.00
Lease Liabilities	841.03	(282.15)	0.38	-	33.47	592.73

#Other changes with respect to borrowings and lease liabilities represent adjustment for effective interest and for derivative contracts it represents fair value changes.

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

Place: Kolkata
Date: 25 April 2024

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director & Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

1. Reporting entity

Himadri Speciality Chemical Limited ("the Holding Company" or "the Company") is a public company domiciled and headquartered in India, having its registered office situated at 23A, N. S. Road, Kolkata - 700 001 and corporate office situated at 8, India Exchange Place, 2nd floor, Kolkata -700 001. The Holding Company was originally incorporated on 28 July 1987 and its equity shares are listed on National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE). The Holding Company is primarily engaged in the manufacturing of carbon materials and chemicals. The Holding Company has operations in India and caters to both domestic and international markets.

The Holding Company has wholly-owned subsidiary in the name of Combe Projects Private Limited (w.e.f 20 July 2023), Himadri Clean Energy Limited (w.e.f 30 November 2023) and step-down wholly subsidiary in the name of Himadri Future Material Technology Limited (w.e.f 01 February 2024), all incorporated in India. The Holding Company also has wholly-owned subsidiary in the name of AAT Global Limited, incorporated in Hong Kong and step-down subsidiary with 94% shareholding in the name of Shandong Dawn Himadri Chemical Industry Ltd, incorporated in China, collectively referred to as "the Group".

The Consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company at their meeting held on 25 April 2024.

Statement of Compliance

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as the "Ind AS") notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act"), notified under Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions and presentation requirements of Division II of Schedule III to the Act, as applicable, to the Financial Statements.

New or amended Ind AS

Effective 01 April 2023 the Group has applied the following amendments to existing standards which has been notified by the Ministry of Corporate Affairs ("MCA").

(i) Ind AS1, Presentation of Financial Statements-

The Group has adopted the amendments to Ind AS 1 for the first time in the current year. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Accordingly, the financial statements have been prepared considering the above amendments.

(ii) Ind AS 8, Accounting policies, Change in Accounting Estimates and Errors-

The Group has adopted the amendments to Ind AS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

(iii) Ind AS 12, Income Taxes-

The Group has adopted the amendments to Ind AS 12 for the first time in the current year. The amendment have narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

These amendments did not have any material impact on the amounts recognised in the current year.

2. Basis of preparation and measurement of Consolidated financial statements

(a) Basis of preparation and measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for certain financial instruments, defined benefit plans and employee share-based payments which are measured at fair value or amortised cost at the end of each reporting period.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group determines materiality depending on the nature or magnitude of information, or both. Information is material if omitting, misstating or obscuring it could reasonably influence decisions made by the primary users, on the basis of those financial statements.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency.

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at an average rate which approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All Financial information presented in INR has been rounded off to nearest two decimals of lakhs, unless otherwise indicated.

3. Material Accounting Policies

Material accounting policy information has been identified and disclosed based on the guidance provided under Ind AS 1. The material accounting policy information used in preparation of the Consolidated financial statements have been disclosed in the respective notes.

3.1 Key accounting estimates and judgements

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Revisions to accounting estimates are recognised prospectively. The changes in the estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment and Other intangible assets

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets (refer note 4A and 6).

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable market data where possible, but where this is

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk and credit risk (refer note 41).

(iii) Defined benefit plan

The Group provides defined benefit employee retirement plans. Measurement of such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation (refer note 24).

(iv) Recognition of current tax and deferred tax (including MAT credit entitlements)

The Group uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances, and disallowances which is exercised while determining the provision for income tax. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability (refer note 33).

(v) Recognition and measurement of provisions and contingencies

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to assess contingent liabilities.

The Group does not recognize a contingent liability but discloses its existence in the Consolidated financial statements (refer note 24).

(vi) Determination of lease liabilities

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics [refer note 35(c)].

(vii) Determination of Right of use (ROU) assets

Certain key assumptions used in determination of ROU assets and liabilities, incremental borrowing rate and lease term. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (refer note 5).

(viii) Loss allowance on trade receivables

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with, and the countries where it operates. The identification of credit impaired balances of trade receivable requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables, and credit impaired expenses in the period in which such estimate has been changed (refer note 8, 41 and 42).

3.2 Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prepared in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS 110), specified under Section 133 of the Act.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated financial statements are:

Name of the Company	Country of incorporation	31 March 2024 shareholding %	31 March 2023 shareholding %
Incorporated outside India			
AAT Global Limited	Hong Kong	**100%**	100%
Shandong Dawn Himadri Chemical Industry Ltd	China	**94%**	94%
Incorporated in India			
Combe Projects Private Limited (w.e.f July 20, 2023)	India	**100%**	-
Himadri Clean Energy Limited (w.e.f November 30, 2023)	India	**100%**	-
Himadri Future Material Technology Limited (w.e.f February 01, 2024)	India	**100%**	-

(ii) Non-controlling interest (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e 31 March 2024.

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

3.3 Recent pronouncements

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 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

4A. Property, plant and equipment

Accounting Policy

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs.

Depreciation is calculated on estimated useful lives using the written down value method for Property, plant and equipment situated at Liluah Unit - I (Howrah), Vapi and Vizag, and on property, plant and equipment situated at other locations are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act except in respect of certain categories of assets, where the useful life of the assets has been assessed based on a technical evaluation.

Freehold land is not depreciated. Leasehold land (includes development cost) is amortised on a straight-line basis over the period of respective lease, except land acquired on perpetual lease. Useful lives and residual values are reviewed at each financial year end and adjusted, as appropriate. Leasehold improvements are amortised/ depreciated over the remaining tenure of the contract.

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Management estimate of useful life (in years)
Buildings	10-60
Plant and equipment	5-60
Office equipment	3-25
Vehicles	8-10
Furniture and fixtures	10

Based on technical assessment done by experts in earlier years and management's estimate:

- Useful life of property, plant and equipment are different than those indicated in Schedule II to the Act, as stated above.
- Residual value on property, plant and equipment has been estimated at 5% of the cost, specified in Schedule II of the Act.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which asset is ready for use/ (disposed off).

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

4A. Property, plant and equipment (Contd.)

Reconciliation of carrying amount

Amount in ₹ lakhs

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Gross carrying amount									
Balance at 1 April 2022	5,626.61	123.53	15,427.97	1,89,589.27	1,233.21	1,985.33	2,914.27	391.45	2,17,291.64
Additions during the year	57.06	-	322.31	2,181.30	46.72	252.29	133.45	-	2,993.13
Discard/ disposals during the year	(30.00)	-	-	(1,542.37)	(5.79)	(513.30)	(352.36)	-	(2,443.82)
Exchange differences on translation of foreign operations	-	-	4.17	130.99	2.27	0.08	0.11	-	137.62
Balance at 31 March 2023	5,653.67	123.53	15,754.45	1,90,359.19	1,276.41	1,724.40	2,695.47	391.45	2,17,978.57
Balance at 1 April 2023	**5,653.67**	**123.53**	**15,754.45**	**1,90,359.19**	**1,276.41**	**1,724.40**	**2,695.47**	**391.45**	**2,17,978.57**
Additions during the year	**77.68**	**-**	**956.66**	**5,348.18**	**11.72**	**500.75**	**169.96**	**26.11**	**7,091.06**
Discard/ disposals during the year	**-**	**-**	**-**	**-**	**-**	**(126.91)**	**-**	**-**	**(126.91)**
Exchange differences on translation of foreign operations	**-**	**-**	**(195.16)**	**(245.30)**	**(2.58)**	**(3.72)**	**(5.03)**	**-**	**(451.79)**
Balance at 31 March 2024	**5,731.35**	**123.53**	**16,515.95**	**1,95,462.07**	**1,285.55**	**2,094.52**	**2,860.40**	**417.56**	**2,24,490.93**
Accumulated depreciation and amortisation									
Balance at 1 April 2022	-	9.30	5,559.10	56,034.05	849.36	1,139.37	2,057.24	238.75	65,887.17
Depreciation/ amortisation for the year	-	1.55	304.71	3,820.60	65.20	133.64	149.29	99.76	4,574.75
Discard/ disposals during the year	-	-	-	(780.77)	(5.26)	(310.60)	(332.07)	-	(1,428.70)
Exchange differences on translation of foreign operations	-	-	46.96	83.67	2.22	0.09	0.09	-	133.03
Balance at 31 March 2023	-	10.85	5,910.77	59,157.55	911.52	962.50	1,874.55	338.51	69,166.25
Balance at 1 April 2023	**-**	**10.85**	**5,910.77**	**59,157.55**	**911.52**	**962.50**	**1,874.55**	**338.51**	**69,166.25**
Depreciation/ amortisation for the year	**-**	**1.55**	**328.06**	**3,913.47**	**49.90**	**156.07**	**161.97**	**35.86**	**4,646.88**
Discard/ disposals during the year	**-**	**-**	**-**	**-**	**-**	**(111.21)**	**-**	**-**	**(111.21)**
Exchange differences on translation of foreign operations	**-**	**-**	**(100.18)**	**(121.90)**	**(2.52)**	**(3.54)**	**(4.69)**	**-**	**(232.83)**
Balance at 31 March 2024	**-**	**12.40**	**6,138.65**	**62,949.12**	**958.90**	**1,003.82**	**2,031.83**	**374.37**	**73,469.09**
Net carrying amount									
At 31 March 2023	5,653.67	112.68	9,843.68	1,31,201.64	364.89	761.90	820.92	52.94	1,48,812.32
At 31 March 2024	**5,731.35**	**111.13**	**10,377.30**	**1,32,512.95**	**326.65**	**1,090.70**	**828.57**	**43.19**	**1,51,021.84**

Notes:

(a) As at 31 March 2024, Property, plant and equipment with net carrying amount of ₹ **138,572.66 lakhs** (31 March 2023: ₹ 137,715.69 lakhs) are subject to first charge to secure borrowings (refer note 19).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

4A. Property, plant and equipment (Contd.)

(b) Gross carrying amount includes Research and development assets (Building, Plant and equipment, Furniture and fixtures and Office equipment) of ₹ **2,488.59 lakhs** (31 March 2023: ₹ 2,043.30 lakhs) and net carrying amount of ₹ **1,334.07 lakhs** (31 March 2023: ₹ 1,127.33 lakhs). Additions to the Research and development assets during the year 2023-2024 is ₹ **445.29 lakhs** (2022-2023: ₹ 168.99 lakhs).

(c) For contractual commitment with respect to Property, plant and equipment, refer note 35(b).

(d) The Group has performed an assessment of its property plant and equipment for possible triggering events or circumstances for an indication of impairment and has concluded that there were no triggering events or circumstances that would indicate the property plant and equipment are impaired.

4B. Capital work-in-progress

Accounting Policy

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital work-in-progress and are carried at cost, less any recognised impairment loss, if any. Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Directly attributable expenditure (including finance costs relating to borrowed funds/general borrowings for construction or acquisition of property, plant and equipment) incurred on project under implementation are treated as Pre-operative expenses pending allocation to the asset and are shown under CWIP.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Balance at the beginning of the year	**9,353.11**	7,655.24
Additions during the year	**4,428.51**	4,753.83
Capitalised during the year	**(7,129.75)**	(3,055.96)
Balance at the end of the year	**6,651.87**	9,353.11

The Group has performed an assessment of its Capital work in progress for possible triggering events or circumstances for an indication of impairment and has concluded that there were no triggering events or circumstances that would indicate the Capital work in progress are impaired.

5. Right of use assets

Accounting Policy

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Amount in ₹ lakhs

	Land	Buildings	Total
Gross carrying amount			
Balance at 1 April 2022	3,783.80	525.78	4,309.58
Additions during the year	-	-	-
Discard/ disposals during the year	-	(337.14)	(337.14)
Exchange differences on translation of foreign operations	(3.04)	-	(3.04)
Balance at 31 March 2023	3,780.76	188.64	3,969.40

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

5. Right of use assets (Contd.)

Amount in ₹ lakhs

	Land	Buildings	Total
Balance at 1 April 2023	**3,780.76**	**188.64**	**3,969.40**
Additions during the year	**-**	**-**	**-**
Discard/ disposals during the year	**-**	**-**	**-**
Exchange differences on translation of foreign operations	**(41.81)**	**-**	**(41.81)**
Balance at 31 March 2024	**3,738.95**	**188.64**	**3,927.59**
Accumulated amortisation			
Balance at 1 April 2022	957.26	270.29	1,227.55
Amortisation during the year	282.10	164.09	446.19
Discard/ disposals during the year	-	(337.14)	(337.14)
Exchange differences on translation of foreign operations	(3.52)	-	(3.52)
Balance at 31 March 2023	1,235.84	97.24	1,333.08
Balance at 1 April 2023	**1,235.84**	**97.24**	**1,333.08**
Amortisation during the year	**279.06**	**37.73**	**316.79**
Discard/ disposals during the year	**-**	**-**	**-**
Exchange differences on translation of foreign operations	**(15.86)**	**-**	**(15.86)**
Balance at 31 March 2024	**1,499.04**	**134.97**	**1,634.01**
Net carrying amount			
At 31 March 2023	2,544.92	91.40	2,636.32
At 31 March 2024	**2,239.91**	**53.67**	**2,293.58**

6. Intangible assets

Accounting Policy

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortized over their estimated useful life using straight line method which reflects the pattern in which the economic benefits are expected to be consumed and have a useful life of 3 to 5 years.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Reconciliation of carrying amount of Computer software

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Gross carrying amount		
Balance at the beginning of the year	**374.16**	311.33
Additions during the year	**38.69**	62.83
Discard/ disposals during the year	**-**	-
Balance at the end of the year	**412.85**	374.16
Accumulated amortisation		
Balance at the beginning of the year	**308.43**	244.61
Amortisation during the year	**22.20**	63.82
Discard/ disposals during the year	**-**	-
Balance at the end of the year	**330.63**	308.43
Net carrying amount	**82.22**	65.73

Intangible assets under development - Nil

The Group has performed an assessment of its Intangible Assets with indefinite useful lives, for possible triggering events or circumstances for an indication of impairment and has concluded that there were no triggering events or circumstances that would indicate the Intangible assets are impaired.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

7. Financial Assets

Accounting Policy

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind AS 32 Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Initial Recognition and Subsequent Recognition

(i) Amortised Cost

Financial assets are subsequently measured at amortised cost using the effective interest method, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets classified at amortised cost comprise trade receivables, loans, investments in preference shares, debentures, government securities etc.

(ii) Fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other Equity. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other Equity is directly reclassified to retained earnings.

On intial recognition, the Group has an irrevocable option to present changes in the fair value of equity investments not held for trading in OCI. This option is made on an investment-by-investment basis.

(iii) Fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Disclosure related to Fair value measurement of financial instruments (refer note 41).

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Ind AS 109 requires expected credit losses to be measured through a loss allowance.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

7. Financial Assets (Contd.)

Investments

A. Non-current investments

(All the investments are fully paid, unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Investments carried at fair value through other comprehensive income (FVOCI)		
Equity instruments		
Quoted		
3,34,900 (31 March 2023: 3,34,900) equity shares of Himadri Credit & Finance Limited (face value - ₹ 10 each)	**944.42**	606.17
8,000 (31 March 2023: 8,000) equity shares of Transchem Limited (face value - ₹ 10 each)	**2.24**	1.51
	946.66	607.68
Unquoted		
17,000 (31 March 2023: 17,000) equity shares of Himadri e-Carbon Limited (face value - ₹ 10 each)	**1.87**	2.06
22 (31 March 2023: 22) equity shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)	**20.19**	5.90
1 (31 March 2023: Nil) equity share of Birla Tyres Limited (face value - ₹ 10 each)	**-**	-
	22.06	7.96
Preference shares (unquoted)		
12,48,774 (31 March 2023: 12,48,774) 1% Non-cumulative optionally convertible preference shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each) (refer note a)	**18,257.08**	12,575.16
	18,257.08	12,575.16
Investments carried at fair value through profit or loss (FVTPL)		
Preference shares (unquoted)		
42,41,143 (31 March 2023: Nil) Class A Preference shares of Sicona Battery Technologies Pty Ltd (face value - AUD 1 each)	**5,611.01**	-
	5,611.01	-
Debentures (unquoted)		
49,99,999 (31 March 2023: Nil) 0.01% Secured Optionally Convertible Debentures (OCDs) of Birla Tyres Limited (face value - ₹ 10 each) (refer note b)	**718.50**	-
1,50,00,000 (31 March 2023: Nil) 0.01% Secured Optionally Convertible Debentures (OCDs) of Himadri Birla Tyre Manufacturer Private Limited (face value - ₹ 10 each) (refer note c)	**1,465.50**	-
11,80,00,000 (31 March 2023: Nil) 0.01% Unsecured Optionally Convertible Debentures (OCDs) of Himadri Birla Tyre Manufacturer Private Limited (face value - ₹ 10 each) (refer note c)	**11,517.30**	-
	13,701.30	-
Non convertible debenture (NCDs) (unquoted)		
8,94,00,000 (31 March 2023: Nil) 0.001% Secured, redeemable Non-Convertible Debentures (NCDs) of Dalmia Bharat Refactories Limited (face value - ₹ 10 each) (refer note d)	**9,133.80**	-
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (deposited with sales tax authorities)	**0.07**	0.07
	47,671.98	13,190.87
Aggregate book value of quoted investments	**946.66**	607.68
Aggregate market value of quoted investments	**946.66**	607.68
Aggregate value of unquoted investments (net)	**46,725.32**	12,583.19
Aggregate amount of impairment in book value of unquoted investments	**-**	-
Investment carried at amortised cost	**0.07**	0.07
Investment carried at fair value through profit or loss (FVTPL)	**28,446.11**	-
Investment carried at fair value through other comprehensive income (FVOCI)	**19,225.80**	13,190.80

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

7. Financial Assets (Contd.)

(a) Non-cumulative optionally convertible Preference shares (OCPS) of Modern HI-Rise Private Limited are convertible/ redeemable at any time before the expiry of 20 years from the date of allotment (i.e. 1 March 2019) at the option of the Issuer. Each OCPS, if not opted for conversion shall be redeemable at value equal to fair market value (post considering the market value of underlying assets) of the proportionate equity shares of the Issuer (if it were converted) as on 1 June 2018 (i.e. amalgamation appointed dated). The outstanding OCPS, if not redeemed, would be converted into equity shares at any time at the option of the Issuer, but not later than 20 years from the date of allotment at the option of the Issuer in a manner that the Holding Company would obtain same proportion of equity shareholding (ownership) of the Issuer as on 1 June 2018 i.e. 7.7% of the total outstanding as on 1 June 2018 and would be subject to any dilution thereof pursuant to fresh allotment by MHPL. In case conversion is made by the Issuer, the OCPS will be converted into 6,253 equity shares (i.e. fixed number of equity shares) whenever converted.

(b) Optionally Convertible Debentures (OCDs) issued by Birla Tyres Limited (Issuer) are Convertible into equal number of equity shares at the option of the Debenture Holder any time within 5 years from the date of allotment. OCDs shall be redeemed upon expiry of 5 years from the date of allotment, if not converted by Debenture Holder, at a premium as may be fixed by the Issuer at the time of redemption.

(c) Optionally Convertible Debentures (OCDs) issued by Himadri Birla Tyre Manufacturer Private Limited (Issuer) are Convertible into equal number of equity shares at the option of the Debenture Holder any time within 5 years from the date of allotment. OCDs shall be redeemed upon expiry of 5 years from the date of allotment, if not converted by Debenture Holder, at a premium as may be fixed by the Issuer at the time of redemption.

(d) Redeemable Non-Convertible Debentures (NCDs) issued by Dalmia Bharat Refractories Limited (Issuer) are redeemable on expiry of 5 years from the date of Allotment unless mutually extended by the Issuer and Debenture Holder. However, both parties may mutually agree for part redemption of debentures. NCDs shall be subject to such other terms and conditions (including redemption premium, if any) as may be agreed between the Issuer and Debenture Holder.

Information about the Group's fair value measurement and exposure to credit and market risks are disclosed in note 41 and 42.

B. Current investments

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Mutual funds (quoted) carried at fair value through profit or loss		
1,875.118 (31 March 2023: Nil) units of LIC MF Liquid fund - Direct plan - Growth	**82.23**	-
	82.23	-
Aggregate book value of quoted investments	**82.23**	-
Aggregate market value of quoted investments	**82.23**	-

Information about the Group's fair value measurement and exposure to credit and market risks are disclosed in note 41 and 42.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

7. Financial Assets (Contd.)

C. Investments designated at fair value

Amount in ₹ lakhs

	Fair value as at 31 March 2024	Dividend income recognised during 2023-2024	Fair value as at 31 March 2023	Dividend income recognised during 2022-2023	Fair Value as at 1 April 2022
Fair value through other comprehensive income					
Equity shares					
Investment in Himadri Credit & Finance Limited	**944.42**	**-**	606.17	-	576.03
Investment in Transchem Limited	**2.24**	**-**	1.51	-	1.76
Investment in Modern Hi-Rise Private Limited	**20.19**	**-**	5.90	-	3.43
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	**-**	**-**	-	-	0.03
Investment in Himadri e-Carbon Limited	**1.87**	**-**	2.06	-	2.14
Preference shares					
Investment in Modern Hi-Rise Private Limited	**18,257.08**	**-**	12,575.16	-	10,701.99
Fair value through profit or loss (FVTPL)					
Preference shares					
Investment in Sicona Battery Technologies Pty Ltd	**5,611.01**	**-**	-	-	-
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	**-**	**-**	-	-	46.37
Optionally convertible debentures (OCDs)					
Investment in Birla Tyres Limited	**718.50**	**-**	-	-	-
Investment in Himadri Birla Tyre Manufacturer Private Limited	**12,982.80**	**-**	-	-	-
Non convertible debentures (NCDs)					
Investment in Dalmia Bharat Refactories Limited	**9,133.80**	**-**	-	-	-
	47,671.91	**-**	13,190.80	-	11,331.75

8. Trade receivables

Accounting Policy

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance, if any.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Trade receivable considered good - secured	**1,900.62**	1,493.16
Trade receivable considered good - unsecured	**65,582.77**	50,721.71
	67,483.39	52,214.87
Less: Loss allowance	**(900.00)**	(717.01)
	66,583.39	51,497.86
Non-current	**1,018.41**	1,008.49
Current	**65,564.98**	50,489.37
	66,583.39	51,497.86

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

8. Trade receivables (Contd.)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Movement in loss allowance		
Balance as at beginning of the year	**717.01**	717.01
Change in loss for allowance during the year	**182.99**	-
Trade receivables written off during the year	**-**	-
Balance as at the end of the year	**900.00**	717.01

(b) Trade receivables ageing schedule is as follows:

Amount in ₹ lakhs

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024							
(i) Undisputed Trade receivables:							
- considered good	**54,164.82**	**11,452.80**	**207.89**	**133.14**	**28.11**	**148.00**	**66,134.76**
- which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Disputed Trade receivables:							
- considered good	**-**	**-**	**-**	**-**	**-**	**1,018.41**	**1,018.41**
- credit impaired	**-**	**-**	**-**	**41.22**	**-**	**289.00**	**330.22**
Total	**54,164.82**	**11,452.80**	**207.89**	**174.36**	**28.11**	**1,455.41**	**67,483.39**

Amount in ₹ lakhs

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
(i) Undisputed Trade receivables:							
- considered good	38,379.03	12,160.83	160.25	48.24	69.95	118.21	50,936.51
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,008.49	1,008.49
- credit impaired	-	-	-	-	9.31	260.56	269.87
Total	38,379.03	12,160.83	160.25	48.24	79.26	1,387.26	52,214.87

(c) For trade receivables given as security for borrowings, refer note 19.

(d) Non-current trade receivables represent an amount of ₹ **1,018.41 lakhs** (31 March 2023: ₹ 1,008.49 lakhs) due from a customer which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained by the Holding Company, the Holding Company continues to believe that the outcome of the said proceedings would be in favour of the Holding Company.

(e) No trade receivables are due from directors of the Group either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(f) Information about the Group's exposure to credit, market and currency risks, and loss allowances related to trade receivables are disclosed in note 42.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

9. Cash and cash equivalents

Accounting Policy

The Group considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, and have maturities of less than 3 months from the date of such deposits, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Cash on hand	**53.82**	63.91
Balances with banks		
- On current accounts	**21,416.91**	19,477.44
- On EEFC accounts	**17.68**	426.48
- On deposit account (with original maturities less than 3 months) [refer note below]	**-**	812.50
	21,488.41	20,780.33

Balances with banks on current accounts includes earmarked balances of ₹ **142.19 lakhs** (31 March 2023: ₹ 643.67 lakhs) lying in CSR account.

Bank deposits of ₹ **Nil** (31 March 2023: ₹ 812.50 lakhs) have been pledged with the banks against various credit facilities availed by the Group.

10. Bank balances other than cash and cash equivalents

Accounting Policy

The Group considers balances and deposits with banks having maturity of more than three months but less than 12 months to be bank balances other than Cash & Cash Equivalents.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date [refer note (a) below]	**51,614.45**	41,662.36
Earmarked balances with banks		
- Earmarked balances with banks for unpaid dividend accounts	**38.01**	37.18
- Others deposits [refer note (b) below]	**0.27**	0.27
	51,652.73	41,699.81

(a) Bank deposits of ₹ **51,110.68 lakhs** (31 March 2023: ₹ 41,158.81 lakhs) have been pledged with various banks against various credit facilities availed by the Holding Company.

(b) Earmarked balances with banks of ₹ **0.27 lakh** (31 March 2023: ₹ 0.27 lakh) is held as security against various credit facilities availed by the Holding Company.

11. Loans

Accounting policy (refer note 7)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Loan to employees	**-**	100.00
	-	100.00
Current		
Loan given		
- to employees	**29.29**	68.96
- to related party	**110.21**	97.22
	139.50	166.18
	139.50	266.18
Loan receivables considered good - secured	**-**	-
Loan receivables considered good - unsecured	**139.50**	266.18
	139.50	266.18

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

11. Loans (Contd.)

A. Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Loans and advances in the nature of loan to KMPs		
Amount outstanding as at year ended	**110.21**	97.22
Less: loss allowances	**-**	-
Maximum balance of loan outstanding during the year	**110.21**	97.22
Loan given		
Percentage of total loan	**79%**	59%

(b) **Details of investments:** Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7.

B. Information about the Group's exposure to credit and market risks are disclosed in note 42.

12. Other financial assets

Accounting policy (refer note 7)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Security and other deposits	**2,386.37**	2,176.44
Bank deposits due to mature after 12 months of the reporting date	**0.46**	0.46
Interest accrued on bank deposits	**0.05**	0.03
Interest receivable	**0.09**	-
	2,386.97	2,176.93
Current		
Receivable from parties other than related parties		
Security and other deposits	**535.16**	535.16
Interest accrued on bank deposits	**1,678.45**	1,377.64
Insurance claim receivable	**-**	5.96
Export incentive receivable	**1.68**	0.39
Derivatives	**101.39**	-
Government grants receivable	**557.06**	557.06
Other receivable	**2.63**	-
	2,876.37	2,476.21
	5,263.34	4,653.14

Bank deposits of ₹ **0.46 lakh** (31 March 2023: ₹ 0.46 lakh) have been pledged with various banks against various credit facilities availed by the Group.

Information about the Group's exposure to credit and market risks are disclosed in note 42.

13. Non-current tax assets (net)

Accounting policy (refer note 33)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Advance income tax	**733.06**	737.48
[net of provision for income tax ₹ **30,725.18 lakhs** (31 March 2023: ₹ 25,997.06 lakhs)]		
	733.06	737.48

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

14. Other non-current assets

(Unsecured, considered good)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Capital advances*		
Other than related party	**1,428.06**	338.56
Deposits with government authorities (Custom, excise etc.)	**893.44**	884.10
	2,321.50	1,222.66

* Represents advances paid towards acquisition of Property, plant and equipment.

15. Inventories

Accounting Policy

(Valued at the lower of cost and net realisable value)

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out (FIFO) cost basis. Cost of raw material and traded goods comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition and are net of rebates and discounts. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. The comparison of cost and net realisable value is made on an item-by-item basis.

Raw materials held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Raw materials [including goods-in-transit ₹ **2,241.44 lakhs** (31 March 2023: ₹ 1,542.92 lakhs)]	**34,064.51**	22,153.71
Work-in-progress	**8,476.32**	6,676.73
Finished goods	**23,408.16**	21,537.47
Packing materials	**830.25**	758.50
Stores and spares	**3,472.82**	3,295.23
	70,252.06	54,421.64

Carrying amount of inventories pledged as securities for borrowings, refer note 19.

16. Other current assets

(Unsecured considered good unless otherwise stated)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Parties other than related parties		
Advances to suppliers		
Unsecured, considered good [refer note (b) below]	**15,202.25**	16,334.04
Unsecured, considered doubtful	**216.75**	216.75
	15,419.00	16,550.79
Less: Allowances for unsecured advances [refer note (a) below]	**(216.75)**	(216.75)
	15,202.25	16,334.04
Others		
Balance with government authorities	**2,265.69**	1,601.37
Others (prepaid expenses and other receivables)	**1,173.09**	540.04
	18,641.03	18,475.45

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

16. Other current assets (Contd.)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Movement in allowances for unsecured advances		
Balance as at beginning of the year	**216.75**	216.75
Changes in allowances for advances during the year	**-**	-
Advances written off during the year	**-**	-
Balance as at the end of the year	**216.75**	216.75

(b) Advances to suppliers includes ₹ **833.93** lakhs (31 March 2023: ₹833.93 lakhs) as advance given in earlier years to a supplier against supply of raw materials which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained, the Holding Company continues to believe that the outcome of the said proceedings would be in favour of the Holding Company.

(c) For financial instrument details refer note 41 & for details of financial risk management refer note 42.

17. Equity share capital

Accounting Policy

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Holding Company are recognised at the proceeds received, net of direct issue costs.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Authorised		
70,01,00,000 (31 March 2023: 70,01,00,000) equity shares of ₹ 1 each	**7,001.00**	7,001.00
Issued, subscribed and fully paid-up		
49,25,94,573 (31 March 2023: 43,27,07,198) equity shares of ₹ 1 each	**4,925.95**	4,327.07
	4,925.95	4,327.07

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
At the beginning of the year	**43,27,07,198**	**4,327.07**	41,89,65,278	4,189.65
Add: Equity shares issued on exercise of employee stock option (refer note 38)	**6,37,375**	**6.38**	4,41,920	4.42
Add: Equity shares issued against conversion of warrants (refer note H)	**5,92,50,000**	**592.50**	1,33,00,000	133.00
At the end of the year	**49,25,94,573**	**4,925.95**	43,27,07,198	4,327.07

B. Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Holding Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

17. Equity share capital (Contd.)

C. Equity shares held by upstream associates (shareholders of the Holding Company) having significant influence over the Holding Company

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Modern Hi-Rise Private Limited	**18,25,99,607**	**1,826.00**	18,25,99,607	1,826.00

D. Details of equity shareholders holding more than 5% shares of fully paid up equity shares of the aggregate equity shares of the Holding Company

	31 March 2024		31 March 2023	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 1 each fully paid up held by:				
Modern Hi-Rise Private Limited	**18,25,99,607**	**37.07%**	18,25,99,607	42.20%
Anurag Choudhary	**3,30,00,000**	**6.70%**	1,33,00,000	3.07%

E. Shareholding of promoters are as follows:

	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares in the class	% change during the year
As at 31 March 2024					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited *	**18,25,99,607**	**-**	**18,25,99,607**	**37.07%**	**-**
Himadri Credit & Finance Limited *	**14,84,067**	**-**	**14,84,067**	**0.31%**	**-**
Anurag Choudhary	**1,33,00,000**	**1,97,00,000**	**3,30,00,000**	**6.70%**	**4.00%**
Shyam Sundar Choudhary	**-**	**82,50,000**	**82,50,000**	**1.67%**	**1.67%**
Shikha Choudhary	**-**	**37,00,000**	**37,00,000**	**0.75%**	**0.75%**
Sheela Devi Choudhary	**-**	**30,00,000**	**30,00,000**	**0.61%**	**0.61%**
Amit Choudhary	**-**	**1,37,50,000**	**1,37,50,000**	**2.79%**	**2.79%**
Rinku Choudhary	**-**	**8,50,000**	**8,50,000**	**0.17%**	**0.17%**
Anooshka C Bathwal	**-**	**11,00,000**	**11,00,000**	**0.22%**	**0.22%**
	19,73,83,674	**5,03,50,000**	**24,77,33,674**	**50.29%**	**10.21%**

	Number of shares at the beginning of the year	Change during the year	Number of shares at the end of the year	% of total shares in the class	% change during the year
As at 31 March 2023					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited	18,25,99,607	-	18,25,99,607	42.20%	-
Himadri Credit & Finance Limited	14,84,067	-	14,84,067	0.35%	-
Anurag Choudhary	-	1,33,00,000	1,33,00,000	3.07%	3.07%
	18,40,83,674	1,33,00,000	19,73,83,674	45.62%	3.07%

* change in percentage is due to increase in equity share capital of the Holding Company during the year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

17. Equity share capital (Contd.)

F. Shares reserved for issue under options

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016) equity shares of ₹ 1 each (refer note 38)	**4,36,449**	**4.36**	10,77,729	10.78

Information of stock options granted to employees are disclosed in note 38 regarding share based payments.

G. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

No equity shares have been allotted as fully paid up pursuant to contracts for consideration other than cash during the period of five years immediately preceeding the reporting date.

H. Equity Shares issued on conversion of warrants

During the previous year, the Holding Company had issued and allotted 7,25,50,000 warrants, each convertible into one equity share of ₹ 1 each, on Preferential allotment basis at an issue price of ₹ 70 per warrant, to the Promoter/ Promoter Group of the Holding Company and certain identified non-promoter persons / entity, upon receipt of 25% of the issue price (i.e. ₹ 17.50 per warrant) as warrant subscription money. Balance 75% of the issue price (i.e. ₹ 52.50 per warrant) was payable within 18 months from the date of allotment i.e. 22 August 2022, at the time of exercising the option to apply for fully paid-up equity share of ₹ 1 each of the Holding Company, against each warrant held by the warrant holder. Subsequently during the previous year the Holding Company upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 1,33,00,000 warrants, had allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder. As a result of such allotment, the paid-up equity share capital of the Holding Company had increased by 1,33,00,000 equity shares of face value of ₹ 1 each.

During the financial year 2023-24 the Holding Company upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for remaining 5,92,50,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holders. As a result of such allotment, the paid-up equity share capital of the Holding Company has increased by 5,92,50,000 equity shares of face value of ₹ 1 each.

I. Distribution made and proposed dividend on equity shares by the Holding Company

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended on 31 March 2023: ₹ 0.25 per share (31 March 2022: ₹ 0.20 per share)	**1,081.95**	838.68
Total dividend paid	**1,081.95**	838.68
Proposed dividend on equity shares not recognised as liability		
Final dividend for the year ended on 31 March 2024: **₹ 0.50 per share** (31 March 2023: ₹ 0.25 per share)	**2,463.59**	1,081.95
Total dividend proposed for the year	**2,463.59**	1,081.95

Proposed dividend on equity shares is subject to the approval of the equity shareholders of the Holding Company at the Annual General Meeting and not recognised as a liability as at Consolidated Balance Sheet date.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

18. Other equity

Refer Consolidated statement of changes in equity for detailed movement in other equity balance.

A. Movement in other equity balance

Amount in ₹ lakhs

Components	1 April 2022	Movement during the year	31 March 2023	Movement during the year	31 March 2024
Capital reserve	1,280.50	-	1,280.50	**-**	**1,280.50**
Securities premium	45,600.10	9,370.20	54,970.30	**41,788.91**	**96,759.21**
General reserve	18,955.61	-	18,955.61	**-**	**18,955.61**
Share option outstanding reserve	381.86	(113.65)	268.21	**(145.11)**	**123.10**
Money received against share warrants	-	10,368.75	10,368.75	**(10,368.75)**	**-**
Retained earnings	1,12,109.24	20,757.01	1,32,866.25	**39,956.52**	**1,72,822.77**
Items of other comprehensive income:					
- Currency translation reserve	(1,778.20)	(712.24)	(2,490.44)	**(31.55)**	**(2,521.99)**
- Equity instruments through Other Comprehensive income	6,024.98	1,479.33	7,504.31	**4,708.06**	**12,212.37**
	1,82,574.09	41,149.40	2,23,723.49	**75,908.08**	**2,99,631.57**

* Disclosure of share based payment (refer note 38).

B. Other comprehensive income accumulated in other equity (net of income-tax)

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

Amount in ₹ lakhs

	Currency translation reserve	Equity instruments through other comprehensive income	Total other comprehensive income
As at 1 April 2022	(1,778.20)	6,024.98	4,246.78
Equity instruments through other comprehensive income - net change in fair value	-	1,905.45	1,905.45
Exchange differences in translating financial statements of foreign operations	(712.24)	-	(712.24)
Tax on above items	-	(426.12)	(426.12)
As at 31 March 2023	(2,490.44)	7,504.31	5,013.87
As at 1 April 2023	**(2,490.44)**	**7,504.31**	**5,013.87**
Remeasurements of defined benefit plan	**-**	**-**	**-**
Equity instruments through other comprehensive income - net change in fair value	**-**	**6,035.00**	**6,035.00**
Exchange differences in translating financial statements of foreign operations	**(31.55)**	**-**	**(31.55)**
Tax on above items	**-**	**(1,326.94)**	**(1,326.94)**
As at 31 March 2024	**(2,521.99)**	**12,212.37**	**9,690.38**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

19. Financial Liabilities

Accounting Policy

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability. They are measured at amortised cost using the effective interest method.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired.

Disclosure related to Fair value measurement of financial instruments (refer note 41).

Borrowings

Amount in ₹ lakhs

	Interest	Maturity	31 March 2024	31 March 2023
Non-current borrowings				
Secured				
Term loans				
Rupee term loan (secured)	refer note [A(i)] below			
From banks			**3,117.30**	9,219.88
Loan against vehicles and equipments (secured)	7%-8.3%	2025-2028	**354.48**	127.65
			3,471.78	9,347.53
Less: Current maturities of non-current borrowings			**(1,318.00)**	(4,516.79)
			2,153.78	4,830.74

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Current borrowings		
Secured		
From banks (repayable on demand)		
Rupee loans	**27,872.04**	17,009.69
Foreign currency loans	**28,698.15**	55,957.66
	56,570.19	72,967.35
Current maturities of non-current borrowings	**1,318.00**	4,516.79
Unsecured		
From banks (repayable on demand)		
Rupee loans	**-**	1,304.73
	57,888.19	78,788.87

Information about the Group's exposure to fair value measurement, interest rate, currency and liquidity risks related to borrowings are disclosed in note 41 and 42.

A. Terms of repayment/ conversion/ redemption

Term loans

Amount in ₹ lakhs

Name of the lender	Interest	Repayment schedule	31 March 2024	31 March 2023
(i) Rupee term loans				
HDFC Bank Limited [₹ **Nil** (31 March 2023: ₹ 4,875.00 lakhs)]	-	-	**-**	4,859.07
Kotak Mahindra Bank Limited [**₹ 3,125.00 lakhs** (31 March 2023: ₹ 4,375.00 lakhs)]	3 Month REPO Rate+ 1.75%	Repayable at quarterly rest: 10 of ₹ 312.50	**3,117.30**	4,360.81

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

19. Financial Liabilities (Contd.)

(ii) Loans against vehicles and equipments are for a period of three to seven years and repayable by way of equated monthly instalments.

B. Details of security

(i) Rupee term loans are secured by way of pari passu first charge on the movable fixed assets and equitable mortgage on the Mahistikry Unit of the Holding Company situated in West Bengal.

(ii) Loans against vehicles and equipments are secured by way of hypothecation of the respective underlying asset financed.

(iii) Current borrowings from Axis Bank Ltd amounting to ₹ **19,240** lakhs (31 March 2023: ₹ Nil) is secured by way of pari passu first charge on the movable fixed assets, both present and future, of the Holding Company, and current borrowings from other banks aggregating to ₹ **37,330.19** lakhs (31 March 2023: ₹ 72,967.35 lakhs) are secured by hypothecation of currents assets of the Holding Company both present and future on pari passu basis.

20. Trade payables

Accounting Policy

Trade payables represent liabilities for goods and services provided to the Group and are unpaid at the reporting period. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

They are recognised initially at their transactional value which represents the fair value and subsequently measured at amortised cost using the effective interest method wherever applicable.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Trade payable for goods and services		
- total outstanding dues of micro enterprises and small enterprises (refer note (b) below)	**292.03**	444.83
- total outstanding dues of creditors other than micro enterprises and small enterprises	**56,015.06**	33,798.60
Acceptances	**729.20**	315.43
	57,036.29	34,558.86
Non-current	**-**	-
Current	**57,036.29**	34,558.86
	57,036.29	34,558.86

(a) Trade payables ageing:

Amount in ₹ lakhs

	Outstanding for following periods from the transaction date				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
(i) MSME	**292.03**	**-**	**-**	**-**	**292.03**
(ii) Others	**44,396.87**	**3,652.41**	**82.46**	**1,371.01**	**49,502.75**
(iii)Disputed dues- MSME	**-**	**-**	**-**	**-**	**-**
(iv)Disputed dues- others	**-**	**-**	**-**	**-**	**-**
Total	**44,688.90**	**3,652.41**	**82.46**	**1,371.01**	**49,794.78**
Add: Accrued Liabilities					**6,512.31**
Add: Acceptances					**729.20**
					57,036.29

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

20. Trade payables (Contd.)

Amount in ₹ lakhs

	Outstanding for following periods from the transaction date				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023					
(i) MSME	444.83	-	-	-	444.83
(ii) Others	26,780.42	23.10	1,299.08	141.08	28,243.68
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
Total	27,225.25	23.10	1,299.08	14.08	28,688.51
Add: Accrued Liabilities					5,554.92
Add: Acceptances					315.43
					34,558.86

(b) Due to micro enterprises and medium enterprises

The disclosure pursuant to the Micro, Small and Medium enterprise development Act, 2006 (MSMED Act) for dues to Micro enterprises and Small enterprises as at 31 March 2024 and 31 March 2023 are as under

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(i) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year:		
- Principal	**292.03**	444.83
- Interest	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
(vi) Information about the Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 42.	-	-

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for the year ended 31 March 2024 (Contd.)

21. Derivatives

Accounting Policy

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, cross currency swap and option contracts to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately, if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Mark to market on derivative contracts	**-**	11.00
	-	11.00
Non-current	**-**	-
Current	**-**	11.00
	-	11.00

Information about the Group's exposure to currency risks related to derivatives are disclosed in note 42.

22. Other financial liabilities

Accounting policy (refer note 19)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Security deposits	**25.77**	25.77
	25.77	25.77
Current		
Interest accrued but not due on borrowings	**407.50**	671.71
Unclaimed dividend	**38.01**	37.18
Liability for capital goods	**767.87**	525.29
Others (including Employee related liabilities and Security deposits)	**1,307.09**	1,702.40
	2,520.47	2,936.58

(a) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

(b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities are disclosed in note 42.

23. Other current liabilities

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Statutory dues (including provident fund, tax deducted at source, goods and services tax and others)	**369.75**	2,266.99
Contract Liabilities		
- Advance from customers	**1,368.00**	5,990.49
	1,737.75	8,257.48

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

24. Provisions

Accounting Policy

(a) Employee benefits - refer note 30

(b) Other Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

The amortisation or "unwinding" of the discount applied in establishing the provision is charged to the income statement in each accounting period. The amortisation of the discount is shown within finance costs in the Statement of profit or loss.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Non-current		
Net defined benefit liability - Gratuity [refer note (B) below]	**476.29**	380.78
Liability for compensated absences [refer note (C) below]	**345.49**	129.86
Provision for litigation [refer note (C) below]	**78.42**	78.42
	900.20	589.06
Current		
Liability for compensated absences [refer note (C) below]	**110.38**	12.54
	110.38	12.54

The Group has clasified the various benefits provided to employees as under:

A. Defined contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund and Employee State Insurance ('ESI') which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are recognised in the Consolidated Statement of Profit and Loss as they accrue.

The expense for defined contribution plans amounts to ₹ **371.60** lakhs (31 March 2023: ₹ 324.30 lakhs). Out of these, ₹ **358.06** lakhs (31 March 2023: ₹ 305.78 lakhs) pertains to provident fund plan and ₹ **13.54** lakhs (31 March 2023: ₹ 18.52 lakhs) pertains to ESI.

B. Defined benefits - Gratuity

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Holding Company makes contributions to recognised funds in India.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Holding Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Holding Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk. These defined benefit plans expose the Holding Company to actuarial risks, such as interest rate risk, salary inflation risk, demographic risk and market (investment) risk.

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24. Provisions (Contd.)

The following tables analyse present value of defined benefit obligations, expense recognised in Consolidated Statement of Profit and Loss, actuarial assumptions and other information.

(i) Reconciliation of present value of defined benefit obligation

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Balance at the beginning of the year	**772.89**	690.02
(b) Current service cost	**93.70**	80.94
(c) Interest cost	**54.01**	48.19
(d) Actuarial (gains)/ losses recognised in other comprehensive income	**59.81**	(4.89)
(e) Benefits paid	**(65.95)**	(41.37)
Balance at the end of the year	**914.46**	772.89

(ii) Reconciliation of fair value of plan assets

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Balance at the beginning of the year	**392.11**	335.84
(b) Interest income	**29.22**	25.57
(c) Actual return on plan asset less interest on plan asset	**0.44**	(7.93)
(d) Contributions by the employer	**82.35**	80.00
(e) Benefits paid	**(65.95)**	(41.37)
Balance at the end of the year	**438.17**	392.11

(iii) Net liability recognised in the Consolidated Balance Sheet

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Present value of defined benefit obligation	**(914.46)**	(772.89)
(b) Fair value of plan assets	**438.17**	392.11
Net liability recognised in the Consolidated Balance Sheet	**(476.29)**	(380.78)

(iv) Expense recognised in Consolidated Statement of Profit or Loss

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Current service cost	**93.70**	80.94
(b) Interest cost	**54.01**	48.19
(c) Expected return on plan assets	**(29.22)**	(25.57)
Amount charged to Consolidated Statement of Profit or Loss	**118.49**	103.56

(v) Remeasurements recognised in Consolidated Other Comprehensive Income

Amount in ₹ lakhs

	31 March 2024	31 March 2023
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	**30.42**	(8.58)
- experience adjustment	**29.39**	3.69
(b) Actual return on plan asset less interest on plan asset	**(0.44)**	7.93
Amount recognised in Consolidated Other Comprehensive Income	**59.37**	3.04

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

24. Provisions (Contd.)

(vi) The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Impact on defined benefit obligation on discount rate plus 100 basis points	**(95.67)**	(78.19)
Impact on defined benefit obligation on discount rate minus 100 basis points	**113.58**	92.90
Impact on defined benefit obligation on salary growth rate plus 100 basis points	**(100.97)**	84.31
Impact on defined benefit obligation on salary growth rate minus 100 basis points	**(88.52)**	(72.91)

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Consolidated Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(vii) Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Consolidated Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Financial assumptions

	31 March 2024	31 March 2023
Discount rate	**7.00%**	7.30%
Expected rate of salary increase	**7.00%**	7.00%
Retirement age (years)	**60**	60
Attrition rate based on different age group of employees:		
ages from 20-25	**5%**	5%
ages from 25-30	**3%**	3%
ages from 30-35	**2%**	2%
ages from 35-50	**1%**	1%
ages from 50-55	**2%**	2%
ages from 55-58	**3%**	3%

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

Demographic assumptions

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-2008).

(viii) Maturity profile of defined benefit obligation (undiscounted)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Within next 12 months	**27.29**	48.81
1-2 year	**51.01**	38.18
2-3 year	**40.54**	52.69
3-4 year	**58.45**	48.01
4-5 year	**65.82**	72.46
Thereafter	**311.60**	471.57

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for the year ended 31 March 2024 (Contd.)

24. Provisions (Contd.)

	31 March 2024	31 March 2023
(ix) Weighted average duration of defined benefit obligation	**12 years**	12 years

(x) The Holding Company expects to pay ₹ **476.29 lakhs** in contribution to its defined benefit plans during the year 2024-2025.

(xi) Asset liability matching strategy:

The defined benefit plans are funded with insurance companies of India. The Holding Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

There is no compulsion on the part of the Holding Company to fully prefund the liability of the plan. The Holding Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

C. Other employee benefits

Amount in ₹ lakhs

	Liability for compensated absences	Provision for litigation
Balance as at 1 April 2022	160.90	78.42
Add: Provisions made during the year 2022-2023	10.86	-
Less: Amount utilised/ reversed during the year 2022-2023	(29.36)	-
Balance as at 31 March 2023	142.40	78.42
Add: Provisions made during the year 2023-2024	**356.19**	**-**
Less: Amount utilised/ reversed during the year 2023-2024	**(42.72)**	**-**
Balance as at 31 March 2024	**455.87**	**78.42**

Movement of provision for litigation during the year as required by Ind AS 37: "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013, the Group as a prudent measure had made provisions in the earlier year amounting to ₹ 78.42 lakhs representing estimates made mainly for probable claims arising out of disputes pending with the sales tax authorities. The probability and timing of the outflow with regard to these matters depend upon the ultimate settlement with the relevant authorities.

25. Current tax liabilities (net)

Accounting policy (refer note 33)

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Income-tax liabilities	**860.89**	43.88
[net of advance tax ₹ **9,235.99 lakhs** (31 March 2023: ₹ 4,741.19 lakhs)]		
	860.89	43.88

26. Revenue from operations

Accounting Policy

The Group's revenue primarily from sale of Carbon materials and chemicals, and power (generation and distribution). Revenue excludes any taxes and duties collected on behalf of the Government.

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the products.

At contract inception, the Group assess the goods promised in a contract with a customer and identifies as a performance obligation of each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods is transferred to customers and the Group retains neither continuing managerial

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

26. Revenue from operations (Contd.)

involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances and trade discounts.

The Group's derives its power revenue from the production and sale of electricity based on long-term Power Purchase Agreements. Revenue is recognised upon delivery of electricity produced to the electricity grid based on the agreed tariff rate.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	**4,18,460.80**	4,17,182.60
Other operating revenue		
- Export incentive	**28.23**	1.53
Total revenue from operations	**4,18,489.03**	4,17,184.13

(i) Sales are net of price adjustments settled during the year by the Group, discounts and Goods and Services tax (GST) etc

(ii) Revenue disaggregation is as follows:

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Disaggregation of goods		
- Carbon materials and chemicals	**4,16,074.45**	4,15,226.34
- Power	**2,386.35**	1,956.26
	4,18,460.80	4,17,182.60
(b) Disaggregation based on geography		
India	**3,39,719.69**	3,25,385.41
Outside India	**78,741.11**	91,797.19
	4,18,460.80	4,17,182.60
Geographical location is based on the location of customers excluding export incentives		
(c) Reconciliation of Revenue from sale of products with the contracted price		
Contracted price	**4,18,654.41**	4,20,466.32
Add/(less): Adjustment for variable consideration	**(193.61)**	(3,283.72)
	4,18,460.80	4,17,182.60
(d) Information about major customers (refer note 42)		
(e) Contract balances		
Trade receivables (refer note 8)	**66,583.39**	51,497.86
	66,583.39	51,497.86

27. Other income

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income under the effective interest method:		
- Interest on bank deposits	**3,294.54**	1,591.55
- Others	**150.41**	5.44
- Income from a related party (refer note 39):		
- Others	**5.99**	5.99
- Unwinding of discount on security deposits and others	**164.45**	154.91
Gain on sale proceeds of current investments measured at fair value through profit or loss	**110.88**	143.20
Insurance claims	**116.36**	350.76

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for the year ended 31 March 2024 (Contd.)

27. Other income (Contd.)

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Gain on fair valuation of current investments measured at fair value through profit or loss	**2.23**	-
Gain on fair valuation of non current investments measured at fair value through profit or loss	**95.10**	-
Rental income (refer note 39)	**22.50**	90.00
Miscellaneous income	**289.31**	455.61
	4,251.77	2,797.46

28. Cost of materials consumed

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory of raw materials at the beginning of the year	**22,153.71**	48,148.77
Add: Purchases during the year	**3,18,608.40**	3,02,458.68
	3,40,762.11	3,50,607.45
Less: Inventory of raw materials at the end of the year	**(34,064.51)**	(22,153.71)
Cost of materials consumed	**3,06,697.60**	3,28,453.74

29. Change in inventories of finished goods and work-in-progress

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventories		
Finished goods	**21,537.47**	16,075.11
Work-in-progress	**6,676.73**	9,125.22
	28,214.20	25,200.33
Closing inventories		
Finished goods	**23,408.16**	21,537.47
Work-in-progress	**8,476.32**	6,676.73
	31,884.48	28,214.20
Change in inventories of finished goods and work-in-progress	**(3,670.28)**	(3,013.87)

30. Employee benefits expense

Accounting Policy

Retirement benefit costs and termination benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds having terms approximating to the terms of related obligation.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

30. Employee benefits expense (Contd.)

amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. Expense on non-accumulating compensated absences is recognized in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	**9,143.08**	7,718.97
Contribution to provident and other funds	**553.96**	436.18
Defined benefit plan expenses - Gratuity [refer note 24 (b)]	**93.70**	80.94
Staff welfare expenses	**1,257.36**	915.21
	11,048.10	9,151.30

Salaries, wages and bonus includes ₹ **672.46** lakhs (31 March 2023: ₹606.83 lakhs) relating to outsource manpower cost.

31. Finance costs

Accounting Policy

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost	**5,755.68**	4,864.53
Exchange difference regarded as an adjustment to borrowing costs	**312.40**	1,349.87
Other borrowing costs	**294.48**	359.03
Interest cost on lease liability [refer note 35(c)]	**24.18**	33.47
	6,386.74	6,606.90

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

32. Other expenses

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	**908.96**	621.55
Power and fuel	**1,286.85**	1,596.03
Rent	**1,665.23**	547.74
Rates and taxes	**196.54**	229.94
Repairs to:		
- Building	**90.32**	74.69
- Plant and equipment	**3,024.50**	3,458.74
- Others	**663.32**	671.52
Payment to auditors'	**104.54**	98.86
Insurance	**606.19**	541.77
Loss allowance for doubtful trade receivables	**182.99**	-
Packing expenses	**3,178.02**	3,434.16
Freight and forwarding expenses	**18,048.00**	20,003.28
Commission on sales	**1,482.78**	1,504.29
Net foreign exchange loss/ (gain)	**(968.86)**	1,980.14
Expenditure on corporate social responsibility	**316.39**	160.99
Miscellaneous expenses	**9,121.39**	7,750.09
	39,907.16	42,673.79

33. Income-tax

Accounting Policy

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset.

Current and deferred tax for the period

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

33. Income-tax (Contd.)

A. Reconciliation of effective tax rate

Amount in ₹ lakhs

	Year ended 31 March 2024		Year ended 31 March 2023	
	Percentage	Amount	Percentage	Amount
Profit before tax		**57,385.61**		28,024.97
Statutory income-tax rate	**34.94%**	**20,052.83**	34.94%	9,793.05
Tax Effects of:				
Reversal of deferred tax liabilities (net) due to re-measurement of deferred tax assets / liabilities as per Ind AS 12 Income Taxes	**(1.79%)**	**(1,025.00)**	0.00%	-
Non - deductible expenses for tax purposes	**0.21%**	**117.73**	0.79%	222.66
Tax exempt income/ additional deduction as per income-tax	**(5.06%)**	**(2,906.24)**	(11.85%)	(3,320.49)
Impact of tax on loss components	**0.12%**	**68.28**	(0.91%)	(256.15)
Others [refer note (a) below]	**0.02%**	**9.83**	0.00%	-
	28.43%	**16,317.43**	22.98%	6,439.07
Amount recognised in profit or loss				
- Current tax		**10,096.88**		4,784.30
- Deferred tax		**6,210.72**		1,654.77
- Income tax related to earlier years		**9.83**		-
Total tax expenses		**16,317.43**		6,439.07

B. The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Consolidated financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

C. Movement in deferred tax assets and liabilities

Movement during the year ended 31 March 2023	Balance as on 1 April 2022	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2023
Deferred tax (assets)/liabilities:				
Property, plant and equipment	22,691.56	1,204.08	-	23,895.64
Trade receivables	(255.63)	1.61	-	(254.02)
Right of use assets	1,066.36	(370.99)	-	695.37
Loans	(867.86)	52.24	-	(815.62)
Other assets	(32.74)	(1.18)	-	(33.92)
Borrowings	18.57	(8.82)	-	9.75
Other liabilities	(122.00)	59.29	-	(62.71)
Other financial liabilities	(392.64)	392.64	-	-
Share based payments- Equity-settled	(147.24)	53.52	-	(93.72)
Provisions	(150.98)	(8.23)	(1.00)	(160.21)
MAT credit entitlement	(16,889.19)	280.61	-	(16,608.58)
Gain/ loss on fair valuation of Investments in equity instruments	2,398.16	-	426.12	2,824.28
Net deferred tax liabilities	7,316.37	1,654.77	425.12	9,396.26

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

33. Income-tax (Contd.)

Movement during the year ended 31 March 2024	Balance as on 1 April 2023	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2024
Deferred tax (assets)/liabilities:				
Property, plant and equipment	**23,895.64**	**428.86**	**-**	**24,324.50**
Trade receivables	**(254.02)**	**(60.48)**	**-**	**(314.50)**
Right of use assets	**695.37**	**(91.90)**	**-**	**603.47**
Loans	**(815.62)**	**55.57**	**-**	**(760.05)**
Other assets	**(33.92)**	**(0.74)**	**-**	**(34.66)**
Borrowings	**9.75**	**(7.22)**	**-**	**2.53**
Other liabilities	**(62.71)**	**15.60**	**-**	**(47.11)**
Share based payments- Equity-settled	**(93.72)**	**50.71**	**-**	**(43.01)**
Provisions	**(160.21)**	**(12.63)**	**(20.68)**	**(193.52)**
MAT credit entitlement	**(16,608.58)**	**5,718.89**	**-**	**(10,889.69)**
Gain/ loss on fair valuation of Investments in equity instruments	**2,824.28**	**114.06**	**1,326.94**	**4,265.28**
Net deferred tax liabilities	**9,396.26**	**6,210.72**	**1,306.26**	**16,913.24**

a) Deferred tax assets is not recognised on certain items [such as investment impairment, loss allowances on advances and capital loss] due to lack of reasonable certainty.

b) MAT credit entitlement is the amount which is available for set off in subsequent years against income tax liabilities as per the provisions of the Income-tax Act, 1961.

c) Section 115 BAA of the Income-tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income tax at reduced rate with effect from financial year commencing 1 April 2019 subject to certain conditions. The Holding Company has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax ('MAT'). The Holding Company has re-assessed the deferred tax assets / liability that is expected to reverse on exercising the option on the future date as per Ind AS 12 "Income Taxes" and thus reversal of net deferred tax liability of ₹ **1,025 lakhs** (31 March 2023: ₹ Nil) has been recognised during the current year.

34. Earnings per equity share (EPS)

Accounting Policy

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
A. Basic earnings per equity share		
(i) Profit for the year, attributable to the equity share holders of the Group (before exceptional items)	**41,077.16**	24,597.73
(ii) Profit for the year, attributable to the equity share holders of the Group (after exceptional items)	**41,077.16**	21,597.73
(iii) Weighted average number of equity shares (basic) (number)	**44,83,58,106**	42,09,06,342
Basic earnings per equity share (before exceptional items) [(i)/ (iii)]	**9.16**	5.84
Basic earnings per equity share (after exceptional items) [(ii)/ (iii)]	**9.16**	5.13

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

34. Earnings per equity share (EPS) (Contd.)

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
B. Diluted earnings per equity share		
(i) Weighted average number of equity shares (basic) (number)	**44,83,58,106**	42,09,06,342
(ii) Effect of dilutive potential equity shares on account of employee stock options (number)	**2,43,082**	-
(iii) Weighted average number of equity shares (diluted) for the year (i+ii)	**44,86,01,188**	42,09,06,342
Diluted earnings per equity share (before exceptional items) [(A) (i)/ (B) (iii)]	**9.16**	5.84
Diluted earnings per equity share (after exceptional items) [(A) (ii)/ (B) (iii)]	**9.16**	5.13

35. Contingent liability and commitments

(to the extent not provided for)

Accounting Policy

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 Group 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. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

(a) Contingent liabilities

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Claim against the Group not acknowledged as debts		
Sales tax/VAT matters in dispute/ under appeal	**3,088.47**	5,030.85
GST matters in dispute/ under appeal	**177.75**	105.61
Excise/ Service Tax matters in dispute/under appeal	**175.46**	2,112.22
Custom duty matter in dispute/ under appeal	**28.83**	28.83
Entry tax in dispute/ under appeal - West Bengal	**-**	5,028.82
Entry tax in dispute/ under appeal - Chhattisgarh	**503.60**	511.88
Income tax in dispute/ under appeal	**1,337.30**	463.24
Others [refer note (ii) below]	**266.71**	266.71

Note:

(i) Cash outflows for the above are determinable only on receipt of final judgments pending at various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) Others represents dispute with a lessor in respect of arrear dues. The Holding Company based on independent legal opinion, does not foresee any significant financial liability on this accounts.

(b) Commitments

Capital and other commitments

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Estimated amount of contracts in capital account remaining to be executed and not provided for (net of capital advance)	**2,782.98**	1,582.38

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

35. Contingent liability and commitments (Contd.)

(c) Leases (Ind AS 116)

Accounting Policy

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk and makes adjustments specific to the lease, e.g. term, security etc.

Carrying value of right of use assets at the end of the reporting period by class (refer note 5).

Amount in ₹ lakhs

	31 March 2024			31 March 2023		
	Land	Buildings	Amount	Land	Buildings	Amount
Balance at the beginning of the year	**2,544.92**	**91.40**	**2,636.32**	2,826.54	255.49	3,082.03
Addition during the year	**-**	**-**	**-**	-	-	-
Amortisation during the year	**(279.06)**	**(37.73)**	**(316.79)**	(282.10)	(164.09)	(446.19)
Exchange differences on translation of foreign operations	**(25.94)**	**-**	**(25.94)**	0.48	-	0.48
Balance at the end of the year	**2,239.92**	**53.67**	**2,293.59**	2,544.92	91.40	2,636.32

Movement in lease liabilities

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	**592.73**	841.03
Additions during the year	**-**	-
Finance cost accrued during the year (refer note 31)	**24.18**	33.47
Payment of lease liabilities during the year (including interest)	**(147.36)**	(282.15)
Exchange differences on translation of foreign operations	**(15.86)**	0.38
Balance at the end of the year	**453.69**	592.73
Lease liabilities - Non-current	**309.60**	442.00
Lease liabilities - Current	**144.09**	150.73

Maturity analysis of lease liabilities

Amount in ₹ lakhs

Maturity analysis – contractual undiscounted cash flows	Year ended 31 March 2024	Year ended 31 March 2023
Less than one year	**144.09**	150.73
One to five years	**319.90**	466.58
More than five years	**54.72**	65.94
Total undiscounted lease liabilities at the end of the year	**518.71**	683.25

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

35. Contingent liability and commitments (Contd.)

Amount recognised in Consolidated Statement of Profit and Loss

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	**24.18**	33.47
Amortisation during the year	**316.79**	446.19
Expenses relating to short-term leases and low value assets	**1,665.23**	547.74

Amount recognised in the Consolidated Statement of Cash Flows

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses recognised during the year (refer note 31)	**24.18**	33.47
Lease payments reflected in Consolidated Statement of Cash Flows	**123.18**	248.68

36. Other comprehensive income

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Items that will not be reclassified subsequently to Profit and Loss		
Re-measurement of Defined Benefit Plans	**(59.37)**	(3.04)
Income Tax relating to items that will not be reclassified subsequently to Profit or Loss	**20.68**	1.00
	(38.69)	(2.04)
Equity Instrument at Fair Value through Other Comprehensive Income	**6,035.00**	1,905.45
Income Tax relating to items that will not be reclassified subsequently to Profit or Loss	**(1,326.94)**	(426.12)
	4,708.06	1,479.33
Items that will be reclassified subsequently to Profit and Loss		
Exchange differences in translating financial statements of foreign operations	**(20.57)**	(712.49)
Income Tax relating to items that will be reclassified subsequently to Profit or Loss	**-**	-
	(20.57)	(712.49)
Other comprehensive income for the year (net of income tax)	**4,648.80**	764.80

37. Research and development expenses

Research and development expenses aggregating to ₹ **3,206.38 lakhs** (31 March 2023: ₹ 3,071.43 lakhs) in the nature of revenue expenditure and addition of ₹ **445.29 lakhs** (31 March 2023: ₹ 168.99 lakhs) in the nature of capital expenditure during the year have been included under the relevant account heads.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

38. Share based payments

A. Description of share-based payment arrangement

Himadri Employees Stock Option Plan 2016 (equity-settled)

The Holding Company at its 28th Annual General Meeting held on 24 September 2016, has approved "Himadri Employees Stock Option Plan 2016" (ESOP 2016 or Plan) for granting 40,00,000 Employees Stock Options to certain "eligible employees". The Plan is administered by the Nomination and Remuneration Committee of the Board ("the Committee") in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions of the Companies Act. 2013 for the time being in force. The option granted to certain eligible employees including certain key management personnel on vesting condition of Time basis, Company performance and individual performance as specified in the grant letter issued to each employee.

Scheme	Vesting Period	Exercise Period	Year	Date of grant	Number of options granted	Exercise price ₹ per equity share
ESOP 2016 Plan (Tranche I)	Vested after 1 year but not later than 5 years from the date of grant of options.	Any time within a period of 5 years from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid plan.	2016-2017	5 January 2017	13,04,600	19
ESOP 2016 Plan (Tranche II)			2018-2019	8 May 2018	26,95,000	140

B. Measurement of fair values

Equity-settled share based payment arrangements

The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows:

	ESOP 2016 (Tranche I)		ESOP 2016 (Tranche II)	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Fair value at grant date	**₹ 24.94**	₹ 24.94	**₹ 23.01**	₹ 23.01
Share price at grant date	**₹ 36.70**	₹ 36.70	**₹ 121.15**	₹ 121.15
Exercise price	**₹ 19.00**	₹ 19.00	**₹ 140.00**	₹ 140.00
Expected volatility* (weighted average volatility)	**57.57%**	57.57%	**23.77%**	23.77%
Expected life (expected weighted average life)	**4.39 years**	4.39 years	**3.07 years**	3.07 years
Expected dividends**	**0.27%**	0.27%	**0.41%**	0.41%
Risk-free interest rate (based on government bonds)	**6.48%**	6.48%	**7.35%**	7.35%

Expected volatility has been based on an evaluation of the historical volatility of the Holding Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Expected life of the options has been calculated on the assumption that options would exercise within one year from the date of vesting.

The fair value of option on the date of grant have been done by an independent valuer appointed by the management using the Black Scholes Merton Model.

* Expected volatility on the Holding Company's stock price on National Stock Exchange of India Ltd based on the data commensurate with the expected life of the options up to the date of grant.

** Expected dividend on underlying shares is taken as 10% on market price as on the date of grant.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

38. Share based payments (Contd.)

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share option under the share option plan (refer A above) are as follows.

	31 March 2024		31 March 2023	
	Weighted average exercise price per option	Number of options	Weighted average exercise price per option	Number of options
Outstanding at 1 April	**126.89**	**10,77,729**	95.00	15,71,812
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**19.00**	**3,905**	79.77	52,163
Exercised during the year	**120.44**	**6,37,375**	19.00	4,41,920
Outstanding at 31 March	**137.28**	**4,36,449**	126.89	10,77,729
Exercisable at 31 March	**137.28**	**4,36,449**	126.89	10,77,729

A weighted average remaining contractual life of **1.92** years (31 March 2023: 2.90 years).

The weighted average share price at the date of exercise for share options exercised during the year 2023-2024 was ₹ **155.68** (2022-2023: ₹ 60.69).

Weighted average fair value of the options granted during the year 2023-2024 was ₹ **Nil** (2022-2023: ₹ Nil).

D. Expense recognised in Consolidated Statement of Profit and Loss

During the year ended 31 March 2024, the Holding Company has charged ₹ **Nil** (31 March 2023: ₹ Nil) as share based payment equity-settled expenses.

E. Details of the liabilities arising the share based payments to employees - Equity settled were as follows:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Total carrying amount	**123.10**	268.21

39. Related party disclosure

A. Enterprises where control exists:

i) Related parties with whom transactions have taken place during the year

a) Key Management Personnel (KMP) and relatives of KMP

Name of the related parties	Relationship
Mr. Bankey Lal Choudhary, Executive Director*	Key Management Personnel
Mr. Shyam Sundar Choudhary, Executive Director	Key Management Personnel
Mr. Vijay Kumar Choudhary, Executive Director *	Key Management Personnel
Mr. Anurag Choudhary, Chairman cum Managing Director & Chief Executive Officer	Key Management Personnel
Mr. Amit Choudhary, Executive Director	Key Management Personnel
Mr. Tushar Choudhary, Executive Director *	Key Management Personnel
Mr. Kamlesh Kumar Agarwal, Chief Financial Officer and holding Directorship in subsidiary	Key Management Personnel
Mrs. Monika Saraswat, Company Secretary	Key Management Personnel
Mr. Kalpaj Chandrakant Malkan, Director in subsidiary	Key Management Personnel
Mr. Tarun Kumar Pan, Director in subsidiary	Key Management Personnel
Mr. Suvendu Roy, Director in subsidiary	Key Management Personnel

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

39. Related party disclosure (Contd.)

Name of the related parties	Relationship
Mrs. Sheela Devi Choudhary	Relative of KMPs (wife of Mr. Shyam Sundar Choudhary)
Mrs. Shikha Choudhary	Relative of KMPs (wife of Mr. Anurag Choudhary)
Mrs. Rinku Choudhary	Relative of KMPs (wife of Mr. Amit Choudhary)
Mrs. Anooshka C Bathwal	Relative of KMPs (daughter of Mr. Anurag Choudhary)
Mr. Amritesh Choudhary (w.e.f. 01 November 2022)	Relative of KMPs (son of Mr. Amit Choudhary)
Mr. Samridh Choudhary (w.e.f. 01 November 2022)	Relative of KMPs (son of Mr. Anurag Choudhary)
Mr. Soham Bathwal	Relative of KMPs (son-in-law of Mr. Anurag Choudhary)

b) **Non-executive Directors**

Name of the related parties
Mr. Sakti Kumar Banerjee, Non-Executive Independent Director (upto 31 March 2024)
Mr. Hardip Singh Mann, Non-Executive Independent Director*
Mr. Santimoy Dey, Non-Executive Independent Director
Mr. Santosh Kumar Agrawala, Non-Executive Independent Director**
Mrs. Sucharita Basu De, Non-Executive Independent Director*
Mr. Girish Paman Vanvari, Non-Executive Independent Director
Mr. Gopal Ajay Malpani, Non-Executive Independent Director
Mrs. Rita Bhattacharya, Non-Executive Independent Director (Appointed w.e.f 11 August 2022)

* Resigned w.e.f. 8 July 2022

** Resigned w.e.f. 7 August 2023

ii) Enterprises controlled by the Key Managerial Personnel or relatives of KMP or both

Himadri Credit & Finance Limited
Sri Agro Himghar Limited
Himadri e-Carbon Limited
Bharat Seva Nidhi (New)
Himadri Foundation
Tuaman Engineering Limited
Himadri Birla Tyre Manufacturer Private Limited (Formerly: Dalmia Mining & Services Private Limited) (w.e.f 17 November 2023)
Next Generation Traders Private Limited

iii) Entities with significant influence over the Holding Company

Modern Hi-Rise Private Limited

iv) Firm in which director is a partner

Transaction Square LLP

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

39. Related party disclosure (Contd.)

B. Disclosure of transactions between the Group and related parties other than Key Managerial Persons

Amount in ₹ lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
Tuaman Engineering Limited	Engineering, procurement and construction of project (EPC)	-	451.23
	Payment for EPC	-	4,825.01
	Purchase of stores & spares	643.35	-
	Payment for purchases	758.86	-
	Rental income	22.50	90.00
Himadri Birla Tyre Manufacturer Private Limited (Formerly: Dalmia Mining & Services Private Limited)	Investment in Optionally convertible debentures (OCDs)	13,300.00	-
	Interest income on investments	0.04	-
Modern Hi-Rise Private Limited	Rent paid	0.14	0.14
Sri Agro Himghar Limited	Rent paid	0.06	0.06
Next Generation Traders Private Limited	Rent paid (w.e.f 01 November 2023)	600.00	-
Transaction Square LLP	Consultancy expenses	152.00	305.97
Himadri Foundation	Donation/Expenditure on corporate social responsibility	1,157.86	541.47
Modern Hi-Rise Private Limited	Dividend paid	456.50	365.20
Himadri Credit & Finance Limited	Dividend paid	3.71	2.97

C. Disclosure of transactions with Key Management Personnel & relatives of KMP

Key management personnels (KMP) remuneration comprised of the following:

Amount in ₹ lakhs

Nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	1,178.63	1,023.41
Share based payments to employees - Equity settled	17.00	21.14
Other long-term benefits	8.17	6.21
Total remuneration paid to key management personnel	1,203.80	1,050.76
Sitting fees paid	46.75	38.25
Non compete fees paid	-	3,000.00
Loan to KMPs	7.00	-
Interest income on loan to KMPs	5.99	5.99
Purchase of shares	3.17	-
Sale of Investment	-	0.08
Received against issue of share warrants, convertible into equity shares	27,179.25	18,177.25
Received against issue of shares under ESOP	138.18	-
Dividend paid	33.42	12.60

As the future liability for gratuity is provided on an actuarial basis for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

Based on the recommendation of the Nomination and Remuneration Committee of the Holding Company, all decisions relating to the remuneration of the KMP's are taken by the Board of Directors of the Holding Company, in accordance with shareholders' approval, wherever necessary.

The above transactions are exclusive of GST, wherever applicable.

D. Outstanding balances

Amount in ₹ lakhs

Name of the related party	Nature of transaction	31 March 2024	31 March 2023
KMPs	Loan given (including interest receivable)	110.21	97.22
Himadri Birla Tyre Manufacturer Private Limited (Formerly : Dalmia Mining & Services Private Limited)	Investment in OCDs (including interest receivable)*	13,300.04	-

* Fair value of OCD ₹ **12,982.80 lakhs** (31 March 2023: ₹ Nil)

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

40. Operating segments:

A. Basis of segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group' s other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's strategic business verticals. These business verticals are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segment	Opeartions
Carbon materials and chemicals	Manufacturing
Power	Generation and Distribution

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Holding Company's Managing Director and Chief Executive Officer. Segment profit is used to measure performance as Group believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Amount in ₹ lakhs

Year ended 31 March 2024	Reportable segments			Total
	Carbon materials and chemicals	Power	Elimination	
Segment revenue:				
- External revenues	4,16,102.68	2,386.35	-	4,18,489.03
- Inter-segment revenue	-	7,614.70	7,614.70	-
Total segment revenue	4,16,102.68	10,001.05	7,614.70	4,18,489.03
Segment results*	49,702.36	8,849.36	-	58,551.72
Reconciliation of segment result with profit before tax				
Other income	-	-	-	4,251.77
Finance costs	-	-	-	(6,386.74)
Foreign exchange gain/(loss) (net)	-	-	-	968.86
Profit before tax				57,385.61
Depreciation and amortisation expense	4,676.18	309.69	-	4,985.87
Segment assets	3,08,539.37	10,728.58	-	3,19,267.95
Unallocable corporate assets	-	-	-	1,25,610.79
Total segment assets	3,08,539.37	10,728.58	-	4,44,878.74
Segment liabilities	62,290.94	48.10	-	62,339.04
Unallocable corporate liabilities	-	-	-	78,261.61
Total segment liabilities	62,290.94	48.10	-	1,40,600.65

* Segment results represents earnings before other income, finance cost, foreign exchange gain/(loss) (net) and tax

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

40. Operating segments: (Contd.)

Amount in ₹ lakhs

Year ended 31 March 2023	Reportable segments			Total
	Carbon materials and chemicals	Power	Elimination	
Segment revenue:				
- External revenues	4,15,227.87	1,956.26	-	4,17,184.13
- Inter-segment revenue	-	7,935.75	7,935.75	-
Total segment revenue	4,15,227.87	9,892.01	7,935.75	4,17,184.13
Segment results*	28,393.34	8,421.21	-	36,814.55
Reconciliation of segment result with profit before tax				
Other income	-	-	-	2,797.46
Finance costs	-	-	-	(6,606.90)
Foreign exchange gain/(loss) (net)	-	-	-	(1,980.14)
Exceptional items				(3,000.00)
Profit before tax				28,024.97
Depreciation and amortisation expense	4,748.66	336.10	-	5,084.76
Segment assets	2,77,014.26	11,102.93	-	2,88,117.19
Unallocable corporate assets	-	-	-	79,695.71
Total segment assets	2,77,014.26	11,102.93	-	3,67,812.90
Segment liabilities	45,758.65	505.48	-	46,264.13
Unallocable corporate liabilities	-	-	-	93,779.64
Total segment liabilities	45,758.65	505.48	-	1,40,043.77

* Segment results represents earnings before other income, finance cost, foreign exchange gain/(loss) (net) and tax

Secondary segment information (geographical segment)

Amount in ₹ lakhs

	Within India		Outside India		Total	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023	**31 March 2024**	31 March 2023
External revenue by location of customers	**3,39,747.92**	3,25,386.94	**78,741.11**	91,797.19	**4,18,489.03**	4,17,184.13
Carrying amount of segment assets by location of assets	**4,15,798.04**	3,49,493.83	**29,080.70**	18,319.07	**4,44,878.74**	3,67,812.90
Cost incurred on acquisition of property, plant and equipment and other intangible assets	**5,468.06**	4,805.20	**49.95**	-	**5,518.01**	4,805.20

Revenue from one customer of the Group's Carbon material and chemical segment is ₹ **66,540.91 lakhs** (31 March 2023: ₹ 67,009.05 lakhs) which is more than 15 percent of the Group's total revenue.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

41. Financial Instrument

Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The Group has an established control framework with respect to the measurement of fair values. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair value for measurement and/or disclosure purposes in the financial statement is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets.

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

A. Fair value measurement of financial instrument

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Amount in ₹ lakhs

As on 31 March 2024	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in preference shares (unquoted)	7	-	-	18,257.08	18,257.08	-	18,257.08	-
Investment in equity instruments (unquoted)	7	-	-	22.06	22.06	-	20.19	1.87
Investment in equity instruments (quoted)	7	-	-	946.66	946.66	2.24	-	944.42
Investment in debentures (unquoted)	7	-	28,446.11	-	28,446.11	-	28,446.11	-
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	66,583.39	-	-	66,583.39	-	-	-
Cash and cash equivalents	9	21,488.41	-	-	21,488.41	-	-	-
Bank balances other than cash and cash equivalents	10	51,652.73	-	-	51,652.73	-	-	-
Loans	11	139.50	-	-	139.50	-	-	-
Other financial assets	12	5,161.95	101.39	-	5,263.34	-	101.39	-
Financial liabilities:								
Borrowings	19	60,041.97	-	-	60,041.97	-	-	-
Trade payables	20	57,036.29	-	-	57,036.29	-	-	-
Lease liabilities	22	453.69	-	-	453.69	-	-	-
Other financial liabilities	22	2,546.24	-	-	2,546.24	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

41. Financial Instrument (Contd.)

Amount in ₹ lakhs

As on 31 March 2023	Note	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in preference shares (unquoted)	7	-	-	12,575.16	12,575.16	-	12,575.16	-
Investment in equity instruments (unquoted)	7	-	-	7.96	7.96	-	5.90	2.06
Investment in equity instruments (quoted)	7	-	-	607.68	607.68	1.51	-	606.17
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	51,497.86	-	-	51,497.86	-	-	-
Cash and cash equivalents	9	20,780.33	-	-	20,780.33	-	-	-
Bank balances other than cash and cash equivalents	10	41,699.81	-	-	41,699.81	-	-	-
Loans	11	266.18	-	-	266.18	-	-	-
Other financial assets	12	4,653.14	-	-	4,653.14	-	-	-
Financial liabilities:								
Borrowings	19	83,619.61	-	-	83,619.61	-	-	-
Trade payables	20	34,558.86	-	-	34,558.86	-	-	-
Derivatives	21	-	11.00	-	11.00	-	11.00	-
Lease liabilities	22	592.73	-	-	592.73	-	-	-
Other financial liabilities	22	2,962.35	-	-	2,962.35	-	-	-

B. Fair value hierarchy

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of the unquoted investments included in level 2 has been determined using valuation techniques with market observable inputs. The model incorporate various inputs including prevailing market value of investments in listed company.

(c) The fair value of the quoted /unquoted investments included in level 3 are based on the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

(d) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

41. Financial Instrument (Contd.)

(e) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

(f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rate used is based on the Group's estimates.

(g) The fair value of the commodity hedge is determined using the commodity rates existing as at the end of the reporting period.

There were no transfer of financial assets or liabilities measured at fair value between level 1 and level 2, or transfer into or out of level 3 during the year ended 31 March 2024 and 31 March 2023.

Reconciliation of level 3 fair value measurements

The following table shows a reconciliation from opening balances to closing balances for level 3 for fair values on a recurring basis.

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Balance as at beginning of the year	**608.23**	624.57
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**338.06**	30.06
Change in value due to sale of investment in equity instruments measured at FVTPL (realised)	**-**	(46.40)
Balance as at end of the year	**946.29**	608.23

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2023.

Financial assets and liabilities measured at fair value as at Consolidated Balance Sheet date:

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Consolidated Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

Other financial assets and liabilities

- Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Significant unobservable inputs used in level 3 fair values

Certain investments are valued using level 3 techniques. A change in one or more of the inputs to reasonably possible alternative assumptions would not change the value significantly.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

42. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group’s activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group’s primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group’s risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group’s activities.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. The key risks and mitigating actions are also placed before the audit committee of the Group.

The sources of risks which the Group is exposed to and their management is given below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Foreign exchange risk	Committed commercial transaction Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts. Foreign currency options principal only/currency swaps
Interest rate	Long term borrowings at variable rates and other debt securities	Sensitivity analysis Interest rate movements	Interest rate swaps
Commodity price risk	Movement in prices of raw materials	Commodity price tracking	Maintaining inventory at optimum level
Security prices	Investment in equity instruments	Sensitivity analysis	Portfolio diversification

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

42. Financial risk management (Contd.)

operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, investments in debt securities and foreign exchange transactions. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk.

Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Group also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customer operates. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customers.

Details of concentration percentage of revenue generated from a top customer and top five customers are stated below:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from a top customer	**16%**	16%
Revenue from top five customers	**42%**	44%

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for trade receivables.

Movement in impairment loss:

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	**717.01**	717.01
Add: Provided during the year	**182.99**	-
Less: Utilised during the year	**-**	-
Balance at the end of the year	**900.00**	717.01

Ageing analysis of trade receivables is disclosed in note 8

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, finding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024 (Contd.)

42. Financial risk management (Contd.)

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Amount in ₹ lakhs

31 March 2024	**Carrying amount**	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-5 years**	**> 5 years**	**Total**
Borrowings (including estimated interest)	**60,041.97**	**59,043.03**	**1,490.46**	**708.01**	**98.05**	**-**	**61,339.55**
Trade payables (including acceptances)	**57,036.29**	**57,036.29**	**-**	**-**	**-**	**-**	**57,036.29**
Other financial liabilities	**2,546.24**	**2,520.47**	**-**	**-**	**-**	**25.77**	**2,546.24**
Lease liabilities including lease interest	**453.69**	**144.09**	**116.26**	**109.93**	**93.71**	**54.72**	**518.71**

Amount in ₹ lakhs

31 March 2023	Carrying amount	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	83,619.61	79,449.54	3,175.11	1,381.65	663.02	6.23	84,675.55
Trade payables (including acceptances)	34,558.86	34,558.86	-	-	-	-	34,558.86
Derivatives	11.00	11.00	-	-	-	-	11.00
Other financial liabilities	2,962.35	2,936.58	-	-	-	25.77	2,962.35
Lease liabilities including lease interest	592.73	150.73	147.72	119.89	198.97	65.94	683.25

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The currency in which these transactions are primarily denominated is USD. The Group manages currency exposures within prescribed limits, through use of forward exchange contracts and cross currency swap. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

42. Financial risk management (Contd.)

Exposure to currency risk

The Group's exposure to foreign currency as at the end of the reporting period are as follows:

Amount in ₹ lakhs

31 March 2024	In original currency (USD in lakhs)	In local currency (₹ in lakhs)
Financial Assets		
Trade receivables	**150.32**	**12,532.69**
Cash and cash equivalents	**0.21**	**17.68**
	150.53	**12,550.37**
Financial Liabilities		
Borrowings	**344.21**	**28,698.15**
Trade payables	**67.74**	**5,647.41**
Other financial liabilities	**6.78**	**565.08**
Less: Forward currency contracts/options	**(354.23)**	**(29,533.28)**
	64.50	**5,377.36**
Net exposure in respect of recognised financial assets and financial liabilities	**86.03**	**7,173.01**

Amount in ₹ lakhs

31 March 2023	In original currency (USD in lakhs)	In local currency (₹ in lakhs)
Financial Assets		
Trade receivables	100.32	8,247.68
Cash and cash equivalents	5.19	426.48
	105.51	8,674.16
Financial Liabilities		
Borrowings	680.61	55,957.66
Trade payables	61.43	5,050.70
Other financial liabilities	10.69	879.18
Less: Forward currency call options	(443.00)	(36,422.09)
	309.73	25,465.45
Net exposure in respect of recognised financial assets and financial liabilities	(204.22)	(16,791.29)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Amount in ₹ lakhs

	(Profit) or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (5% Movement)	**358.65**	**(358.65)**	**233.32**	**(233.32)**
31 March 2023				
USD (5% Movement)	(839.56)	839.56	(546.19)	546.19

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates related primarily to the Group's current borrowings with floating interest rates. For all

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

42. Financial risk management (Contd.)

non-current borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

Amount in ₹ lakhs

	31 March 2024	31 March 2023
Fixed rate instruments		
Financial assets	**51,754.41**	42,741.50
Financial liabilities	**(29,052.63)**	(56,085.31)
	22,701.78	(13,343.81)
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(30,989.34)**	(27,534.30)
	(30,989.34)	(27,534.30)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

	(Profit) or loss		Equity (net of tax)	
	Decrease in rate	Increase in rate	Decrease in rate	Increase in rate
31 March 2024				
Variable rate instruments (1% Movement)	**(309.89)**	**309.89**	**(201.60)**	**201.60**
Cash flow sensitivity (net)	**(309.89)**	**309.89**	**(201.60)**	**201.60**
31 March 2023				
Variable rate instruments (1% Movement)	(275.34)	275.34	(179.13)	179.13
Cash flow sensitivity (net)	(275.34)	275.34	(179.13)	179.13

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period and all other variables, in particulars foreign currency exchange rates, remain constant. Further, the calculation for the unhedged floating rate borrowing have been done on the notional value of the foreign currency.

(c) Equity price risks

The Group's quoted and unquoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments made by the Group are listed on the BSE Ltd (BSE), National Stock Exchange of India Ltd (NSE) and Calcutta Stock Exchange (CSE) in India. There is no significant investment outstanding as at 31 March 2024. Hence, sensitivity analysis is not given.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

42. Financial risk management (Contd.)

(d) The following table gives details in respect of outstanding foreign currency forward, cross currency swaps, interest rate swaps and option contracts:

Amount in ₹ lakhs

	Currency pair	Position	31 March 2024		31 March 2023	
			Amount in foreign currency in lakhs	Amount in ₹ in lakhs	Amount in foreign currency in lakhs	Amount in ₹ in lakhs
Forward contracts [**6**, (previous year Nil)]	USD/INR	Sell	**354.23**	**29,533.28**	-	-
Forward contracts [**Nil**, (previous year 7)]	USD/INR	Buy	**-**	**-**	293.00	24,089.55
Foreign Currency Option contracts [**Nil**, (previous year 1)]	USD/INR	Options	**-**	**-**	150.00	12,332.54

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Consolidated Balance Sheet date:

Amount in ₹ lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
Not later than one month	**-**	(1.50)
Later than one month and not later than three months	**58.84**	(9.50)
Later than three months and not later than one year	**42.55**	-
	101.39	(11.00)

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Amount in ₹ lakhs

	31 March 2024		31 March 2023	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	**101.39**	**-**	-	(11.00)
Net amount presented in Consolidated Balance Sheet	**101.39**	**-**	-	(11.00)

43. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013

	Net assets (total assets minus total liabilities)		Share in Profit or Loss		Share in OCI		Share in total comprehensive income	
	As % of Consolidated net assets	Amount in ₹ lakhs	As % of Consolidated profit or loss	Amount in ₹ lakhs	As % of Consolidated other comprehensive income	Amount in ₹ lakhs	As % of Consolidated total comprehensive income	Amount in ₹ lakhs
Parent								
Himadri Speciality Chemical Limited	97.97%	2,98,120.99	100.08%	41,099.54	100.44%	4,669.37	100.12%	45,768.91
Subsidiaries:								
Indian								
1. Combe Projects Private Limited	0.00%	(1.45)	(0.01%)	(3.63)	0.00%	-	(0.01%)	(3.63)
2. Himadri Clean Energy Limited	0.00%	0.15	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
3. Himadri Future Material Technology Limited	0.00%	0.31	0.00%	(0.09)	0.00%	-	0.00%	(0.09)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

43. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 (Contd.)

	Net assets (total assets minus total liabilities)		Share in Profit or Loss		Share in OCI		Share in total comprehensive income	
	As % of Consolidated net assets	Amount in ₹ lakhs	As % of Consolidated profit or loss	Amount in ₹ lakhs	As % of Consolidated other comprehensive income	Amount in ₹ lakhs	As % of Consolidated total comprehensive income	Amount in ₹ lakhs
Foreign								
1. AAT Global Limited	(2.76%)	(8,401.67)	1.39%	569.10	0.00%	-	1.24%	569.10
2. Shandong Dawn Himadri Chemical Industry Limited	(1.44%)	(4,379.73)	(0.34%)	(140.69)	0.00%	-	(0.31%)	(140.69)
Non-controlling interests in all subsidiaries	(0.09%)	(279.43)	(0.02%)	(8.98)	0.24%	10.98	0.00%	2.00
Intercompany eliminations on consolidation	6.32%	19,218.92	(1.10%)	(447.00)	0.00%	-	(0.97%)	(447.00)
Exchange differences in translating financial statements of foreign operations	0.00%	-	0.00%	-	(0.68%)	(31.55)	(0.07%)	(31.55)
At 31 March 2024	**100.00%**	**3,04,278.09**	**100.00%**	**41,068.18**	**100.00%**	**4,648.80**	**100.00%**	**45,716.98**

44. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders. The Group's objective when managing capital are to: (a) maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. The Group may take appropriate steps in order to maintain or adjust its capital structure.

The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Amount in ₹ lakhs

		31 March 2024	31 March 2023
Borrowings	A	**60,041.97**	83,619.61
Cash and bank balances	B	**73,223.37**	62,480.14
Total	C = A-B	**(13,181.40)**	21,139.47
Equity	D	**3,04,278.09**	2,27,769.13
Debt to Equity	E = A / D	**0.20**	0.37
Debt to Equity (net)	F = C / D	**(0.04)**	0.09

For the purpose of the Group's capital management

(a) Borrowings includes as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in note 19 and 22.

(b) Equity includes issued, subscribed and fully paid-up equity share capital and other equity attributable to the equity holders of the Group as described in note 17 and 18.

(c) Cash and bank balances include cash and cash equivalents, mutual funds and Bank balances other than cash and cash equivalents (refer note 9 and 10)

45. Balances in the accounts of Trade Receivables, Trade Payable, advances to suppliers, Contract Liabilities, security deposits and other advances are under confirmation / reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations. However, in the opinion of the management, the Trade Receivable, trade payables, security deposits and advances are realisable / payable in the ordinary course of the business.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

46. Other Additional Regulatory Information

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Holding Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Holding Company has taken working capital borrowings from banks and financial institutions on the basis of security of current assets. The quarterly statement filed to the banks and financial institutions are in agreement with the books of accounts:

(iii) Willful defaulter

The Holding Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Holding Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 except the following:

Amount in ₹ lakhs

Name of the struck off Company	Nature of transactions with struck off Company	Relationship with the struck off Companies	Number of shares outstanding 31 March 2024	Number of shares outstanding 31 March 2023	31 March 2024	31 March 2023
Frohar Trading Private Limited	Shares held by struck off Company	NA	**1,700**	1,700	**0.00**	0.00
Trishul Vintrade Private Limited	Shares held by struck off Company	NA	**590**	590	**0.00**	0.00
Nipu Commercial Limited	Shares held by struck off Company	NA	**650**	650	**0.00**	0.00

(v) Compliance with number of layers of companies

The Holding Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Holding Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) by the Holding 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 lend or invest in party identified by or on behalf of the Holding Company (Ultimate Beneficiaries). The Holding Company has not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

The Group do not have any such transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

46. Other Additional Regulatory Information (Contd.)

(x) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Holding Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(xiii) The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operate throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered.

47. Exceptional items in the previous year represent compensation for non-compete fees paid to the outgoing promoters of the Holding Company. The Board, at its meeting held on 8 July 2022, took on record that the promoters of the Holding Company entered into the Family Settlement Agreement. Pursuant to the family settlement agreement, the Holding Company entered into a non-compete agreement at a consideration of ₹ 3,000.00 lakhs with the outgoing promoters.

48. The management has evaluated all activities of the Group till 25 April 2024 and concluded that there were no additional subsequeent events required to be reflected in the Group's financial statements.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
Firm's Registration
Number: 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. 053816

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Ltd
CIN: L27106WB1987PLC042756

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
DIN: 00173934

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Monika Saraswat
Company Secretary

Place: Kolkata
Date: 25 April 2024

Place: Kolkata
Date: 25 April 2024

Notes

Corporate Information

CHAIRMAN CUM MANAGING DIRECTOR & CEO

Mr. Anurag Choudhary
(DIN: 00173934)

EXECUTIVE DIRECTORS

Mr. Shyam Sundar Choudhary
(DIN: 00173732)

Mr. Amit Choudhary
(DIN: 00152358)

INDEPENDENT DIRECTORS

Mr. Girish Paman Vanvari
(DIN: 07376482)

Mr. Santimoy Dey
(DIN: 06875452)

Mr. Gopal Ajay Malpani
(DIN: 02043728)

Ms. Rita Bhattacharya
(DIN: 03157199)

SENIOR MANAGEMENT TEAM

Mr. Kamlesh Kumar Agarwal
– Chief Financial Officer

Ms. Monika Saraswat
-Company Secretary &
Compliance Officer

Dr. Soumen Chakraborty
-President, Carbon Black Division

Mr. Monojit Mukherjee
-Business President,
Carbon Black Division

Mr. Somesh Satnalika
-Executive Vice President,
CTD and Strategy

Mr. Kunal Mukherjee
Vice President, HR

BANKERS

Axis Bank Limited
Bank of Baroda
Citi Bank, N.A.
DBS Bank India Limited
HDFC Bank Limited
ICICI Bank Limited
IDFC First Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
Standard Chartered Bank
State Bank of India
Yes Bank Limited
The Hong Kong & Shanghai Banking Corporation Limited

REGISTRAR & SHARE TRANSFER AGENT

M/s. S.K. Infosolutions Pvt. Ltd
D/42, Katju Nagar Colony,
Ground Floor, Near South City
Mall, PO & PS - Jadavpur,
Kolkata - 700 032
Tel: (033) 033-24120027 / 033-24120029
E-mail:contact@skcinfo.com/ skcdilip@gmail.com
Web Site: www.skcinfo.com

CORPORATE IDENTITY NUMBER (CIN):

L27106WB1987PLC042756

REGISTERED OFFICE

Fortuna Tower
23-A, Netaji Subhas Road
8th Floor, Kolkata - 700 001
Tel Fax: +91 (033) 2210 4261
E-mail: info@himadri.com
Web Site: www.himadri.com

CORPORATE OFFICE

8, India Exchange Place, 2nd Floor,
Kolkata – 700 001
Tel: (033) 2230 4363/ 9953
Fax: +91-033-2230-9051

STATUTORY AUDITORS

M/s Singhi & Co
Chartered Accountants
161, Sarat Bose Road
Kolkata - 700 026

SOLICITORS & ADVOCATES

M/s Aquilaw
9, Old Post Office Street, 8th Floor
Kolkata - 700 001

WORKS

Unit number 1
58 N.S. Road, Liluah, Howrah (W.B.)

Unit number 2
27B Gadadhar Bhatt Road, Liluah,
Howrah (W.B.)

Mahistikry Plant
Mahistikry, P.S. – Haripal District
Hooghly (W.B.)

Visakhapatnam Unit
Ancillary Industrial Estate
Visakhapatnam (A.P.)

Korba Unit
Jhagrah, Rajgamar Colliery Korba
(Chhattisgarh)

Sambalpur Unit
Kenghati, P.O. Jayantpur,
Sambalpur - 768112

Falta (SEZ Unit)
Falta Special Economic Zone
Sector - II, Vill - Simulberia, Falta,
Dist - 24 Pgs (South), West Bengal

China Unit
Longkou, Shandong China

Himadri

Registered Office

23A, Netaji Subhas Road
Suite No. 15, 8th floor, Kolkata 700 001
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