Ref. No: HSCL / Stock-Ex/2023-24/25
Date: 29/05/2023

E-mail: monika@himadri.com

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

Sub: Notice of 35th Annual General Meeting (AGM) and Annual Report for the financial year 2022-23

Dear Sir/Madam,

In furtherance to our letter dated 24 May 2023 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 2022-23 along with Notice of the 35th AGM to be held on **Thursday, 22 June 2023 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 2022-23 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
(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 35th Annual General Meeting ("AGM") of the Members of Himadri Speciality Chemical Ltd ("the Company") will be held on **Thursday, 22 June 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")** to transact the following business:

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 2023 together with the report of the Board of Directors and Auditors thereon.

2. To declare dividend of ₹ 0.25 (25%) per equity share of face value of ₹ 1 each for the financial year ended 31 March 2023.

3. To appoint a Director in place of Mr. Anurag Choudhary (DIN: 00173934) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify remuneration of Cost Auditor and 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 ("the Act") read with the rules framed thereunder and other applicable laws, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration of ₹ 50,000/- (Rupees Fifty Thousand 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 2024, be and is hereby ratified;

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."

By Order of the Board

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

Place: Kolkata
Date: 28 April 2023

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out material facts relating to Special Business under Item No. 4 of the Notice to be transacted at the 35th AGM is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") is also provided in the said Statement.

2. Pursuant to the Circulars No. 14/2020, No. 17/2020, No. 20/2020, No. 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively and General Circular No. 10/2022 dated December 28, 2022 and other applicable circulars, (hereinafter, collectively referred as the "MCA Circulars") the Ministry of Corporate Affairs (the "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, Listing Regulations and MCA Circulars, the 35th AGM of the Company is being conducted through VC/OAVM facility. The deemed venue for the 35th 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. 29.

3. The 35th AGM of the Company is being convened through VC/OAVM in compliance with the applicable provisions of the Act, 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 Listing Regulations, Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and the 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 35th AGM through VC/OAVM facility and e-Voting during the 35th AGM. The instructions and other information relating to e-Voting are given in the Notice under Note No 29.

5. In terms of the MCA Circulars, since the physical attendance of 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 for 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 35th 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 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.co.in.

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 the 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 10 June 2023 to 22 June 2023 (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/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI, the Notice of the 35th AGM along with the Annual Report of the Company for the financial year ended 31 March 2023 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).

Notice (Contd.)

Members may note that the Notice and Annual Report for the financial year ended 31 March 2023 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 2022-23 to the shareholders on receipt of specific request.

We urge 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 to avoid fraudulent encashment of dividend warrants.

Accordingly, to update the details with the Company, the following procedure may be followed:

Updating/Registration	Procedure
Email Id & PAN	**Physical Holding:** An email requesting for updation/registration of email id with a copy of PAN card and mentioning folio number may be send to the Company's email id at investors@himadri.com or, Company's RTA email id at skcdilip@gmail.com.
	Demat Holding: Update the email id/PAN through your Depository Participants (DPs).
Bank Mandate	**Physical Holding:** An email requesting for updation/registration of Bank Mandate with a copy of PAN card, cancelled cheque with name printed on cheque, copy of share certificate or any letter received from Company or dividend warrant where folio number is mentioned may be send to the Company's email id at investors@himadri.com or, Company's RTA email id at skcdilip@gmail.com.
	Demat Holding: Update the Bank mandate through your Depository Participants (DPs).

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.

10. Members may please note that in view of the proviso to Regulation 40(1) of the 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.

11. 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. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through ECS or any other means, due to non-registration of the

Electronic Bank Mandate, the Company shall dispatch the Bankers' cheques/demand draft to such Member, as soon as possible. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank account details.

12. 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 in case their PAN is not registered, tax will be deducted at a higher rate of 20%. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them during financial year 2023-24 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.

13. 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, 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 2016 and onwards is lying in separate banking accounts for the respective years. Members who have not claimed dividend for the year ended 31 March 2016 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 2016 declared at the AGM held on 24 September 2016, is also due to be transferred to IEPF Authority on 30 October 2023, after expiry of the period of seven years. The details of those Members who have not claimed dividend for 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 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 in case any dividend is paid or claimed for any year during said period of seven consecutive years, the shares shall not be transferred to IEPF.

14. Bank Mandate for Dividend or Electronic Clearance Services (ECS)

    In order to protect the investors from fraudulent encashment of the dividend warrants, the Members holding shares in physical form are requested to intimate the Company under signature of the Sole/ First joint holder, the following details which will be used by the Company for payment of dividend:

    a. Name of Sole /First joint holder and folio no.

    b. Particulars of bank account viz:

       - Name of the bank, branch, and bank code
       - Complete address of the bank with Pin Code
       - Account type, whether Savings or Current
       - Bank account number allotted by the bank
       - MICR (Magnetic Ink Character Recognition)
       - IFSC (Indian Financial System Code)

    Shareholders holding shares in physical form are requested to send their NECS Mandate Form in the format available on Company's website www.himadri.com, duly filled in to be sent to 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 and in case equity shares are held in electronic form, the NECS Mandate form is required to be sent to the concerned Depository Participants (DPs) directly.

    SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for the remittance of dividend through ECS to investors where the Bank details are available, therefore, Members are requested to give instructions regarding Bank Account in which they wish to receive dividend directly through their Depository Participants (DPs). The Members holding shares in DEMAT mode may send the requisite details to their Depository Participants (DPs) and in case of physical shareholding, the bank details are to be provided to the RTA.

    Further SEBI vide Circular dated 20 April 2018 has also mandated to obtain account details along with cancelled cheque to update the securities holder's data. The original cancelled cheque shall bear the name of the securities holder failing which securities holder shall submit copy of bank passbook /statement attested by the bank. The RTA shall then update the bank details in its records after due verification. The unpaid dividend shall be paid via electronic bank transfer. In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment, are not available or the electronic payment instructions have failed or have been rejected by the bank, the issuer companies or their RTA may ask the banker to make payment though physical instrument such as banker's cheque or demand draft or dividend warrant to such securities holder incorporating their bank account details.

    The Company has sent reminders to those shareholders, whose bank details are not available with the RTA, requesting them to send the required details 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.

15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its RTA.

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 Participants (DPs) 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 and signed Form ISR – 4, the format of which is available on the

following weblink at https://www.himadri.com/pdf/investor_information/form_isr4service_request.pdf.

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 single folio.

19. Members are requested to intimate about change in their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to 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** through email at skcdilip@gmail.com in case the shares are held in physical form and to the Depository Participants (DPs) in case of shares held in electronic form.

20. Non-Resident Indian Members are requested to inform 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.

21. The Board has appointed CS Rajarshi Ghosh, Practising Company Secretary (ACS: 17717; 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 35th 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.

22. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.himadri.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.

23. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.

24. 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.

25. 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.

26. 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

27. Details as required under Regulation 36(3) of the 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- I to this Notice.

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

29. 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 35th 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 first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the 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 35th 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 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 35th AGM of the Company will be required to register themselves as a speaker by sending e-mail to the Company Secretary & Compliance Officer at himadriagm2023@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 16 June 2023 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 himadriagm2023@himadri.com latest by 4 p.m. (IST) on 16 June 2023 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 himadriagm2023@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 35th AGM of the Company.

   a. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 35th AGM of the Company through VC/OAVM facility.

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

   - Send a request at evoting@nsdl.co.in 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 18 June 2023 and ends at 5:00 p.m. (IST) on 21 June 2023**. 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. 15 June 2023**, 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. 15 June 2023**. 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. 15 June 2023**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

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

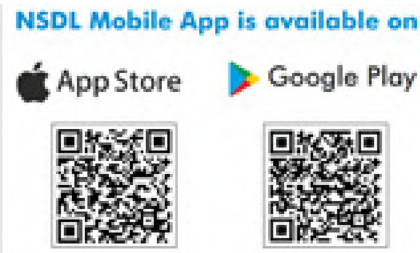
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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 **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be 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. 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

Notice (Contd.)

Type of shareholders	Login Method
	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 from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (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 Depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 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.

Notice (Contd.)

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.co.in 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 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 RTA 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.co.in 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 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. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join 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 better experience.

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

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

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.co.in.

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 to audit 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 2023-24 at a remuneration of ₹ 50,000/- (Rupees Fifty Thousand 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 2024.

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.

Notice (Contd.)

ANNEXURE-I

Details of the Director seeking re-appointment at the ensuing Annual General Meeting pursuant to SS-2 and Regulation 36(3) of the Listing Regulations

Name of Director	Mr. Anurag Choudhary
Designation/Category of the Director	Chairman cum Managing Director & CEO
DIN	00173934
Date of Birth/Age	03.08.1972 (50 years)
Date of first appointment on the Board	14.08.2019
Qualifications	B. Com (Hons)
Experience (approx.)	30 years
Brief resume and Nature of Expertise in specific functional area	Mr. Anurag Choudhary is the Chairman cum Managing Director and CEO (Promoter) of the Company. He has been looking after the overall affairs and operations of the Company under the supervision and control of the Board of Directors. He is a commerce graduate. 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 the 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 largest integrated speciality carbon complex in the world. Towards 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.
Terms and conditions of appointment or re-appointment	In terms of applicable provisions of the Act, Mr. Anurag Choudhary who was appointed as Managing Director & CEO for a period of five years w.e.f 14 August 2019 at the AGM held on 25 September 2019, is liable to retire by rotation.
Details of remuneration sought to be paid	₹ 3.50 crores annually plus perquisites w.e.f 01 April 2023 as approved by shareholders by passing Postal Ballot resolution on 24 March 2023.
Remuneration last drawn	₹ 2.50 crores annually plus perquisites for FY 2022-23.
Number of Board Meetings attended during the financial year 2022-23	5/6
Relationship with other Directors & KMP	• Mr. Shyam Sundar Choudhary, Whole-Time Director – Father • Mr. Amit Choudhary, Whole-Time Director- Brother
Chairman/Member of the Committee of Board of other companies	**Himadri Credit & Finance Ltd:** - Nomination & Remuneration Committee (Member) - Audit Committee (Member) - Stakeholders Relationship Committee (Member)
Listed entity from which resigned in the past 3 years	NIL
Shareholding in the Company	13,300,000

Notice (Contd.)

Name of Director	Mr. Anurag Choudhary
Directorship in other Companies including listed entities	Himadri Speciality Chemical Limited Himadri Credit & Finance Limited AAT Techno Info Private Limited Raghu Management Private Limited Raghupati Consultants Private Limited Salasar Management Private Limited Sampoorna Merchandise Private Limited Next Generation Condominiums Private Limited Pujita Merchandise Private Limited Perfect Hi-Rise Private Limited Anatahan Infrastructure Private Limited Peaklevel Infrastructure Private Limited Modern Hi-Rise Private Limited Sri Agro Himghar Limited Next Generation Traders Private Limited Himadri Li Recycle Limited Himadri Clean Energy Limited Himadri Future Material Technology Limited

By Order of the Board

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

Place: Kolkata
Date: 28 April 2023

Notes

Where Innovation meets Sustainability

Himadri Speciality Chemical Ltd

Annual Report 2022-23

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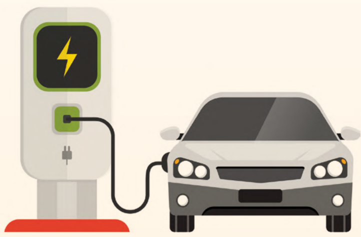


Forward-looking statements

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.

Scan the QR code to view
the report online

Leading the way towards a sustainable tomorrow

Over the years, we have created a strong product portfolio, with focus on advanced R&D and relied on world-class know-how to build a futuristic organisation. Our deep domain knowledge, coupled with an innate zeal to explore new frontiers of the carbon value chain while fostering novel approaches has kept us a step ahead of the competition.

For us, innovation is a way of life, so we continue to build on our innovative capabilities. The growing global demand for Lithium-ion Battery will play a major role in the paradigm shift of the automobile and stationary storage industries. Himadri Speciality Chemical Ltd ("Himadri"/"the Company"/"It") is poised to address a part of the global demand for critical supply chain required for Lithium-Ion batteries as we unfold our plans in these business segments in the near future.

Our commitment to deliver superior-quality speciality chemicals enables us to consistently introduce value-added products to our diverse portfolio. It also drives process enhancements that contribute to the development of quality products and helps us sustain cost leadership.

At Himadri, we are mindful of our responsibility to ensure the well-being of people as well as the planet. We inculcate sustainable practices to create holistic value for all our stakeholders, including employees, shareholders, suppliers, customers and the community at large. It, therefore, empowers us to fulfil our objectives towards society and the environment over the long-term.

Looking ahead, we remain determined to identify new opportunities, explore broader applications and lead with the latest developments in the industry – to strengthen the foundation of an organisation

where innovation meets sustainability.

Consistent innovation meets sustainable growth

For over three decades, Himadri has been at the forefront of developing sustainable carbon solutions. Our unwavering commitment to sustainability has helped us become a trusted partner for our clients.

Since our commencement of operations in 1990 in Kolkata, Himadri has been a pioneer in the speciality carbon industry. With our rich legacy spanning over three decades, we have been able to become one of the few fully integrated speciality carbon companies having unrivalled expertise in carbon, one of the most versatile elements on Earth. At Himadri, we offer cutting-edge, eco-friendly solutions to our consumers that not only meet their evolving needs but also reduce carbon footprint. As we look to the future, we continue to draw on our knowledge and expertise to create sustainable, responsible and innovative solutions that create value for all our stakeholders.

At Himadri, we continue to set the standards for excellence by undergoing a transformative journey. We have substantially enhanced our portfolio by launching several new grades across product categories during this fiscal, further expanding our product offerings to meet the diverse needs of our valued customers. The new offerings in speciality carbon black includes grades designed for various rubber, polymer, fibre, electrical, electrostatic, paint, ink and coating applications which assures perfect compatibility and usability of our finished products. Apart from speciality black grades, we have launched products in the domain of battery materials (LiB), speciality oils and sophisticated construction chemicals. Throughout our journey, our unwavering focus on innovation has enabled us to provide a wide range of quality products that cater to the diverse needs of our growing clientele.

At Himadri, our core values are deeply rooted in sustainable development and environmental responsibility. We endeavour to make a positive impact on the world around us by investing in state-of-art manufacturing facilities, nurturing our talented workforce and consistently honing our capabilities. This dedication to sustainability is reflected in our efforts to reduce effluent and emissions well below statutory standards.

Key Performance Indicators of FY 2022-23 (KPIs)

₹ 4,172 crore
Highest-ever revenue

49%
Growth in revenue

22%
Revenue through exports

14,986
Man-hours training for employees

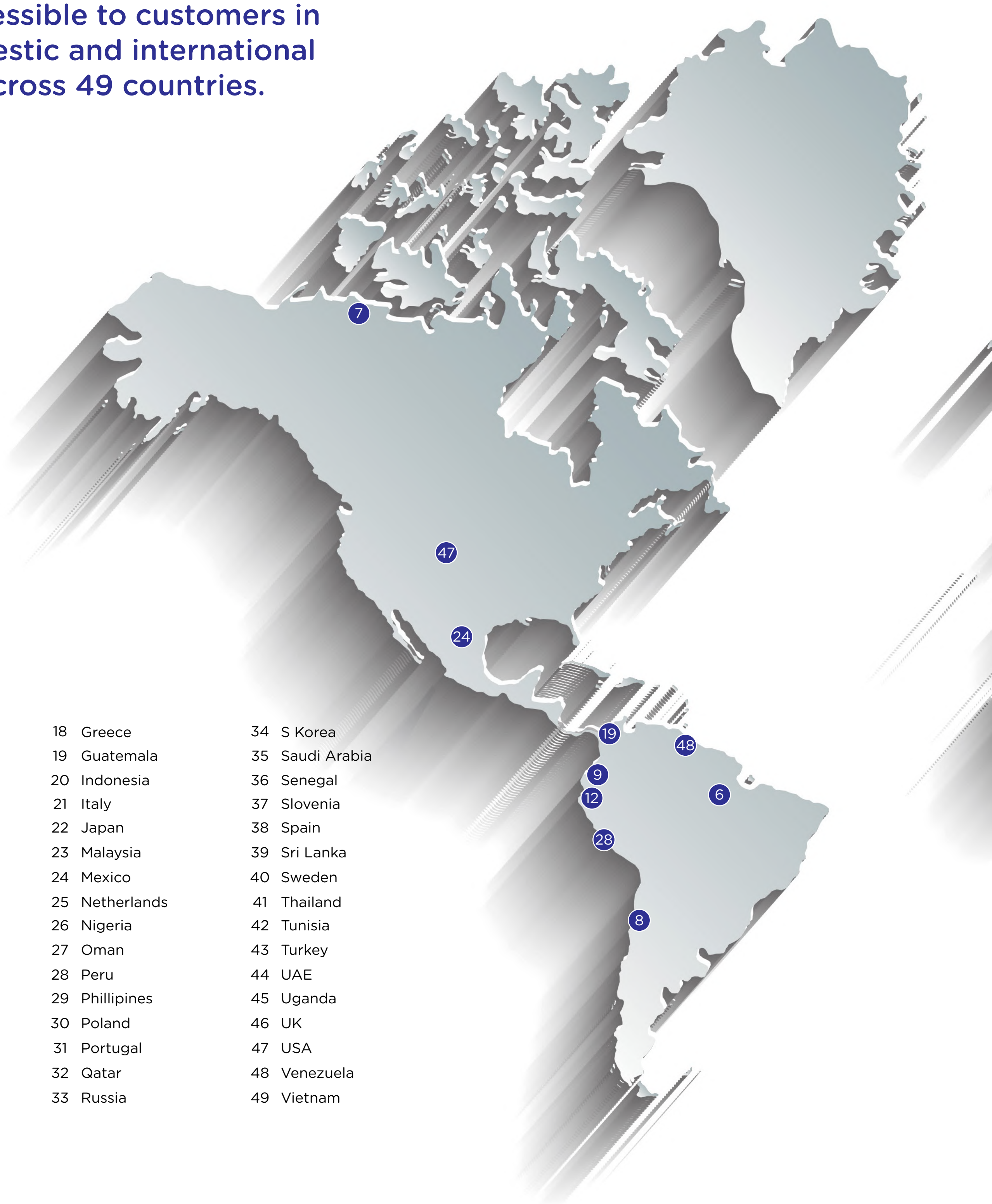
16
New grades launched

0.49x
Net debt to EBITDA

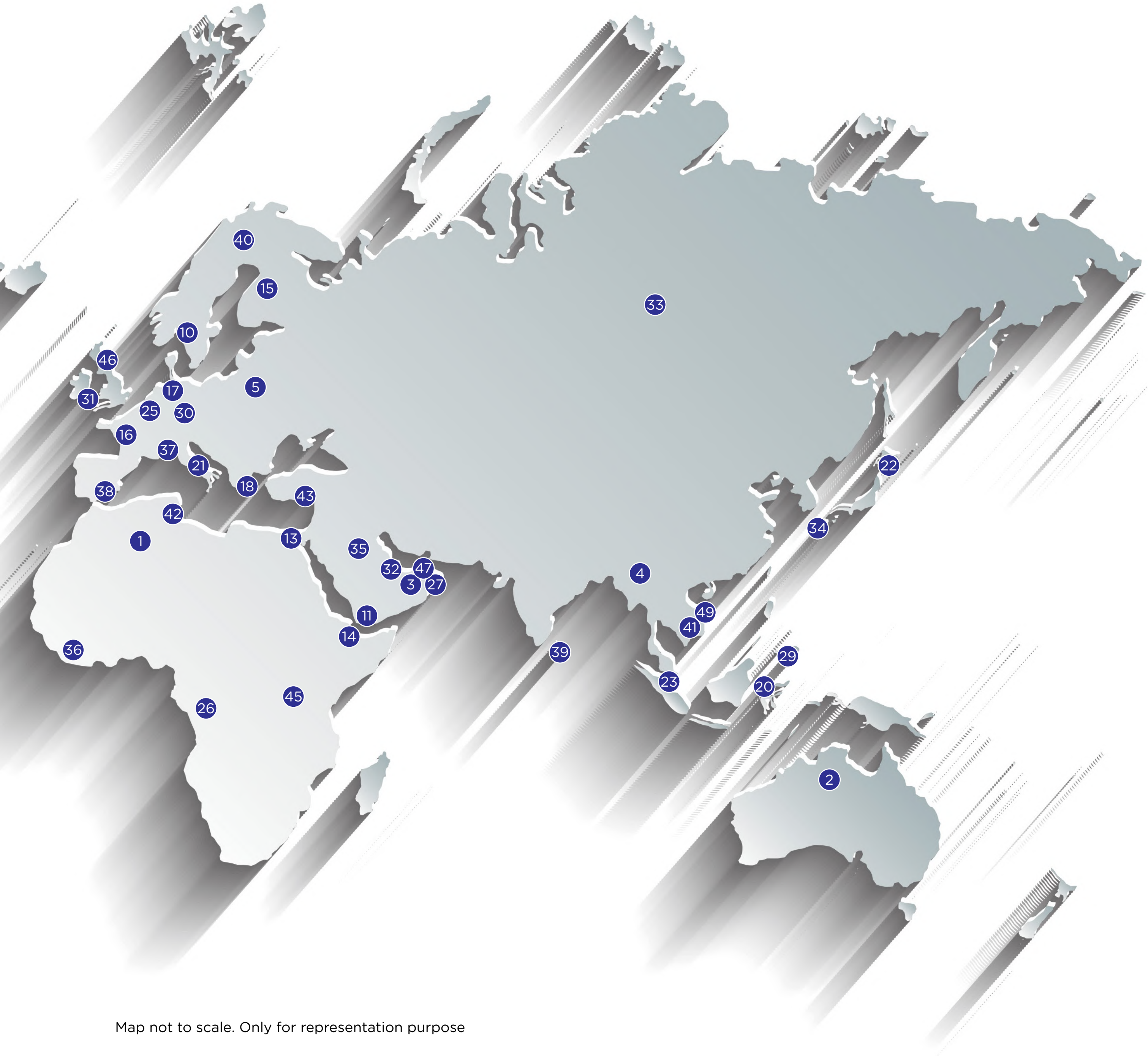
Night view of our manufacturing plant at Mahistikry, Hooghly, West Bengal

Transcending borders with innovation and sustainability

Himadri's extensive network ensures that our products are easily accessible to customers in both domestic and international markets across 49 countries.



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



Map not to scale. Only for representation purpose

Delivering value with innovation and sustainability

Our philosophy

Vision

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

Mission

- To be a company that constantly innovates new products and technologies
- To have an unrelenting customer focus while being customer's clear choice
- Be a company that attracts, develops individuals to build a proud Himadrian team
- Stay committed to a sustainable future and to improving the social, economic & environmental well-being of communities in the region of our operations

Core values

Integrity

We are thoroughly professional in all our activities with absolute honesty and we never compromise on our principles in any way.

Excellence

We 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 never settle for any practice which puts it in danger.

Sustainability

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

Inputs

Financial

Equity: **₹ 2,216 Cr**

Net Debt: **₹ 200 Cr**

Manufacturing

Fixed Assets:

7 Manufacturing facilities in India

1 Manufacturing facility in China

Intellectual

Expenditure on R&D: **₹ 32 Cr**

104 Experienced R&D team members

Human

Total employee count: **895**

Employee benefit expense: **₹ 91 Cr**

Social and Relationship

Expenditure on CSR: **₹ 5 Cr**

Natural

Water Consumption: **9,21,503 KL**

Energy Consumption: **361,516 GJ**

Our business in snapshot

Value proposition

Our state-of-the-art laboratory and culture of innovation allow us to deliver bespoke products to our clients in diverse industries. We are constantly challenging status quo through our R&D efforts in multiple segments. This enables us to expand our offerings and continue to be at the forefront of technology advancements. At the same time, it gives us strength to innovate on processes and costs. Our strength in integration and collaboration with our clients allows us to create tailor-made solutions to meet their unique needs, making us a trusted partner in their growth and success.

Major activities

Himadri's business model relies on several key activities. Some of these include production, marketing, sales and customer service. We make significant investments in R&D to develop new and innovative products, improve existing products and optimise manufacturing processes. We are able to produce our products efficiently and at affordable price points at our production facilities. Our sales and marketing teams understand our customers' needs and we collaborate with them to offer excellent customer service to retain our customers.

Key partners

At Himadri, our key partners help us execute our business model. These include logistics, raw material and equipment suppliers. We have reliable suppliers to ensure product quality. To make sure rapid and efficient delivery of products, we collaborate with logistics providers. We also work with equipment manufacturers to acquire the latest and most efficient production technology. Sustainability is part of our working matrix and we work closely with our supply chain partners to share the same values around sustainability.

Revenue streams

Himadri generates revenue through sales to various industries. A diverse customer base reduces our dependence on any one industry or customer.

Cost structure

Himadri's production costs—raw materials, labour, energy and maintenance—determine its cost structure. Research and development, sales and marketing and logistics costs are also included in it. However, a strong focus on operational excellence and cost optimisation helps us achieve cost optimisation and sustain a competitive advantage.

Outputs

Financial

Total revenue: **₹ 4,172 Cr**

Total EBITDA: **₹ 408 Cr**

Total PAT: **₹ 208 Cr***

*After exceptional item of ₹ 30 Cr

Manufacturing

Inventory Turnover Ratio: **5.99 times**

Intellectual

New Products or Variants developed: **16**

Human

Man-hours training for employees **14986**

Social and Relationship

CSR beneficiaries: People of **16 villages** surrounding or adjoining to Company's plants in West Bengal

Natural

More then **90%** of the power requirment being met by in-house generated clean and green power

Outcomes

Financial Capital

- Sustainable revenue growth.
- Generated highest-ever sales.
- Strong brand reputation enabling working capital facilities from various financial institutions at most competitive rates.

Manufacturing Capital

- Enhanced operational efficiency.
- State-of-the-art manufacturing facilities in India and China.

Intellectual Capital

- In-house raw material and R&D.
- New Products - **ONYX, JETEX, KLAREX, ELECTRA, COLORX and BARONX**

Human Capital

- Development opportunities and progress by upskilling employees on gradation training and safety.
- Digitalization of the processes like E-on-boarding, Talent acquisition and e-learning.

Social and Relationship capital

- All CSR initiatives are planned with the objective of sustainable community development.
- Effective engagements with government agencies along with contributing to a better society by undertaking projects like converting Kutcha houses to Pucca houses, skill development among women, ensuring safe drinking water, and Promoting both curative and preventive healthcare.

Natural capital

- Cemented status as a **'Zero Liquid Discharge'** company.
- Generates clean and green power from waste gas.
- Commissioned solar panels for the lighting equipment.
- Various waste management techniques like generating biogas from kitchen waste.

Innovative strategies drive sustainable growth

Unlocking
new possibilities

Our core competencies pave way for our sustainable growth.

Robust
R&D

Our continuous investment in research and development processes enables us to persistently innovate and stay ahead of the curve

Integrated
Business model

Our integrated business model allows us to optimally utilise our resources and create holistic value for our stakeholders.

Product
leadership

We are leaders in most of our product portfolio

Serving
multiple industries

We serve diverse end markets, thereby reducing our exposure to any one industry and derisk our business to volatile market fluctuations.

Experienced
leadership

Our dynamic, robust and experienced management continues to steer the company ahead for sustained growth.

Growing
clientele

We have a strong and growing customer base of leading domestic and international companies backed by our quality products.

Strategically
located

Our 7 manufacturing units in India and 1 in China enables us to strengthen our customer presence across 49 countries.


15
min left
50%

Message from the CMD

Anurag Choudhary
CMD & CEO

> Research and Development (R&D) is in the DNA of Himadri and is a key determinant of our future growth.

Dear Shareholders,

It gives me immense pleasure to write to you at the dawn of a new era of growth in the journey of your Company.

Fiscal 2022-23 has been yet another year wherein we continued to build our solid fundamentals and drive growth momentum. With the collaborative efforts of our team, we recorded strong financial performance. Importantly, we also stepped up our efforts towards integrating innovation and sustainability across all aspects of our business operations.

Review of macroeconomy

For the Indian economy, the fiscal turned out to be a great year. Its impressive recovery was spurred by increased government stimulus, strong rural demand, and a greater impetus in private consumption and investment by the private sector. The economy recorded the highest GDP growth rate among major economies in FY 2022-23 and is poised to stand out as the fastest growing major economy in the world in FY 2023-24 as well. The introduction of the PLI scheme in India has opened up opportunities for many sectors, including the chemical sector, unlocking new opportunities for growth. This reform has enhanced competitiveness, boosted productivity, created jobs, and strengthened the domestic manufacturing ecosystem, propelling the sector towards unparalleled success.

Performance review on consolidated basis

During the year under review, our core business has demonstrated sustainable growth recording a growth of 49% in revenue from ₹ 2,791 crore in FY 2021-22 to ₹ 4,172 crore in FY 2022-23. Our EBITDA increased from ₹ 163 crore in FY 2021-22 to ₹ 419 crore in FY 2022-23 and our PAT stood at ₹ 216 crore in FY 2022-23 as against ₹ 39 crore in the previous fiscal.

At Himadri, our performance is a testament to the strength and viability of our business model, which we have meticulously built over the years. Our robust growth in production volume and the accelerated expansion of our core business have been backed by the timely introduction of value-added products. Besides, we are also continually working towards improving our financial position and have significantly reduced our net debt and strengthened our balance sheet. Our debt-equity ratio stands at an impressive 0.09 times for the current fiscal as compared to 0.17 times for the previous year. With our robust financials, we are committed to continuing to improve our Return on capital employed (ROCE) from the current level of 16%.

Driving our Sustainability Goals

Our impact on society and the environment is as vital to us as our financial success. As responsible corporate citizens, we are committed to undertaking Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) initiatives that leave a positive impact.

ESG is deeply embedded in our working matrix at Himadri, reflecting our unwavering commitment to responsible business practices that have a positive impact on society and the environment. Our focus on sustainable development has been a constant priority, shaping our approach to ESG. Currently, we are in the process of obtaining a sustainability rating.

In the environmental sphere, we are dedicated to reducing our carbon footprint and conserving natural resources. We have made significant investments in eco-friendly measures, integrating sustainable considerations like 'Zero Liquid Discharge' facilities into our operations. Additionally, we meet over 90% of our energy needs with in-house clean and green power, contributing to the creation of a circular economy.

Regarding social responsibility, we prioritize the health and safety of our employees and the wider community. Upholding the highest standards of corporate governance, ethical conduct, and transparency is integral to our practices. Our commitment to sustainable development has garnered recognition, as evidenced by our receipt of the Greentech International EHS Award in 2023.

Our commitment to corporate social responsibility (CSR) drives us to make a meaningful impact on the local communities we serve. Through our CSR initiatives, we prioritise the enhancement of education and healthcare accessibility. We support students of all academic levels by providing books and sponsorships, empowering them to achieve their academic goals. Additionally, we actively contribute to the construction of school buildings and libraries, enabling tribal children to receive a quality education. Our free Village Medical Centre (VMC) ensures that local communities have access to essential healthcare services, including medical consultations and medicines. To further promote well-being, we conduct regular free eye check-ups, prioritising the eye health of the community. In line with our commitment to holistic development, we also undertake projects related to drinking water and rural development, positively impacting the lives of villagers and fostering sustainable progress.

Our R&D focus

Research and Development (R&D) is in the DNA of Himadri and is a key determinant of our future growth. From our humble beginnings as a single product manufacturer, our company's evolution has been fuelled by the relentless pursuit of research and development. Today, our diverse product portfolio stands a testament to the integral role, R&D plays in shaping our success.

Our growth enablers

Amidst significant global developments, it is crucial to highlight the world's collective focus on New Sustainability Goals Targets and Carbon Neutrality. India, too, is firmly committed to this objective, setting its sights on becoming a carbon-neutral nation by 2070. A key driver in this transformative journey is the rising prominence of Lithium-ion batteries (LiBs) in revolutionizing cleaner energy solutions for both the automotive and stationary storage industries. As India emerges as the second most attractive market for manufacturing, this burgeoning sector finds itself in a prime position for substantial expansion. Projections indicate that LiB demand in India will surge to 260 GWh, accompanied by a remarkable CAGR of 74% by 2030. This growth trajectory is fuelled by India's vision of Atmanirbhar Bharat and Viksit Bharat Abhiyan – the India@100 project, paving the way for a self-reliant and developed India. In addition to this exciting new growth area, our existing business continues to flourish, forming a strong foundation for our future endeavours.

At Himadri, we have a steadfast belief in the growth potential of the LiB segment in India. We are gearing up to address a part of the global demand by building a crucial supply chain necessary for LIBs in the future by unlocking opportunities in these sunrise sectors. This is also a step forward to developing a sustainable and growth-focused business.

The domestic and global market is providing us with new growth prospects. We are seeing a rise in global demand for aluminium. This presents us with an opportunity to expand our Coal Tar Pitch production to meet the needs of our customers. Similarly, the growth of the domestic tyre manufacturing sector is driving the demand for our Carbon Black. Speciality Carbon Black, SNF and PCE too are also expected to experience sustained growth on the back of growing demand. With these prospects, we remain ever-committed to strategically capitalise on the opportunities and keep a step ahead of the competition.

Road ahead

As we go forward, we remain committed to building a sustainable business backed by a robust product pipeline, a strong clientele, R&D and cutting-edge technologies. In addition to this, we are serving diversified end markets and achieving product leadership, along with continuous financial progress.

We will also continue to focus on achieving a competitive edge by streamlining our operations with sustainable practices and technically sound as well as commercially viable innovative products.

As a final word, I would like to extend my gratitude to all our stakeholders for their trust and support. We look forward to continuing our transformation journey together, co-creating long-term value for all stakeholders.

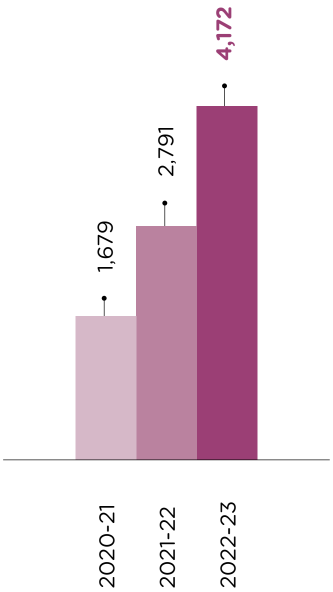
Regards,

Anurag Choudhary
CMD & CEO

Financial highlights

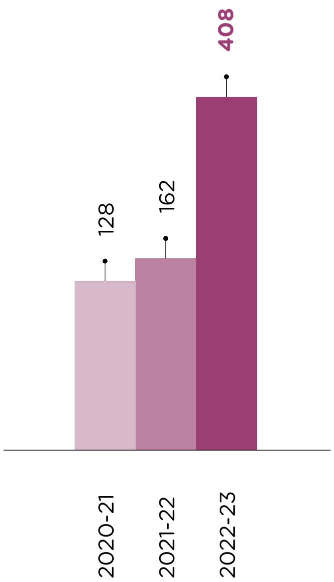
Net Revenue From Operations

(₹ in crore)



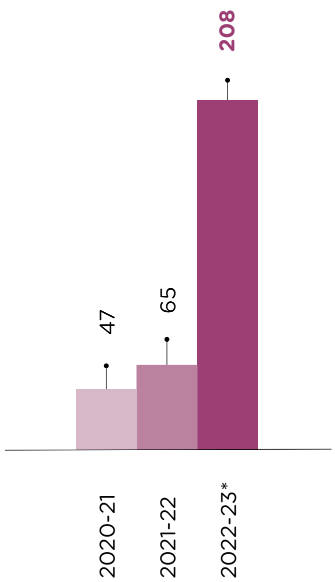
EBITDA

(₹ in crore)



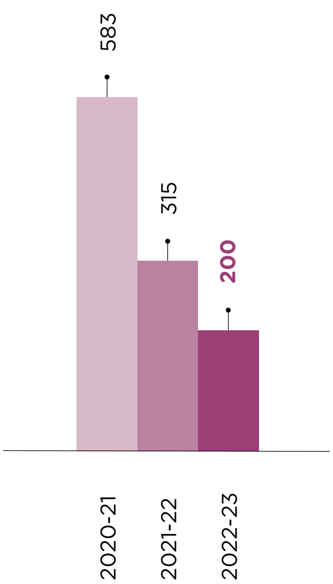
PAT

(₹ in crore)



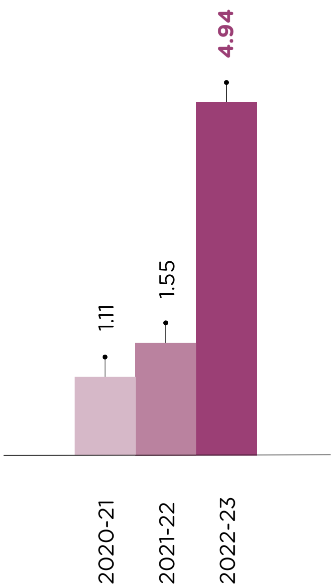
Net Debt

(₹ in crore)



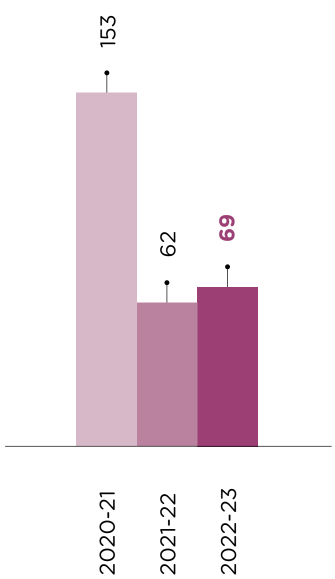
EPS

(in ₹)



Working Capital Cycle

(No. of days)



* After exepctional item of ₹ 30 Cr


CERTIFICATE
HIMADRI SPECIALITY CHEMICAL LTD.
INDIA'S
BEST COMPANY OF THE YEAR

Leadership team

Awards and accolades

2023

SAFETY AWARD

WINNER -Outstanding Achievement in Environment Leadership - GreenTech Foundation

2023

SUSTAINABILITY AWARD (WASTE MANAGEMENT)

WINNER for HULLADEK HONOURS Sustainability Leaders Awards 2023

2022

SUSTAINABILITY AWARD

Energy Conservation (ENCON) Award 2022 (4.5 Stars)

2022

CORPORATE BUSINESS PARTNER AWARD

Business Partners's Meet - Covid Warrior Award - Awarded to Himadri by Hindalco (Aditya Birla)

2022

SIGNIFICANT CONTRIBUTOR AWARD

Significant Contributor Award from RINL (Rashtriya Ispat Nigam Ltd) to Himadri Vizag Unit

2022

CSR AWARD

WINNER for Outstanding Achievements in "Rural Development" Category 2022

2022

QUALITY AWARD

Awarded in CII Convention on Quality Circle

Innovation accelerates sustainable product transformation

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 core carbon products to value added products

2011 to 2022

Value-added products

Himadri has constantly moved ahead towards integrated business model where it has consistently value added innovated on products

- Aluminium Grade Pitch
- Graphite Grade Binder Pitch
- Graphite Grade Zero QI (Quinolene Insoluble) Coal Tar Impregnated Pitch
- Battery Material for Lithium-ion Batteries
- Special Pitch
- Naphthalene
- Refined Naphthlene
- HLSF Oil
- Light Creosote Oils
- Heavy Creosote Oils
- Anthracene Oil/Carbon Black Oil/ CT Oil
- SNF
- PCE
- Carbon Black
- Speciality Carbon Black ONYX, JETEX, KLAREX, ELECTRA, COLORX, BARONX
- Himcoat Enamel
- Himcoat Primer-B
- Himtape
- Himwrap

From growing carbon value chain to promising mobility and energy storage opportunity

2022 onwards

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

Innovative product portfolio

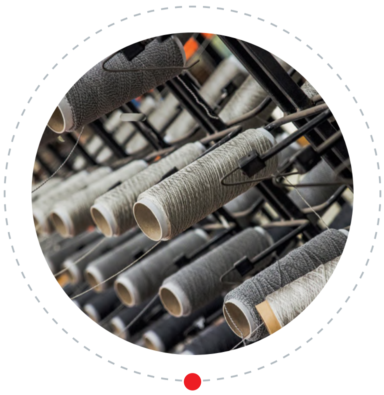
We have a robust portfolio of high-value and niche products, that positions us distinctly in our industry space

Battery Materials

- First Indian producer and pioneer of anode material required for lithium-ion battery in India.
- Enhanced capacity, superior rate and long cycle life

Carbon Black

- Custom-made carbon black solutions tailored for specific applications
- Carbon black production with the lowest impurities in carcass and tread black is made possible by our backward integration into the cleanest feedstock
- A proven track record in quality and delivery



Speciality Carbon Black

- High-performance, customised products
- Used in various industries such as plastics, fibres, coatings, inks, paints, wires and cables
- Premium-grade solutions, high-quality products and reliable delivery

Coal Tar Pitch

- Largest Indian manufacturer in the industry with over 60% market share
- Used as a binder in aluminium anode and graphite electrode manufacturing
- Custom-made grades and contemporary manufacturing facilities

Naphthalene Derivatives

- Consistent high-quality products
- Reliable and steady supply through in-house raw material resources
- Largest Indian player in Refined Naphthalene

Corrosion Protection

- Anti-corrosion products developed using high-quality, high-temperature carbonised coal tar
- Optimal resistance to both acid and alkali attacks
- Can withstand adverse climatic conditions and provide long-lasting protection against severe salinity in seawater

PCE (Polycarboxylate Ether)

- Leading PCE manufacturing facility
- The range includes customised products of varying grades to suit specific needs

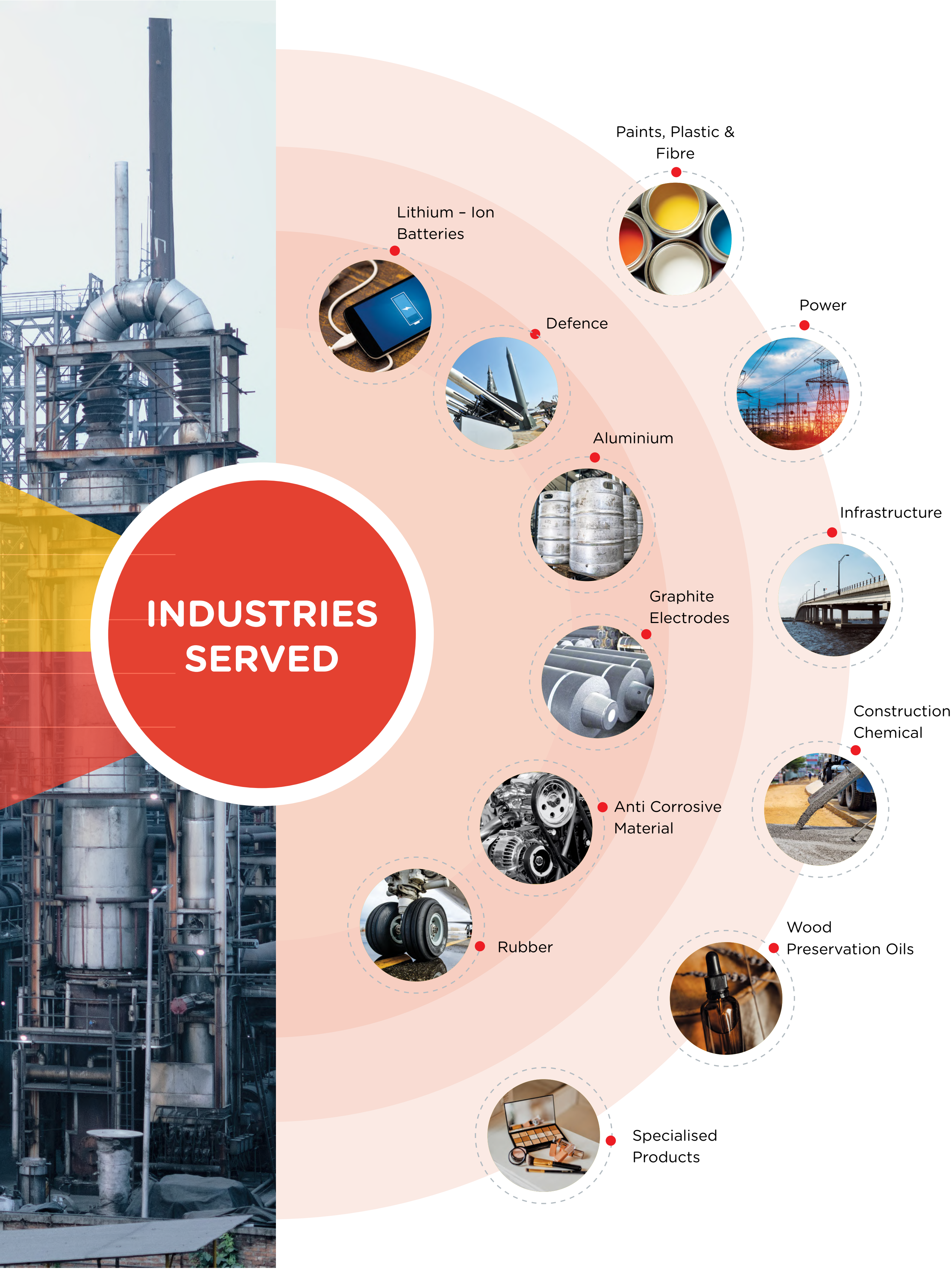
SNF (Sulphonated Naphthalene Formaldehyde)

- Dominant player of SNF in India
- Products serve the concrete, agro, rubber and gypsum board industries
- Superior quality and continuous supply are backed by in-house raw material resources

Speciality Oils

- Environment-friendly, low sulphur content and customised products
- Continuous distillation method is backed by superior technology and quality control

INDUSTRIES SERVED



Innovation driving the future

At Himadri, we execute an innovation-focused strategy to create cutting-edge products, processes and technology. Our global team of scientists and engineers in R&D enable us to consistently innovate and create solutions focused on needs for the future.

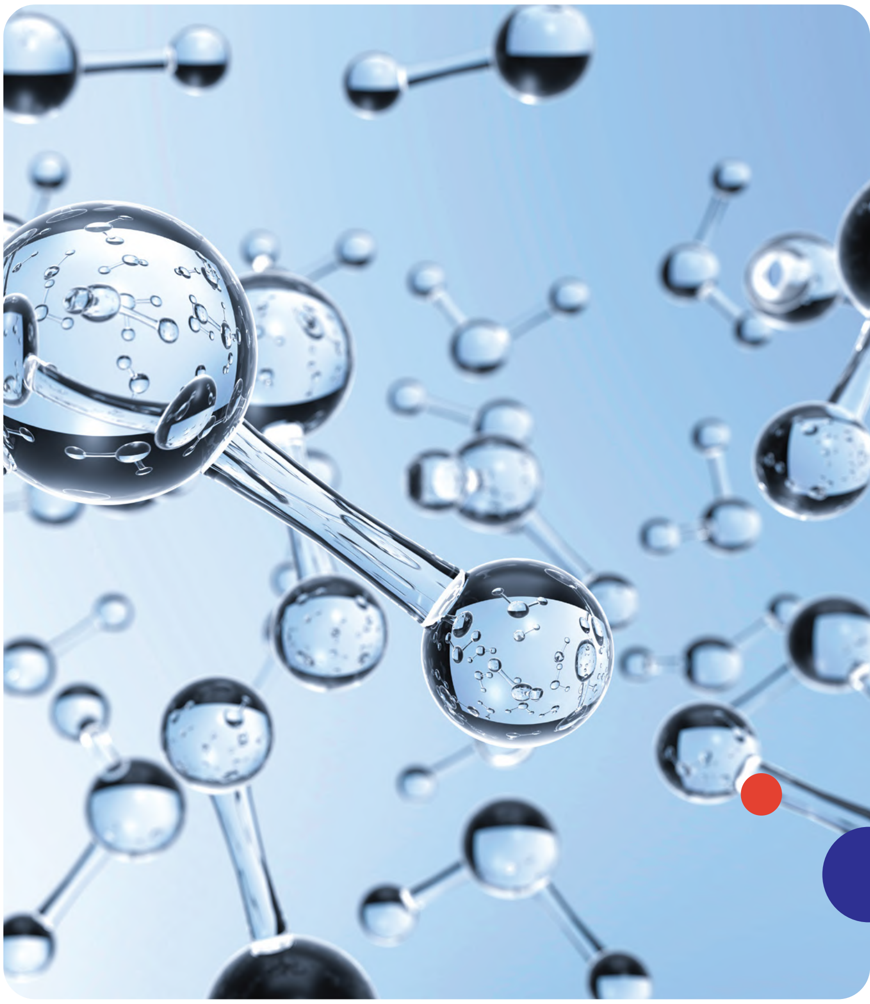
Over the years, Himadri has created a strong product portfolio, improved facilities for advanced R&D and relied on world-class know-how to build a futuristic organisation. Our deep domain knowledge, coupled with an innate ability to imbibe change and foster novel approaches has kept us a step ahead of the competition.

Anode Materials:

- Synthetic Graphite Anode: Capacity and Efficiency Increase
- Natural Graphite Anode
- Hybrid Graphite Anode consisting of Synthetic and Natural Graphite: To imbibe the characteristics of both Synthetic and Natural Graphite to provide a unique Anode solution to the Cell Manufacturers.

Silicon-based Anode Materials:

To store ~9x more lithium ions than graphite enabling higher cell energy density and faster charging. To develop practical (and cost effective) high performance silicon graphite-carbon composite anode materials.



Cathode Materials:

- Next generation Iron based Cathode: with higher capacities
- Alternate Cathode Chemistry: Researching on alternate cathode chemistries to reduce dependence on lithium and other rare materials while improving on performance.

Graphene:

- Usage in EV and Fast Chargers:
- Usage in multiple applications:

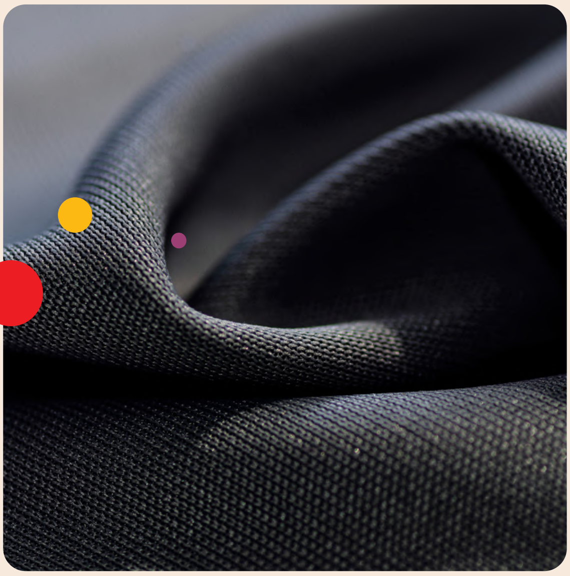
Speciality Blacks

Speciality carbon blacks are widely used in rubber products like automotive sealing and anti-vibration components. They offer superior quality, easy dispersion, and improved processability. These carbon blacks also find applications in plastics, fibers, inks, paints, batteries, and more, providing customized properties to meet specific end-user requirements.

Speciality carbon blacks are extensively used in the plastics sector as colorants, UV-resistant additives, and for achieving electrical conductivity. They find applications across various segments including printing inks, paints & coatings, batteries, adhesives & sealants, and more. Our carbon black stands out for its versatility, compatibility, purity, availability, and competitive pricing, enabling exceptional performance in a wide range of applications.

Our New Speciality Carbon Black Grades

We are a leading manufacturer of speciality carbon black, renowned for our seamless integration of research and technology, and commitment to futuristic development practices. We have successfully produced premium grades of speciality carbon black that have found widespread use across various industries, enhancing our global market reach. Under the brand names ONYX, JETEX, KLAREX and ELECTRA, our product basket offers top-of-the-line speciality blacks that have gained prominence in all major regions. These speciality blacks are highly valued in applications such as mechanical rubber goods, films and general plastics, engineering plastics, fibre, inks and coatings, and wire & cable segment.



ONYX

Speciality Carbon Blacks are premium grades that offer deep black color and high purity, making them ideal for use in synthetic fibers, high-performance plastics, and U.S. FDA-compliant applications. These carbon blacks can help customers meet demanding performance requirements without compromising the underlying properties of the polymer.

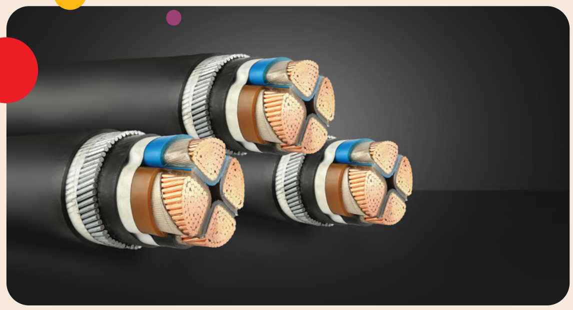
JETEX

Speciality blacks are designed to provide reliable color and UV protection for pressure pipes, plastics film and moulding applications. They meet regulatory requirements for pipe and food contact applications, delivering consistent performance across a range of uses.

KLAREX

KLAREX, "clean" speciality blacks offer low ash and grit levels, which make them easy to disperse and reduce defects, resulting in high processability. KLAREX carbon blacks also enable superior mechanical properties in rubber goods, such as excellent dimensional stability, compression set, and smoothness.

ELECTRA



Speciality blacks offer low sulfur, low ionics, and low physical grit levels, making them ideal for use in products with long lifetimes that require protection against electrostatic discharge. These carbon blacks can deliver conductive performance in power cables and ESD protection in plastics and other applications, helping to prevent damage caused by sudden electrostatic discharge.

The two most recent additions to our burgeoning portfolio of speciality blacks are our COLORX and BARONX speciality blacks.

COLORX

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

BARNOX is our latest innovation in speciality blacks and is a premium-grade pigment that is highly valued in both solvent and aqueous-based coatings and industrial decorative paints.

Our product portfolio is enhanced by an innovation-led approach. It showcases our consistent focus on ensuring quality and customer satisfaction. We continue to invest in research and development to stay ahead of the curve, delivering exceptional products that meet the evolving needs of our clients.

Owing to an unwavering focus on improving our operational processes, we have been able to make significant strides in reducing energy consumption, boosting productivity and maintaining product quality.

As we believe that innovation goes hand-in-hand with sustainability, we produce speciality chemicals in 'Zero Liquid Discharge' facilities. Our Techno-Commercial Team ensures that our innovations are technically sound and commercially viable, benefitting both our customers and the environment. Additionally, we value collaboration and knowledge sharing, as our global knowledge repository keeps us abreast of industry trends and best practices.

15

New grades introduced in Speciality Blacks – for tyres, fibres, powder, coating and other polymer applications

Fuelling sustainable development through EVs

Global EV outlook

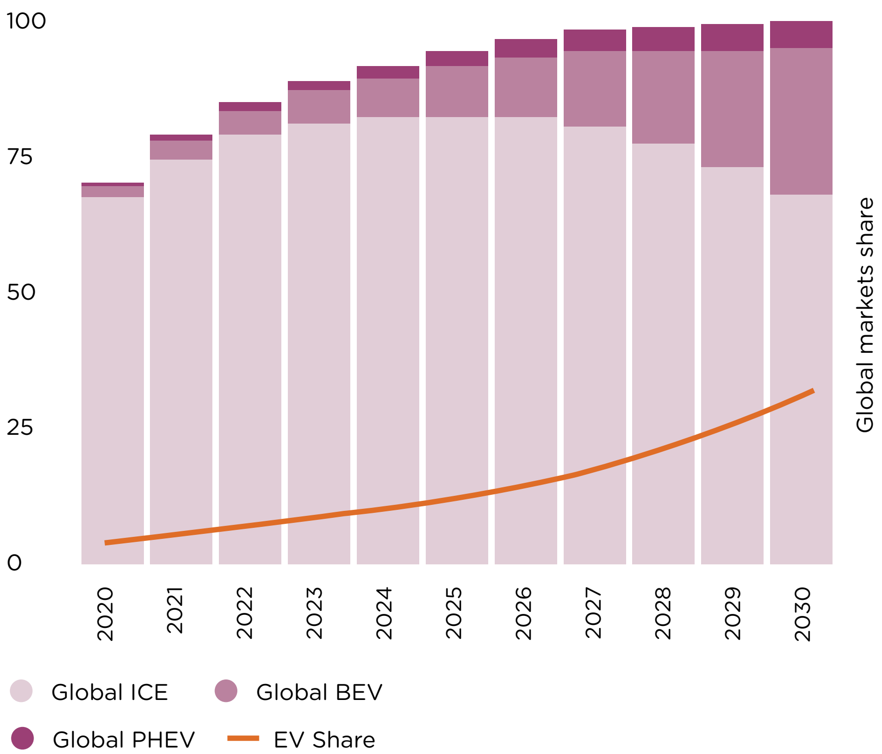
With economies across the globe endeavouring to reduce their carbon footprint and reach net-zero emissions, the world is undergoing a significant shift towards electric vehicles (EVs). Better availability of products, reduced import tariffs for EVs and the introduction of EV incentives in several countries have contributed to the expansion of the EV market.

In 2023, global sales of BEVs and PHEVs are projected to surpass 14 million units.[3] This growth curve is anticipated to continue as more nations adopt policies to promote the adoption of vehicles powered by clean energy.

ONE OF EVERY SEVEN-PASSENGER VEHICLES SOLD GLOBALLY IN 2022 WAS ELECTRIC.[4]

Outlook for annual global passenger-car and light-duty vehicle sales, to 2030

Global passenger car and light duty vehicle sales (in millions)



Electric vehicles, Setting a course for 2030, Deloitte

[3] Global EV Sales, 2023
[4] World Economic Forum, March 2023

India's EV outlook

The Indian electric vehicle (EV) market has witnessed remarkable growth in recent years due to several factors, such as greater demand for eco-friendly transportation, supportive government policies and affordable rental services. Key initiatives, including FAME-II and the PLI scheme, demonstrate the government's commitment to promoting EV adoption and local manufacturing, while the 2023-24 Union Budget and other measures encourage foreign EV imports.

The two-wheeler EV segment has shown impressive growth, driven by the popularity of EV rental services that cater to cost-conscious and environmentally aware consumers. However, challenges such as inadequate charging infrastructure and the higher costs of EVs compared to petroleum-powered alternatives persist. Technological advancements are expected to address these hurdles over time.

As the market evolves and infrastructure improves, electric vehicles are set to become an increasingly popular choice for consumers across India, contributing to a more sustainable future for the country.

Where we come in

At Himadri, we take sustainable development very seriously. Therefore, it's only natural for us to encourage the development of electric vehicles by offering renewable energy solutions. Our Company intends to meet the critical raw material needs of lithium-ion batteries, which are anticipated to play an essential role in facilitating the transition to a sustainable future.

In order to achieve net-zero emissions, we are aligning our efforts with those of the Indian government. By contributing to the development of EVs and other green energy sources, we play a pivotal role in the promotion of a cleaner and healthier environment for future generations.

Sustainable innovation drives our ESG efforts

At Himadri, we continue to manage our operations efficiently by preserving natural resources and developing innovative products to meet the sustainability goals of our stakeholders, nation, and UNGC (United Nations Global Compact) at large. We will be persistent in our pursuit of solving sustainability challenges and achieving our sustainability goals.

As a globally integrated speciality carbon corporation, at Himadri we recognize the pivotal role we play in leading and setting the benchmark in our industry segment. Our unwavering commitment to delivering the best-in-class performance in terms of sustainability underscores our deep sense of responsibility towards our stakeholders.

As we progress on our sustainability journey, we are cognizant of our commitment to the cause, which is not just about acting responsibly, but is also about identifying and acting on opportunities. With our steadfast commitment to sustainability, Himadri has been able to develop innovative technologies that enable us to meet the challenges of today while preserving resources across our entire value chain. By leveraging our expertise, we are continually exploring new ways to enhance our circular economy initiatives, creating a virtuous cycle that generates ongoing value and positions our business for future growth.

Through the power of innovative chemistry and the latest generation of technology, we strive to have a profound impact on elements that sustainably improve our daily lives. Our sustainability objectives unite us and act as a consistent propelling force to deliver the best to our key stakeholders, and the planet at large.

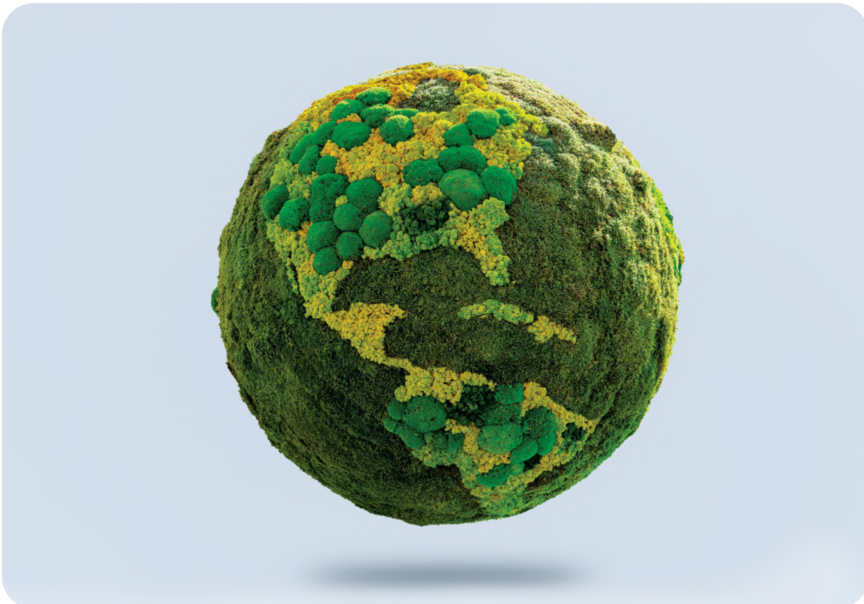
As an organization, we are fully aligned with the universal principles of the United Nations Global Compact (UNGC) and 17 Sustainable Development Goals (SDGs) for acting upon to build a sustainable future for all stakeholders and future generations to come.

Sustainable Development Goal

At the entity level, we along with our value chain partners have adopted BRSR (Business Responsibility and Sustainability Reporting) framework by setting key objectives for the short and long term along with a comprehensive action plan with a defined timeline.

THE KEY PILLARS OF OUR SUSTAINABILITY JOURNEY

1. **Act responsibly for the planet**
2. **Care for our people and communities**
3. **Build a sustainable future in collaboration with our key stakeholders**



1. Act responsibly for the planet

As a leading global manufacturer of speciality chemical products, we understand our responsibilities towards efficient and safe use of natural resources to minimize environmental impact.

We entirely comprehend how environmental issues significantly affect all of us on a national/global scale. Further, our endeavor is for our innovative products to address the sustainability challenges of our customers, our communities, and our planet at large. To deal with climate change by reducing/ eliminating GHG emissions, we are aspiring to support the Nation's vision of net-zero by 2070.

At present our strategy is to reduce our energy intensity in perspective to Scope 1 & Scope 2 emissions enabling us to set a benchmark in our segment of industry. Going forward, we will focus on initiatives to reduce/ neutralize Scope 3 emissions..

We are proud of the fact that our entire value chain is established on by-products from other core industries. As a result, the nature of our business is not creating any direct impact on the depletion of natural resources. Further, we are in pursuit of establishing a circular economy model to craft opportunities to use recycled material from external sources. Our R&D team is putting their best effort to establish a feasible circular economy model.

At present, our key deliverables in this perspective are:

Environment Compliance

- 100% Compliance to local laws on Air, Water, and Solid Waste
- Certification of ISO 14001 management systems for all the plants

Efficient management of Emissions

- Monitoring of emissions with defined frequency
- Gradually reducing emissions by striving to achieve internal targets

Optimizing Energy Intensity (Scope 1 & Scope 2) of our manufacturing processes for each 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
- Adopting waste heat recovery systems wherever possible

Efficient management of water consumption ensuring ZLD (Zero Liquid Discharge)

- Initiating projects to reduce water consumption
- Continue to ensure Zero Liquid Discharge (ZLD) by installing efficient treatment facilities such as Reverse Osmosis (RO), Water Treatment Plant (WTP), Effluent Treatment Plant (ETP) etc.

2. Care for Our People and Communities

We recognize our people as the valuable asset and we believe in creating values for the communities directly/indirectly associated with our business. We are immensely proud to leverage our sustainability spectrum by creating opportunities for our people and communities.

As an employer, we are committed to ensure adequate training, implement safe work processes, and create a safe work environment. Occupational Health and Safety is a crucial aspect of our business framework and a cornerstone of our corporate culture.

In addition we place great emphasis on promoting equal opportunities for growth and building successful careers while respecting ethical boundaries. In that direction, we focus on diversity, inclusiveness, and transparency. We have established a comprehensive framework to

promote and support professional development to attract and retain talent.

As a responsible corporate entity, Himadri understands the collective benefits of partnering with the communities where we operate. We recognize that prosperous and resilient communities are one of the essential pillars for a sustainable future. We are proud of our community engagement programmes, which support and develop communities, bringing about positive differences.

Our key deliverables in this perspective are:

- **Occupational Health & Safety**
- Zero Accident Vision (ZAV) – Achieving and Sustaining Zero LTIFR
- Comprehensive HSE framework – Deployment of non-negotiable safety standards, comprehensive risk assessment and mitigation, fail-safe processes/ engineering, emergency preparedness etc.
- Addressing failure (accident, dangerous occurrences), initiating comprehensive investigation, and closing the loop by deploying requisite corrective and preventive actions
- Certification of ISO 45001 management systems for all the plants

- **Equal Opportunity, Growth & Diversity**
- Compliance framework aligned with local laws with defined action plan
- Framework and action plan for protecting human rights and providing equal opportunity for growth and development
- Improving gender diversity across the organization
- **Community engagement**
- Promoting education
- Making healthcare accessible
- Community development enhancing quality of life

3. Build Sustainable Future in Collaboration with our key stakeholders

While we believe in integrating sustainability into our direct operations and research initiatives, we understand and appreciate the importance of incorporating sustainability throughout the value chain.

We believe in maximizing our impact and promoting responsible business practices across our value chain by harnessing our influence and collaborative potential with our customers and partners, to enhance efficiency and create value. We actively engage with our customers to collaborate for developing products that impart sustainability benefits such as increased durability and energy efficiency. In addition, we collaborate with our suppliers to help them in improving their sustainability performance. Improving the overall impact of our value chain is dependent on our close collaboration with our customers and suppliers. Together, we strive to address the pressing sustainability challenges of our time and enhance our collective sustainability performance through the pursuit of innovative solutions.

Our investment decisions and growth strategies are fully attuned to sustainable business practices, compliance with local laws, and United Nations Global Compact. Our vision is to stay invested in research and develop sustainable products in collaboration with our esteemed customers.

We are dedicated to conducting business with the ethical standards throughout our entire value chain.

Our key deliverables in this perspective are:

- **Developing sustainable products through innovative research to reduce CO_2e emissions**
- **Responsible sourcing**
- Sustainability assessment of value chain partners
- Collaborating with strategic value chain partners for responsible sourcing

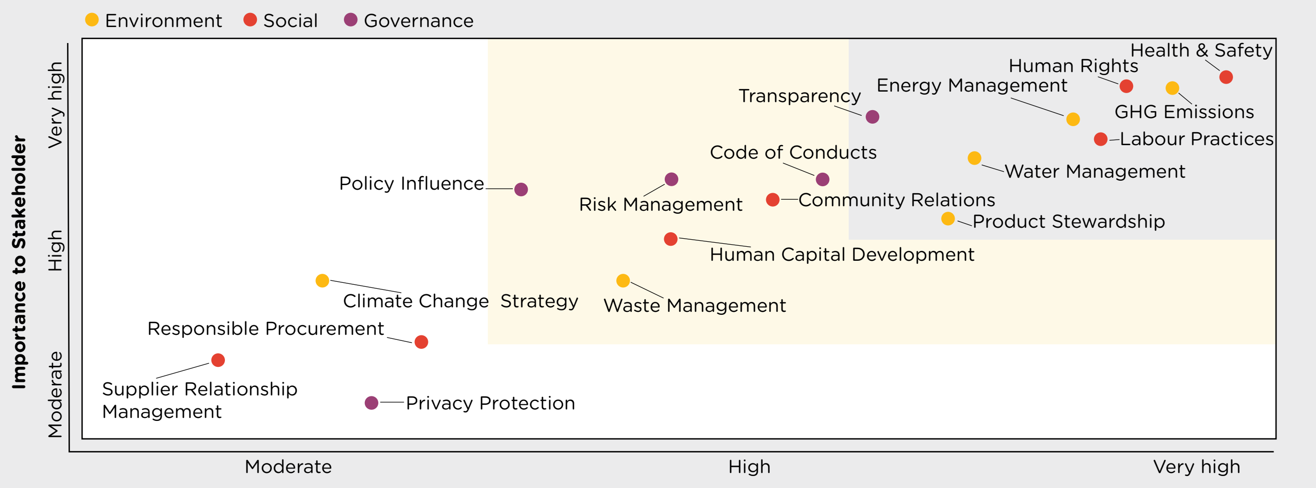
MATERIALITY ASSESSMENT

We have developed organizational-level practices throughout the years to allow open and constructive discussions with our stakeholders. It strengthens our grasp of pertinent issues and assists us in identifying the characteristics of stakeholders that make them valuable to our business and need meaningful involvement. The feedback we receive from these stakeholders also assists us in properly prioritizing issues and closely aligning our strategic approach with their expectations.

We performed an extensive stakeholder engagement effort to revisit the ESG topics that are important to value creation in the context of the developing global sustainability landscape.

Materiality is defined as "those topics that have a direct or indirect impact on an organization's ability to create, preserve, or erode economic, environmental, and social value for itself, its stakeholders, and society at large" by the GRI G4 Guidelines.

In financial year 2023, we performed our first full materiality assessment to identify ESG-related topics that have a material impact on our operations and stakeholders. The goal of determining 'materiality' is to assist the organization in understanding ESG issues that are important to its stakeholders. As a result of this understanding, ESG strategy and execution become more in sync with stakeholder priorities, as well as more robust in terms of producing impact and navigating risk. Based on comprehensive materiality assessment survey involving various stakeholders, 18 critical material topics have been identified as indicated below.



Stakeholders include Investors, Suppliers, Customers, Reporing standards and frameworks (Including aspects considered by peers), employees of Himadri.

Rank	Material Issues
1	Health & Safety
2	GHG Emissions
3	Human Rights
4	Energy Management
5	Labour Practices
6	Water Management
7	Transparency
8	Product Stewardship
9	Code of Conducts

Rank	Material Issues
10	Community Relations
11	Risk Management
12	Human Capital Development
13	Waste Management
14	Policy Influence
15	Climate Change Strategy
16	Responsible Procurement
17	Supplier Relationship Management
18	Privacy Protection

Management Discussion and Analysis

Economy overview

Global economic overview

In 2022, global economies faced significant headwinds as a result of broadening inflationary pressures and rising energy costs due to geopolitical strife in Europe. Global economic activity has also started slowing significantly as a result of monetary policy tightening to combat inflation, less favourable financial conditions and supply chain disruptions caused by geopolitical tensions. The sudden surge of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery.

Global inflation is likely to decline from *8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024. The emerging and developing economies of the world are expected to play a major role in accelerating global economic growth going forward.[1]

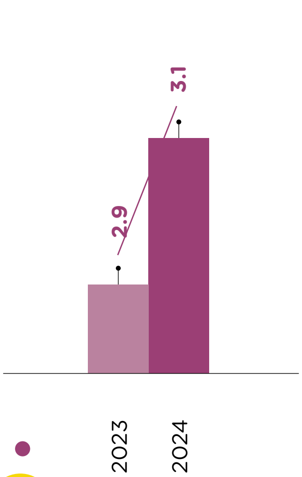
Outlook

'Easing economic headwinds make way for a stronger recovery'

According to the latest report by the IMF, the global growth rate is estimated to slow down to 2.9% in CY23. However, global growth is expected to be back on track from CY24, increasing by 3.1% in CY24.

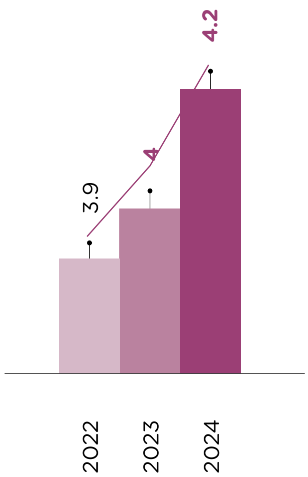
Global economy GDP projections

(in %)



Emerging market and developing economies GDP projections

(in %)



India and China are anticipated to contribute more than 50% of growth in the world's GDP in CY23, according to the IMF**.

* Source: IMF

** IMF Blog, May 2023

1 IMF World Economic Outlook, April 2023

Indian economy overview

The Indian economy remained remarkably resilient to global challenges in 2022. According to the first advance estimates by the National Statistical Office (NSO), the Indian economy is estimated to expand by 7% in FY23, following the 8.7% growth in the previous financial year. However, India's economy continues to grow at one of the highest rates, outpacing the major emerging and developing economies, including China. It registered a broad-based expansion of 9.7% from April to September 2022, supported by robust domestic demand and upbeat investment activity. Waning input cost pressures, strong retail consumption and an increase in fixed asset expenditures mark the beginning of an upturn in India's capex cycle, which will contribute to the acceleration of the Indian economy's growth momentum.[2]

Economic activity and human consumption have grown steadily, as reflected by high-frequency indicators such as GST collection statistics, direct tax collections, increasing railway freight, E-WayBills, air traffic and PMI data.

The Indian government has bolstered the overall yearly budget by 7.5%, to ₹ 45 lakh crore. The CAPEX allocation has also grown, increasing by 37.40% from the previous year to ₹ 10 lakh crore. This is expected to result in a gradual upswing in economic activity in the country.[3]

Outlook

GDP projections

(in %)

India remains the fastest-growing G-20 country. Backed by its strong policies, the economy is anticipated to recover quickly from these global headwinds. The government's emphasis on capex and strengthening the private sector's intent to spend is likely to bolster investment demand.

Demand circumstances in India remain favourable for economic growth. India enters the new fiscal year with optimism, bolstered by underlying and overall macroeconomic stability, and vigilance against geopolitical and geo-economic concerns.

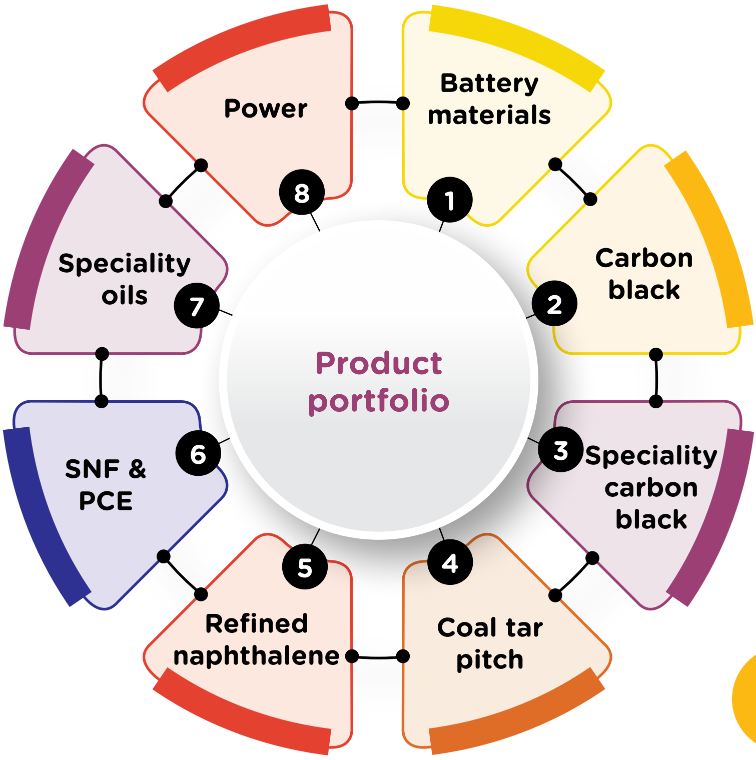
[2] Press Information Bureau, March 2023

[3] Increase in Capital Expenditure, PIB February 2023

Company overview

Himadri Speciality Chemical Ltd (hereafter referred to as 'the Company' or 'it' or 'Himadri') was Incorporated in 1987 and is one of India's leading carbon enterprises with unique business vertical integration. It is based in Kolkata, West Bengal, and serves both domestic and international customers. It has world-class manufacturing facilities in India and China.

The Company is a leading market player in multiple product segments such as coal tar pitch, carbon black, naphthalene and refined naphthalene, SNF, speciality oils and so on. Through forward integration, it has recently expanded its product line to include battery materials and other value-added speciality products. Lithium-ion batteries, aluminium, graphite, infrastructure, tyres, mechanical rubber goods, plastic, dyes and intermediates are just a few of the sectors it serves.



35+ years

Of Existence

8

'Zero Liquid Discharge' world-class manufacturing facilities

Battery Materials

India's energy demand is set to surpass that of any other country in the coming decades due to its vast size and potential for growth and development. To combat climate change, India has announced its intention to achieve net zero carbon emissions by 2070 and generate 50% of its electricity from renewable sources by 2030. This is a landmark moment in global efforts to tackle climate change.

India's renewable energy sector is the world's fourth most attractive market for renewable energy. The installed capacity for renewable power generation has gained momentum in recent years, with a compound annual growth rate (CAGR) of 15.92% between the financial years of 2016 and 2022. According to estimates from the Central Electricity Authority (CEA), renewable energy generation is expected to increase from 18% to 44% by 2029-30, while thermal energy's share is projected to decrease from 78% to 52%. The CEA also predicts that India's power requirement will reach 817 GW by 2030.[4]

To meet this demand for renewable energy and achieve net zero carbon emissions, energy storage systems (ESS) and electric vehicles (EVs) will play a significant role. Lithium-ion batteries (LIB) and other energy storage batteries will become an essential part of the new energy revolution that India and the rest of the world will experience in the years to come.

Application industry

Lithium-ion batteries

A lithium-ion (Li-ion) battery is a rechargeable battery that employs the reversible reduction of lithium-ions to store energy. This technology is widely used in portable consumer electronics and electric vehicles and is also prevalent in grid-scale energy storage, military, and aerospace applications. In comparison to other rechargeable battery technologies, Li-ion batteries possess high energy densities, low self-discharge, and no memory effect. These qualities make them an ideal choice for a broad range of applications.

[4] Renewable Energy Investment, Economic Survey 2023

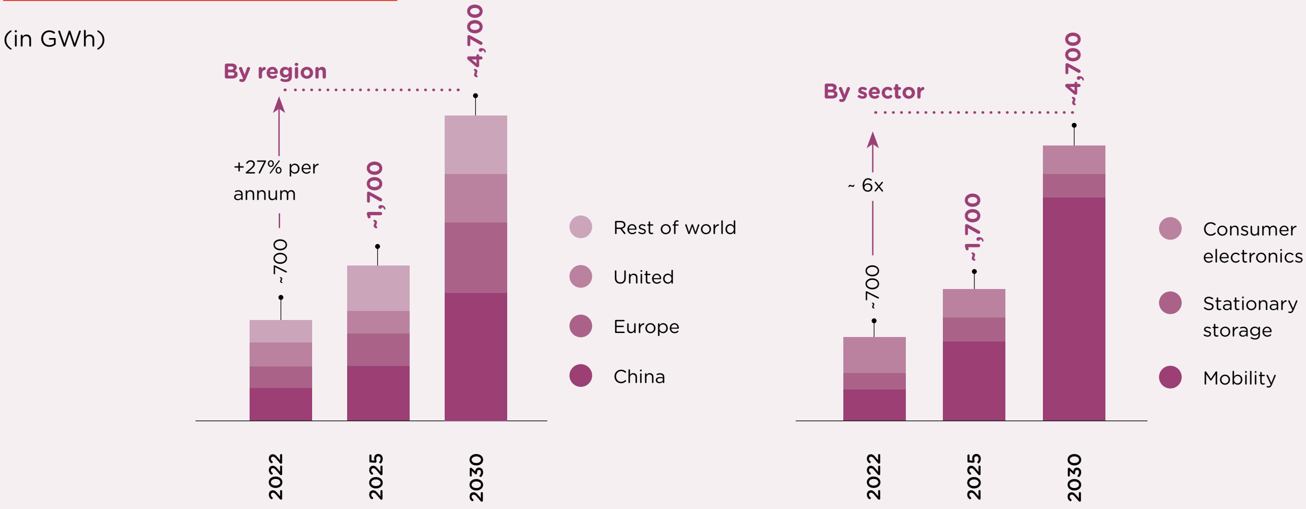
Global Lithium-ion battery industry

The global demand for lithium-ion (Li-ion) batteries is anticipated to skyrocket over the next ten years. It is estimated that the required number of gigawatt-hours (GWh) will rise from around 700 GWh in 2022 to roughly 4.7 terawatt-hours by 2030. The rising demand for Li-ion batteries across industries is expected to lead to a five-fold increase in revenues across the entire value chain, from about $85 billion in 2022 to over $400 billion in 2030.[5]

Active materials and cell manufacturing are likely to represent the largest revenue pools. It is worth noting that mining is not the only way to obtain battery materials, as recycling is also a viable option. Although the recycling segment is expected to remain relatively small in 2030, it is projected to grow more than three-fold in the subsequent decade, particularly as more batteries reach the end of their useful lives.

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

Global Li-ion battery cell demand



Including passenger cars, commercial vehicles, two-to-three wheelers, off-highway vehicles, and aviation. Source: McKinsey and Company, January 2023

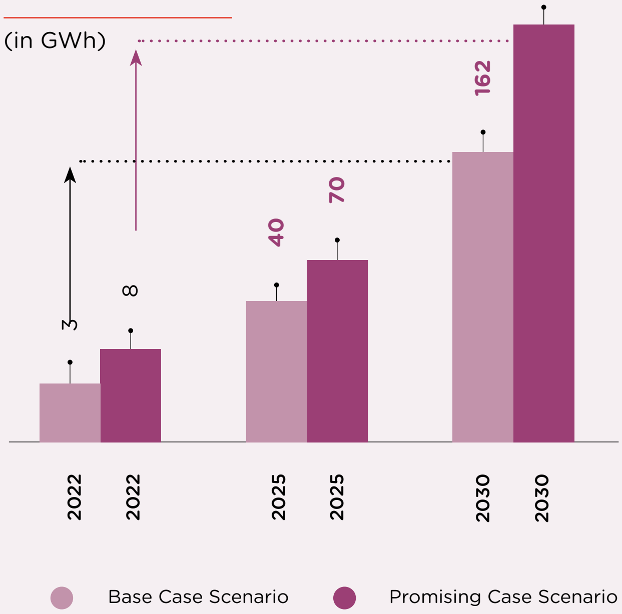
India Lithium-ion battery industry

India is expected to witness a significant increase in the annual demand for lithium-ion batteries (LIB) over the coming years. According to estimates, this demand is projected to increase to 162 GWh at a CAGR of 44% under the base scenario and 260 GWh at a CAGR of 74% under the promising scenario.

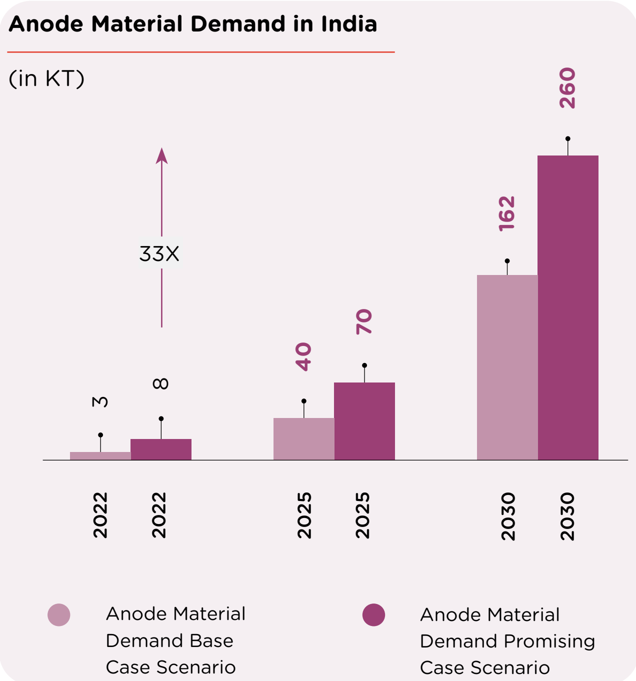
The rising demand for LIBs in the Indian market is likely to create a sustainable demand for the critical raw materials that are essential for the production of these batteries, including anode and cathode materials. Anode and cathode materials are crucial components of the LIB, accounting for approximately 60% of the total cost and 55% of the total weight of the battery.[6]

As per estimates, the annual demand for anode material in India is expected to increase significantly over the next decade. Under the base scenario, this demand is projected to grow to 162 kilotons (KT) by 2030, while under the promising scenario, it is anticipated to reach 260 KT.[7]

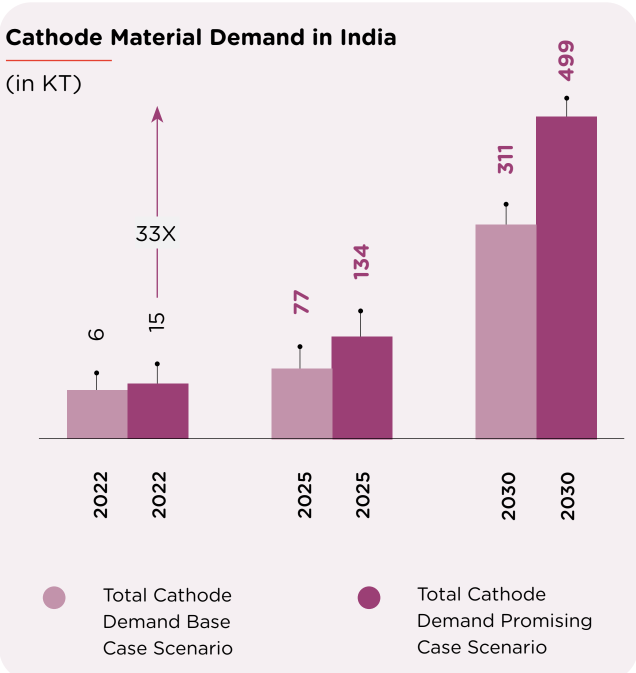
Li-ion battery cell demand



[5] Automotive Industry Insights, McKinney March 2023
[6] NITI Ayog Report, September 2022
[7] Council on Energy, Environment and Water



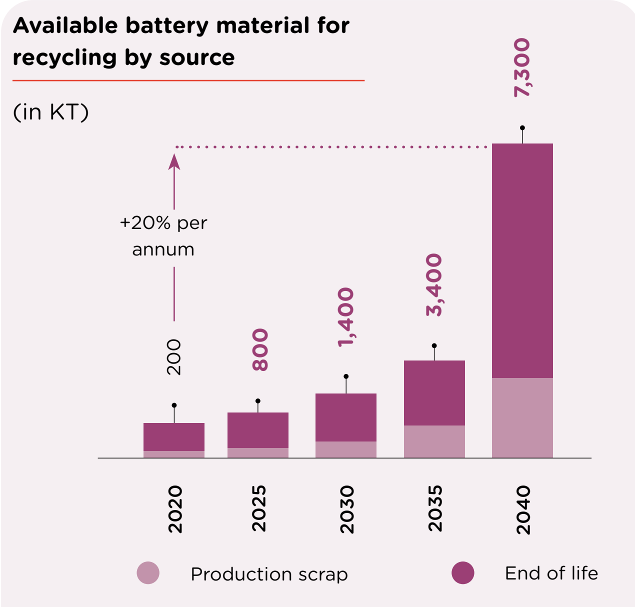
The Annual Demand for Cathode Material in India is also scheduled to grow to 311 KT on a base scenario and to 499 KT on a promising scenario by 2030.



Life Applications and Recycling Market

As the demand for Li-ion batteries continues to grow, battery manufacturers are exploring new opportunities in recycling to ensure a sustainable supply chain. This approach involves the collection, recycling, reuse, or repair of used batteries to create a closed-loop, domestic supply chain.

Recycling holds enormous potential in the industry, with estimates suggesting that the recycling sector alone could generate a profit pool of $6 billion by 2040. By this time, revenue in the recycling sector could exceed $40 billion, representing a three-fold increase from 2030 values.[8]



Values represent an average across all battery types. Source: McKinsey Battery Insights, 2022

A Glimpse of National-Level Schemes

The Indian government has taken significant steps towards promoting sustainable mobility, including the introduction of policies aimed at increasing the adoption of electric vehicles. By 2030, it aims to transition all government vehicles to electric vehicles, and it also plans to phase out all commercial fleets and supply vehicles powered by fossil fuels in every city by the same year.

To achieve these ambitious targets, it is essential to ensure coordination among consumers and commuters and create awareness about the need for sustainable mobility. By working together towards a shared goal of a greener India, we can make significant progress in this direction.

Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME II) – Demand incentives

- The Indian government is actively promoting the adoption of electric vehicles by providing capital subsidies for the implementation of EV charging stations through the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India (FAME) Scheme Phase II.
- The government of India offers an incentive of INR 15,000 per kWh, with a cap of 40% of the total

[8] Automotive Industry Insights, McKinsey March 2023

vehicle cost for two-wheelers, and INR 10,000 per kWh for e-3W and e-4W, with a cap of 20% of the total cost of the vehicle.[9]

- The Indian government is currently involved in the installation of 2877 electric vehicle (EV) charging stations across 25 states and union territories (UTs) in the country.[10]
- An additional 1576 EV charging stations have been sanctioned to be set up along more than 15,000 km of highways and expressways.[11]

Production-linked incentive (PLI) Scheme

- An amount of INR 18,100 crore has been allocated for the manufacturing of 50 GWh of Advanced Chemistry Cells (ACC).[12]
- The manufacturing plant is expected to be established within 2 years, by 2024. The incentives will be distributed over a span of 5 years.
- The cell manufacturers are required to achieve a minimum of 25% domestic value addition (VA) within 2 years and 60% VA within 5 years.[13]

State EV Policies

To support the national efforts towards sustainable electric mobility, several states have introduced their own EV regulations. These policies are currently in place in 50% of the states and involve the following measures:

- Provision of financial incentives for purchasing electric vehicles, exemption from road taxes and car registration fees, and access to low-interest loans for EV purchases.
- The encouragement of the use of electric vehicles in the last-mile delivery services and public transportation by providing incentives.
- Development of battery production infrastructure for EVs and the establishment of accompanying charging infrastructure.

Opportunities

Himadri Battery Materials aims to capitalize on the current policies of India and the world, to cater to the demand for Critical Raw Materials necessary for Lithium-Ion Batteries (LIB).

Carbon Black

Carbon black is a form of amorphous carbon produced by the incomplete combustion of petroleum products. It is used primarily as a reinforcing filler in rubber products including tyres, hoses, automotive sealing, conveyor belts and other industries. Over 90% of carbon black is used in rubber applications in India. The balance 10% carbon black is consumed primarily as a pigment in plastics, inks and coatings to provide colour or tinting properties in a wide range of polymers and substrates. Carbon black's properties also enable conductivity and protection against UV damage providing performance in a variety of end-use applications. Given the increasing demand from various industries, including tyres, plastics, inks, coatings and other applications, the carbon black market in India and other regions has been growing steadily in recent years. With over 70% of carbon black used in tyres, the primary growth driver for carbon black is tyre production (including India) which itself is driven by auto manufacturing and miles driven. The non-tyre segment has a more diverse set of growth drivers.   Other key growth markets for carbon black include textiles, durable goods, and agricultural and industrial industries.[14]

Speciality Carbon Black

While most carbon blacks produced are commodity ASTM carbon blacks, there is an increasing demand for speciality carbon blacks which are used in specialized tires and a range of non-tire applications such as synthetic fibre, pressure pipe, power cable, engineering plastics, agricultural film and coatings. Indeed, India's economic growth has bolstered growth in the automotive, construction and packaging sectors thereby driving an increase in demand for speciality carbon black.

[9] Electric vehicle incentives, E Amrit Niti Ayog

[10] Press information bureau of india (April 22)

[11] Press information bureau of india (April 22)

[12] Press information bureau of india (July 22)

[13] Finance bill 2023

[14] Precedence research, carbon black market forecast 2023-2032 (April 23)

Speciality carbon black is used because it offers specific properties delivering product performance in a range of demanding applications, making speciality carbon blacks a differentiated product that realizes more value compared to ASTM carbon blacks. The carbon black industry in India is affected by high import duties, fluctuating raw material prices, and stiff competition from other low-cost producers, such as China. To overcome these challenges India's carbon black industry is investing in new technologies and production processes to improve operational efficiency and reduce costs and environmental impact while enhancing the quality of its products.

The global speciality carbon black market is expected to grow substantially in the coming years, with North America and Europe being the largest markets, although the Asia-Pacific region is projected to witness the highest growth rate. Speciality carbon black is also finding applications in energy storage, as it has excellent electrical conductivity, making it an ideal conductive additive in lithium-ion batteries. As technology advances, the applications for speciality carbon black are expected to increase.

Application industry

Tyre industry

The tyre industry is the largest consumer of carbon black, accounting for more than 70% of demand. Carbon black is an important raw material used as a reinforcing filler in tyres to provide performance and durability while balancing rolling resistance for fuel efficiency. Global demand for carbon back in tyres is expected to grow by almost 4% per year.[15]

In the Indian domestic market, however, the demand for carbon black in India's tyre industry is expected to exceed the global average with an estimated compound annual growth rate (CAGR) of over 7% between 2021 and 2026 driven by India's high economic growth. Higher demand from the automotive sector, additional tyre production, more miles driven and the requirement for high-performance tires, that are both long-lasting and fuel-efficient, are key elements driving growth.[16]

As a result, India's tyre industry is one of the largest and fastest-growing tyre markets in the world. It consists of both domestic and multinational companies that manufacture a wide range of tyres for various applications such as cars, trucks, buses, motorcycles and bicycles, as well as agricultural and construction equipment.

India's tyre industry and the carbon black industry are closely linked, as the growth of one directly impacts the growth of the other. With the rising demand for tyres and the use of advanced technologies and materials, the domestic tyre industry is expected to continue driving the growth of the carbon black industry in India.

The tyre market in India is likely to generate a turnover of USD 3 billion in the next three years and cross a turnover of INR 1 lakh crore, as per a report by the Automotive Tyre Manufacturers Association (ATMA). This growth is facilitated by fresh capacity additions and enhanced production. The investments have been made in a challenging period throughout all key tyre segments, with Truck & Bus Radials (TBR) and Passenger Car Radials (PCR) manufacturing being the major beneficiaries.

The policy environment in India is aimed at encouraging competitiveness in the industry, through investments in research and development. According to the ATMA report, the Indian tyre industry saw a 16% increase in

exports during the first half of FY23 compared to the same period last year. This has resulted in an expanded market for tyre manufacturers, leading to increased emphasis on exports.[17]

Mechanical rubber goods

After tyres, mechanical rubber goods (MRG) represent the next largest market representing approximately 20% of demand. As with tyres, carbon black has important reinforcing properties that improve performance in rethreading, hoses, seals, belts, joints and other rubber goods. Similar to tyres, the primary growth driver is the automotive industry but also manufacturing, construction and other industrial productions.

[15] Chemanalyst

[16] Economic times

[17] Atmaindia

Plastics, inks and coatings

Carbon black is a highly versatile material that also finds widespread application in non-rubber applications across a wide range of industries including automotive, industrial, agricultural, and consumer goods. Non-rubber applications account for approximately 7% of carbon black demand with plastics being the largest. In plastics, speciality carbon blacks are used in both extruded and moulded plastic parts, including wire and cable, plastic pipe, automotive plastics, synthetic fibre, electronics packaging and numerous other applications. In addition to providing colour, carbon black is also used to enhance properties such as UV protection and electrical conductivity. The plastics industry is typically serviced through carbon black masterbatches in a variety of polymers including polyolefins and engineering plastics. While speciality carbon blacks are used extensively for colour and opacity in extruded film and moulded parts, it is also used to provide UV protection in agricultural films as well as water and gas transmission pressure pipes. Carbon black also provides conductivity in power cables as well as in electrostatic dissipative (ESD) applications such as automotive fuel systems and in electrical & electronics applications. For inks and coatings applications, a powder version of speciality carbon black is used primarily for mass tone and tinting applications such as newspaper inks, packaging inks as well as industrial, architectural and automotive coatings.

The diversity of carbon black applications is further demonstrated in its usage in many other markets, such as adhesives and sealants, mulch, metallurgy, graphite and carbon products, batteries, paper, high-temperature insulation and refractories, leather, vinyl dispersions and building products.

Coal Tar Pitch

Coal tar pitch (CTP) is an important raw material used in the production of carbon anodes, which are used in the smelting of aluminium. India is one of the major producers of aluminium in the world and therefore has a significant demand for CTP. CTP is a critical component in aluminium production and impacts the quality as well as cost of production of aluminium. CTP is used as a binding and impregnating agent in the production of graphite electrodes used in electric arc furnaces in steel plants. CTP is also used as a base for coatings and paint, in roofing and paving, and as a binder in tar products.

The CTP business in India has been growing, fuelled by the expansion of the aluminium sector and rising demand for carbon products such as electrodes and anode material. Coal tar pitch is also used to make high technology products like carbon fibres, anode for lithium-ion batteries (LIB), among others. The sector faces a few challenges like the volatility in the metal sector. However, the demand for CTP is largely inelastic. The aluminium smelters cannot reduce production/ shutdown during a downturn owing to the significantly high cost of starting afresh.

Application industry

Aluminium industry

'The metal of the future'

Aluminium is often referred to as the metal of the future for several reasons, one of which is its position as the second most widely consumed metal in the world. As of April-January 2022-23, the global production of primary aluminium metal was approximately 58.19 million tonnes, exceeding the world's consumption of 57.64 million tonnes, resulting in a surplus of 0.55 million tonnes. India's contribution to the world's primary aluminium production stood at approximately 5.8% from April-December 2022, highlighting the country's significant role in the global market.[18]

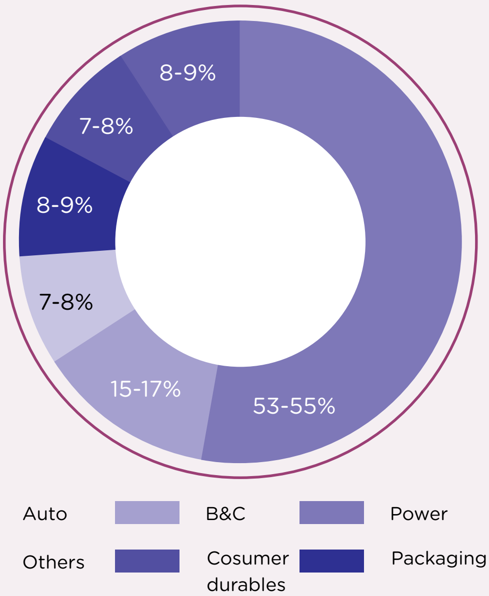
[18] International aluminum organisation

Aluminium is important for the global shift towards lower carbon emissions, and its manufacturing has a positive impact by promoting vertical integration in strategic and emerging sectors. Supporting its growth is crucial for India to achieve its goal of generating more employment and achieving stable, long-term growth. India has the potential to become a leading global hub for aluminium production due to its abundant raw material availability, diverse skilled labour pool, considerable domestic demand, and strategic geographic location.

India is already among the lowest-cost producers of aluminium in the world, which should help sustain the high share of exports in the revenue mix. India exported more than half of its annual output over the past five fiscal years.[19]

Key end-use segments and rationale for usage of aluminium (fiscal 2022)

Primary aluminium



*Others include defence, aerospace, machinery and equipment amongst others; B&C: Building and construction Source: Industry, CRISIL research

Graphite industry

The production of steel and other non-ferrous metals requires the use of graphite electrodes in the Electric Arc Furnace (EAF) and Laddle Furnace (LF) processes. The demand for graphite electrodes is heavily influenced by the steel industry, which is experiencing a surge in demand due to government infrastructure projects. As a result, manufacturers worldwide are producing larger volumes of steel, leading to a rise in demand for graphite electrodes in EAFs. These electrodes are made of binder-graded coal tar pitch, calcined needle coke, and impregnation-grade CTP.

The steel market is expected to experience robust growth in the near future, fuelled by the increasing production of steel in emerging economies and the growing availability of steel scrap. The adoption of Electric Arc Furnace (EAF) technology in steel production is likely to create opportunities for the market in the foreseeable future. Steel manufacturers' shift towards the more environmentally-friendly EAF process is also expected to drive sustainable demand for graphite electrodes in the long term.[20]

[19] Construction Week Online

[20] Graphite Electrode Market Research, ReportLinker, April 2023

Refined Naphthalene

The refined naphthalene industry in India has demonstrated considerable expansion in recent years. India is one of the leading producers of naphthalene. The industry is expected to grow further due to the increasing demand for naphthalene-based products. Naphthalene is a white crystalline substance that is used in the production of various chemicals, including phthalic anhydride, naphthalene sulfonates and pesticides.

The growth of the industry is attributed to the expansion of the chemical and pharmaceutical sectors in India, which are major consumers of naphthalene. 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.

Overall, the outlook for the refined naphthalene industry in India is positive. It is expected to continue to grow in the coming years due to the increasing demand for naphthalene-based products.

Sulphonated Naphthalene Formaldehyde (SNF) and Polycarboxylate Ether (PCE)

Sulphonated Naphthalene Formaldehyde (SNF) and Polycarboxylate Ether (PCE) are two common varieties of concrete admixtures used in the construction industry. Admixtures are chemicals that are added to concrete to improve its properties, such as workability, strength and durability. The use of SNF and PCE admixtures has also helped reduce the environmental impact of concrete production by reducing the amount of cement required in the mix. This has led to a reduction in greenhouse gas emissions associated with cement production.

SNF is a water-soluble polymer that is derived from naphthalene, formaldehyde and sodium sulphite. It is commonly used as a dispersant in concrete to improve the flowability and workability of the mix. SNF can also reduce the water content of the concrete, which can result in enhanced strength and durability.

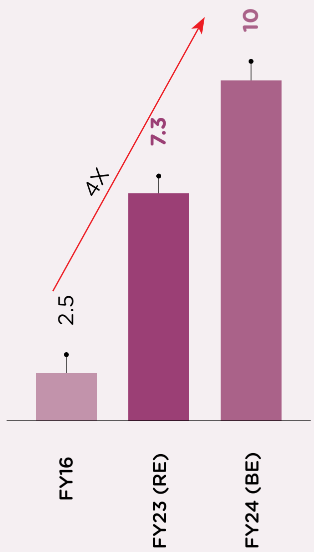
PCE is another water-soluble polymer that is used as a superplasticiser in concrete. It is composed of acrylic acid and its derivatives. PCE can significantly improve the workability of concrete by reducing its viscosity and increasing its slump. It can also improve the strength and durability of the concrete.

The demand for high-performance concrete in the construction industry continues to rise, making India's industry outlook for SNF and PCE promising. India is the world's second-largest producer of cement. The use of concrete admixtures such as SNF and PCE has become increasingly popular in the construction industry. The growth of the construction industry in India, particularly in urban areas, is expected to drive the demand for SNF and PCE in the coming years.

Growth drivers

Increasing Capital Expenditure of Union Government

(₹ Lakh Crore)

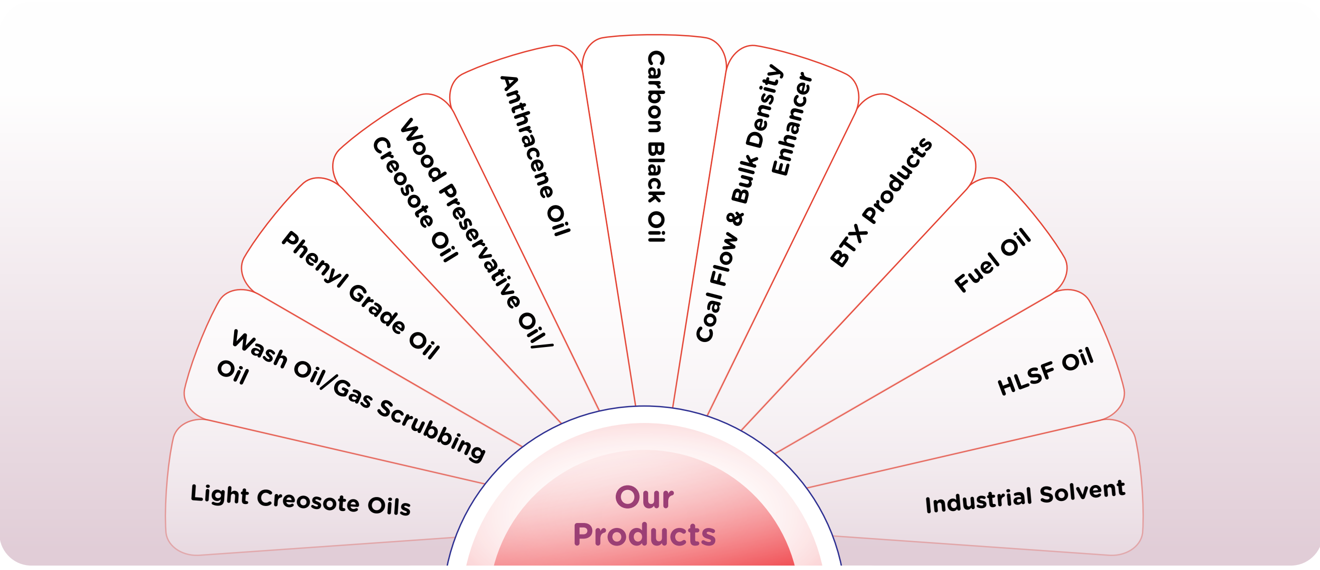


- The Indian government's focus on infrastructure development, particularly in the areas of housing, highways and railways, is also expected to drive demand for SNF and PCE in the construction industry
- A recent study has projected that India's real estate sector will reach a market size of USD 1 trillion by 2030, which will contribute 18-20% to India's GDP. This growth is indirectly going to boost the demand for chemical admixtures
- The Government of India strongly emphasises sustainable and eco-friendly construction practices. This is expected to accelerate the adoption of SNF and PCE in the construction industry

Overall, the Indian industry outlook for SNF and PCE is favourable, with strong growth potential fuelled by the construction industry's increasing demand for high-performance, sustainable concrete.

Speciality oils

Himadri has created a range of oils that are tailored to meet the needs of various industries. These oils are obtained as by-products of the Company's advanced multi-stage coal tar distillation procedure. Unlike the traditional batch process, its distillation method is continuous and involves a sequence of fractional distillation columns. During this process, the Company cuts out specific grades of oil that are required for the end products. Finally, it blends different cut oils in precise ratios to produce customised products that satisfy the specific downstream requirements of our client's product processing needs. This comprehensive approach allows the Company to provide high-quality, tailored solutions to its consumers in various industries.



Power

The Company generates clean and green power, which is sold to the state electricity grid and also consumed in-house. The Company accomplishes this by employing low-calorie waste gas that is emitted from the carbon black process. Using this waste gas, high-pressure and high-temperature steam in specially designed boilers is produced. This steam is then used to drive the turbo-generators to generate power. By using the leftover gas that would have been otherwise wasted, the Company is fulfilling its commitment to energy conservation and environmental protection.

The use of waste gas in boilers is an innovative way to generate power without harming the environment. This process not only reduces the carbon footprint of the Company but also helps reduce the emission of harmful pollutants.

Financial highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	FY23	FY22	FY23	FY22
Revenue from operations	4,171.84	2,791.31	4,171.84	2,791.32
Earnings before interest, tax, depreciation, amortisation and foreign exchange fluctuation (EBITDA)	408.17	161.59	419.00	162.88
Profit Before Tax (PBT)	271.81	79.47	280.25	53.47
Profit After Tax (PAT)	207.81	65.06	215.86	39.05
Basic Earnings Per Share (EPS) (in ₹)	4.94	1.55	5.13	0.98
Diluted Earnings Per Share (EPS) (in ₹)	4.94	1.55	5.13	0.98

The Board has recommended to the shareholders a final dividend of ₹ 0.25 per equity share of ₹ 1 each (i.e. 25% of face value of equity share) for FY23

Changes in Financial ratios and Change in Return on Net worth:

During FY 2022-23, 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 2022-23	FY 2021-22	Variance (%)	Explanation for change in the ratio by more than 25%
1 Debtors Turnover (Sales/ Average Debtors)	8.10	5.66	43.11%	Increase in sales and collection efficiency
2 Inventory Turnover (COGS/ Average Inventory)	4.96	4.06	22.17%	NA
3 Interest Coverage Ratio (EBITDA/Interest)	8.39	5.61	49.56%	Increase in EBITDA and reduction in interest resulted in improvement in interest coverage ratio
4 Current Ratio (Current assets/Current liabilities)	1.51	1.18	27.97%	Increase in liquid assets and reduction in trade payables resulted in improvement in current ratio
5 Debt Equity Ratio (Net Debt/ Equity)	0.09	0.17	-48.36%	Decrease in Net Debt and increase in profitability led to improvement in Debt Equity ratio
6 Operating Profit Margin (%) (EBITDA/Revenue)	9.78%	5.79%	68.97%	Increase in operating profit resulted in improved profit margin
7 Net Profit Margin (%) (PAT/ Revenue)	4.98%	2.33%	113.66%	Increase in net profit resulted in improved profit margin
8 Return on equity (PAT/ Average equity)	10.34%	3.71%	179.09%	Increase in profitability led to increase in return on equity

Research and development (R&D)

'We care, we innovate'

- Research and Development (R&D) is at the core of Himadri's business. The strong and comprehensive R&D competencies serve as the foundation for innovation and inspiration across the Company's businesses. Our success and leadership positions depend on the sustainable growth of our business through research, development and innovation in sync with the adoption of major transforming technologies. The Company is appreciated for its excellence over time.

- The Company's state-of-the-art R&D labs has been recognised by National Accreditation Board for Testing and Calibration Laboratories (NABL) one of the constituent boards of the Quality Council of India (QCI). The Company has a proficient and experienced R&D team comprising national and international experts. The continuous investments in R&D by the Company have made it excel over time. The product innovation pipeline of the Company successfully expresses and demonstrates the direct outcome of the R&D investments. Utilising the investments in the development of high-value products developed using proprietary techniques gives the Company a competitive edge in terms of its product offerings. The innovations, carried under process development, have helped achieve overall efficiencies, resulting in reduced product cost, improved quality and better yield. With an innovation-led approach, the Company has been prioritising the creation of new products, notably in the field of Lithium-ion Battery (LIB) materials.

- The Company has been making consistent efforts to reduce its energy consumption and carbon footprint in certain processes through innovative techniques.
- The Company focuses its R&D efforts in all three areas - Product, Process and Technology.

Product

- The strong product development pipeline of the Company stands testament to its continuous focus on the development of innovative and trend-leading products. It has also helped the company to continuously value-add and play across the overall value chain.

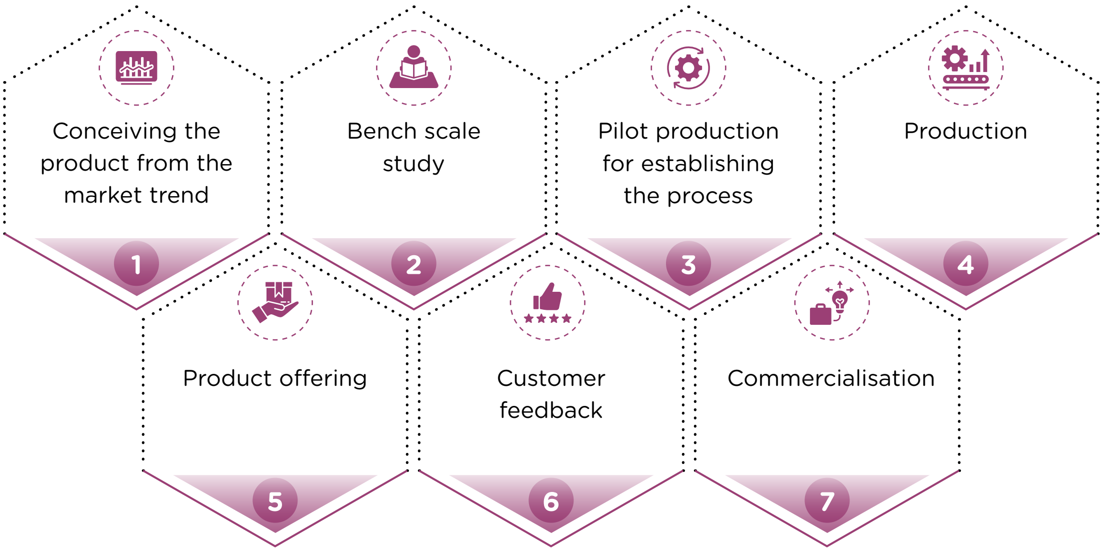
Process

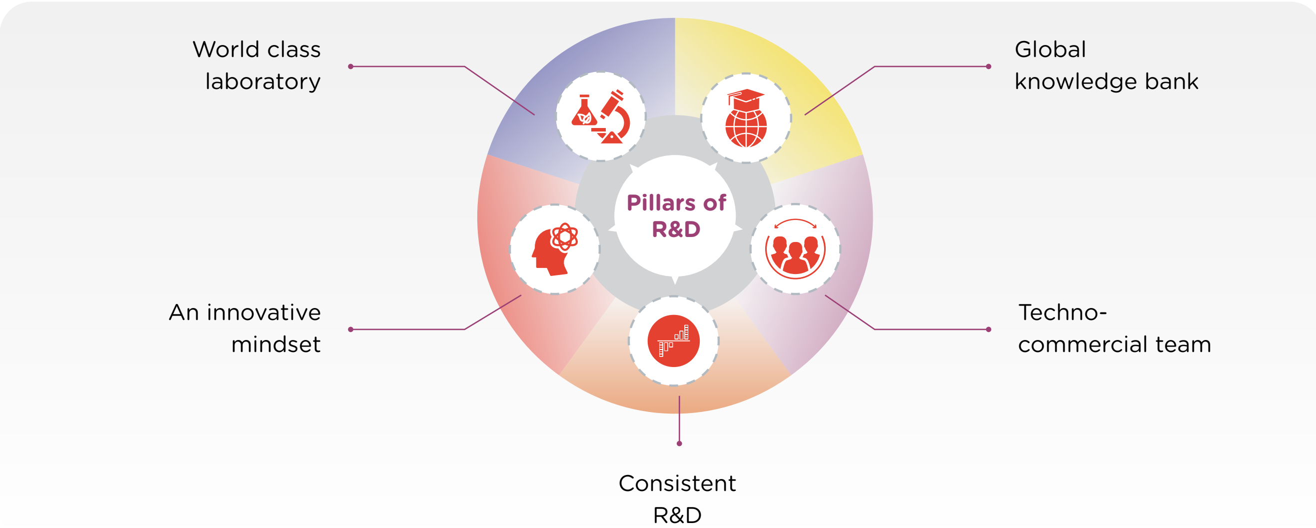
- The Company's continuous focus on process improvement enhances its efficiencies. This has led to better product yield, improved throughput and higher energy efficiency.

Technology

- The Company's in-house technology development prepares it to compete in the global markets. This stands out as a differentiator and enables the Company to consistently move ahead.

Process of R&D for product development





Quality

Himadri adheres to the fundamental principles of quality control, specifically emphasising the importance of achieving consistency and accuracy through repetition and reproducibility. The Company meets its global clients' expectations by consistently prioritising quality and ensuring that it is retained in all the Company's operations, including product development and manufacturing. It has an independent QA team responsible for documentation and data control. Himadri's commitment to quality has led to partnerships with various organisations and helped it gain recognition from the Indian government. The QA team stays up-to-date with the latest techniques and technologies through regular training and audits at the Company's state-of-the-art National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited research lab. Himadri complies with established regulations, processes and standards to protect quality while also manufacturing environment-friendly products through sustainable processes.

Opportunities and challenges

Opportunities

- **Higher demand for speciality chemicals:** As the Indian economy continues to grow, an upswing in the demand for speciality chemicals is expected. This presents an opportunity for the Company to expand its product portfolio and increase its market share.
- **Diversification:** The Company has diversified its product line and entered new markets. This brings new growth prospects, especially in the lithium-ion batteries segment.
- **Focus on sustainable and eco-friendly products:** There is a surge in demand for sustainable and eco-friendly products, and the Company can profit from this trend by developing and producing such products.
- **Strategic partnerships:** The Company can form strategic partnerships with other businesses to expand its reach and leverage the expertise of its partners.
- **Growing export market share:** The Company can focus on increasing its export market share by broadening its presence in international markets.

Challenges

- **Technological advancements:** New technologies are transforming the chemical industry. The Company may need to invest in new technology to stay ahead of the curve and meet changing customer preferences.

Human resource

The Company is committed to attracting, developing and retaining top talent through structured Career progression plans and believes that investing in its employees is a strategic and important move to create a robust Talent landscape which acts as a catalyst for meeting its short- and long-term business objectives. The Company's HR policies and practices are designed to create a workplace culture that values diversity and inclusion which fosters continuous learning and accelerates career growth and development. The Company offers competitive compensation packages and benefits to its entire talent pool and strives to create an inclusive and collaborative work environment that encourages open communication and teamwork.

Culture transformation

The Company prioritises creating a positive work culture that promotes employee satisfaction and ensures the well-being of employees both inside and outside of the workplace. It believes that when its employees feel valued and empowered, they are better equipped to contribute to the success of the organisation.

Diversity and inclusion

The Company encourages diversity and inclusion to uphold a positive work culture. Himadri fosters respect, understanding and empowerment for all its employees so that individual goals are aligned with organisational goals. The Company encourages professional growth and unique perspectives to better serve customers and achieve its long-term objectives.

Employee well-being

Himadri is committed to ensuring employee well-being and has implemented various measures to support its people and their families, including Wellness sessions as per Annual Wellness Calendar, expanded medical coverage, term insurance and an accidental policy.

The Company has additionally launched an initiative called 'Each One Reach One' to encourage its people to volunteer their support to their deceased colleagues' families in addition to the financial support offered by the Company.

Reward and recognition

Himadri has a tradition of recognising and rewarding employees for their contributions. It believes that acknowledging significant contributions is important as it helps create a culture that values and celebrates employee achievements. Through recognition and rewards, the Company aims to inspire continued excellence and drive business growth.

Corporate social responsibility (CSR)

Himadri's management conducts various welfare activities in the villages surrounding its plants, benefiting the local communities in a significant way. The Company's CSR policy encourages its workforce to contribute to the betterment of society by actively participating in CSR activities.

Promoting Education

To promote education, the Company distributes books to students of all academic levels, from KG to PG level, at the start of each academic year. This effort supports and encourages students from adjoining villages to pursue their education. In addition, the Company recognises the achievements of outstanding students by rewarding them with several prizes and dispenses sponsorship. The Company has also made contributions to the construction for the expansion of School buildings, library thereby empowering rural and tribal children through imparting education.

Making Healthcare Accessible

Himadri runs a Free Village Medical Centre (VMC) throughout the year in villages adjacent to its plant, providing free medical consultations and medicines to the local community. The Company also organises regular free eye check-ups aimed at improving the eye health of the local community. Additionally, Himadri has facilitates for kidney dialysis, eye testing, eye surgery, spectacle and medicine distribution and various forms of alternative medicine such as Ayurveda, Naturopathy and Homeopathy treatments.

Throughout the year, the Company has organised several free eye check-up camps at village medical centres, in Mahistikry and Belechonga villages in Hooghly.

Community Development

Himadri's commitment to social welfare drives it to extend various welfare initiatives in the surrounding villages. The Company repairs village roads and offers financial assistance to residents to help them build shops and earn their livelihood. Himadri is endeavouring to enhance the quality of life of the local communities, contributing to their holistic well-being.

- Implemented an environmentally conscious initiative by establishing a thriving green belt surrounding the Company's plant through the meticulous plantation of over 50,000 trees, ensuring the preservation and protection of the ecosystem.
- The Company has an ongoing project of Rural development through which it has benefitted several underprivileged villagers adjoining the Mahistikry plant by constructing 'Pucca' (RCC) houses in place of 'Kutcha' (mud) houses and thus uplifting the lives of the economically weaker section of the society.
- Himadri has embarked on a comprehensive drinking water project that involved constructing essential infrastructure and establishing connections to five nearby villages. This initiative has significantly improved the quality of life for over sixteen thousand villagers, ensuring access to clean and safe drinking water.

Moreover, the Company has built temples in nearby villages to facilitate community worship and foster a sense of togetherness. The Company also engages in rural development projects to uplift the economically weaker sections of society, such as setting up 'pucca' houses, drinking water facilities, drainage systems and electrification. Some of the other initiatives implemented by the Company include the establishment of skill development centres, community halls, Panchayat buildings, playgrounds and gyms, as well as promoting rural sports and setting up centres for specially-abled children and schools. Through these multifaceted programmes, Himadri is endeavouring to enhance the quality of life of the local communities and contribute to their overall development.

Environment, Health and Safety

Himadri adheres to a philosophy that prioritises the protection of People, Property, and the Environment. The Company recognises that safety is a crucial element for all internal and external stakeholders and is committed to improving its safety performance continually. To achieve this, Himadri is dedicated to consistently implementing top-notch Health, Safety, and Environmental (HSE) standards.

The Company acknowledges that the enhancement and nurturing of Health and Safety for all its Interested Parties are crucial as they can impact its operations. To prevent workplace accidents and illness, the Company focuses on continual improvement and reinforcement of the work environment, and workplace safety protocols and adopts new technologies. As part of its commitment to employee well-being, Himadri provides all of its workforce with coverage under the Health Insurance and ESIC Scheme.

The Company is devoted to preserving natural resources and creating a safe workplace while ensuring environmental protection. To achieve this, several Health, Safety, and Environment Committees have been formed under the guidance and monitoring of Top Leadership to maintain and develop a safe workplace and environment both within and outside its premises. The Company continually upgrades its proactive and preventive safety measures, including the installation of modern fire detection and protection mechanisms, and the introduction of new technologies, tools, gadgets, and personal protective equipment. The holistic safety approach's effectiveness is monitored regularly.

The Board of Directors Committee provides invaluable direction and assistance to the Management to ensure that safety and sustainability implications are correctly included in all new strategic initiatives, budgets, audit activities, and improvement plans. They also monitor quarterly and monthly reports on the safety, environment, and health performance and legal and regulatory compliance.

Himadri operates under various statutory environmental laws and regulations applicable to the production, use, and sale of chemicals, emissions into the air discharges into waterways, and other materials released into the environment. The Company adheres to the regulations applicable to the generation, handling, storage, transportation, treatment, and disposal of waste materials.

Risk management

Himadri recognises that risks are an inevitable and inherent part of its operations and unprecedented times are bound to impact and/or influence the sustainability of the business. 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 procedure and recommendation/suggestion towards the risk management approach. This includes assessing the effectiveness of risk management processes and systems of risk reduction, as well as methods and procedures for the control of identified risks. In the dynamic operating environment, Himadri solidifies its position through a 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 level of as much as reasonably practicable. The following are some of the business risks and mitigation strategies adopted by the Company.

Risk	Mitigation
Workplace Accident/ Incident/ Ill Health Every process-related activity is having their inherent associated hazards which can affect plants or properties in terms of Accidents/Incidents at the workplace and the ill health of its employees, Himadri is not an exception. To address all of these risks coming from such hazards Himadri acts proactively.	Himadri's 5-Step Risk Assessment - a. Identification of hazard b. Evaluate who may be harmed c. Evaluation of risk and control measured d. Record of findings e. A review of Risk Assessment maintained along with proactive preventive actions against all the risks ensured to make the workplace Safe and Health for all under the Leadership of Top Management.
Economic slowdown A downturn in India's economy could result in lower revenues for the Company, thereby leading to lower profitability.	Himadri mitigates business risks both domestically and internationally by supplying its products to various sectors, including agrochemicals, dyes, paints, tyres, and others.
Environmental Sustainability The industry in which the Company operates bears the responsibility to improve environmental impact management. Accidents involving chemicals put the environment, human health and safety at risk, as well as threaten business operations. In addition to following environmental standards, the chemical industry is also liable for adding value to society.	Himadri adheres to all the essential environmental rules and regulations prescribed by the Government. Each facility has robust safety standards and systems in place to mitigate any potential risks. The Company also ensures careful disposal of hazardous waste by following the regulations. Additionally, the Company has made significant investments in green projects to create a 'Zero Liquid Discharge' facility for a sustainable future.
Dependency Risk As the Company relies heavily on a few distinct industries, such as graphite and aluminium, any decline in these sectors would affect its margins and security.	Himadri caters to a diverse range of applications and sectors. The demand for its products is primarily inelastic since these application sectors are vital to any economy. Despite this risk, the Company has been a loyal client of numerous aluminium and graphite companies in India for more than two decades. This long-standing partnership has helped mitigate the impact of this risk on the Company.
Market Presence The Company competes with other producers who manufacture similar goods both in India and abroad in a fiercely competitive market. Thus, the Company's market influence becomes significant when choosing a smart facility spot.	Himadri has established seven facilities, expanding its footprint across four Indian states from east to west. To ensure timely transportation and procurement, the Company operates a dedicated fleet of over 170 tankers. This has significantly enhanced the Company's reputation in these regions.

Outlook

Himadri is set to capitalise on emerging growth opportunities in the industry. The Company has outlined its expansion strategy concerning the business segments that deal with lithium-ion batteries. In the years ahead, it will address the global demand for the crucial supply chain needed for lithium-ion batteries.

The Company has already made great strides in reducing its long-term debt and managing its balance sheet while remaining committed to improving its financial position. The organisation is well-positioned to record future expansion in high-growth segments, backed by its sound financial health and sustained demand for its core products. The Company intends to continue investing in each of its business segments to drive its growth momentum.

Industrial relations

Any industry's foundation is strengthened by its labour relations. The Company maintains open lines of communication with its people and keeps them informed about its objectives to foster a positive employer-employee relationship. This allows for more efficient operations with fewer disagreements between workers and management. The Company conducts several development programmes for its people at various levels. This creates a pleasant work environment. Through the implementation of productive and performance-based policies, workplace relations remain positive. The present policies of the Company focus more on developing and benefiting its talent pool while also safeguarding its broader interests. This makes it easier for the Company and its people to work together toward the same goal.

Statutory compliance

The Company Secretary's role as the Compliance Officer is to ensure that the Company complies with SEBI requirements and the Listing Regulations. The Chief Financial Officer (CFO), the Chief Executive Officer (CEO) and the Managing Director (MD) also work as compliance officers to prevent insider trading. The Company has recruited internal auditors to ensure that any potential non-compliance with the Companies Act, 2013, SEBI instructions and Listing Regulations is reported on time to reduce the risks thereon. Compliance certifications are obtained from a variety of management workers attesting to the observance of key statutes.

Internal control system

The Board of Directors of the Company is responsible for guaranteeing and establishing internal financial controls. Internal control mechanisms for business processes, operational efficiency and compliance with all applicable rules and regulations are all in place within the organisation. It's also in charge of determining whether or not such controls are adequate and effective. It has policies, procedures, control structures, and management systems in place that correlate to the Companies Act, 2013's concept of Internal Financial Controls. These have been established at the entity and process levels and are intended to ensure that internal control requirements, regulatory compliance, and proper financial and operational data recording are met. Internal inspections and audits are conducted regularly to guarantee that obligations are being carried out efficiently.

A thorough examination of the Company's internal controls, accounting procedures, and policies is performed. Senior Management evaluates and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and Company policies for which they are responsible, and compliance with established procedures in financial or commercial transactions in which they have a personal interest or potential conflict of interest, if any. Independent internal auditors are hired by the Company to help strengthen the internal control process. For effective monitoring and control of the entire Company's operations and subsidiaries, there are well-established and comprehensive internal control systems, processes, rules, policies, and procedures. The Audit Committee analyses compliance with the audit plan before approving it. The Audit Committee meets regularly throughout the year to discuss the auditors' reports. It then receives a report on all important audit findings and measures taken in response.

The organisation has implemented an internal control and audit system that is appropriate for its size and industry. The Audit Committee also met with the Company's statutory auditors to get their opinions on the financial statements, including the financial reporting system, compliance with accounting policies and procedures and the adequacy and effectiveness of the Company's internal controls and systems. The Audit Committee's views and recommendations were taken into consideration by the Management.

Cautionary statement

Any forward-looking statements about expected future events and 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. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, whether global or domestic or both, 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 in presenting the Board's Report as a part of the 35th Annual Report of your Company ("the Company" or "Himadri"), together with the Audited Financial Statements (Standalone and Consolidated) and the Auditors' Report thereon for the financial year ended 31 March 2023.

1. Financial Highlights

The Company's financial performance for the financial year ended 31 March 2023 are summarized below:

Amount in ₹ Lakhs

Sl. No.	Particulars	Standalone		Consolidated	
		2022-23	2021-22	2022-23	2021-22
I.	Revenue from operations	**417,184.13**	279,131.40	**417,184.13**	279,131.77
II.	Other income	**2,797.46**	721.60	**2,797.46**	722.16
III.	**Total income (I + II)**	**419,981.59**	279,853.00	**419,981.59**	279,853.93
IV.	**Expenses**				
	Cost of materials consumed	**329,728.25**	239,179.74	**328,453.74**	238,453.82
	Changes in inventories of finished goods and work-in-progress	**(3,013.87)**	(14,177.78)	**(3,013.87)**	(13,967.65)
	Employee benefits expense	**9,094.78**	8,015.65	**9,151.30**	8,076.66
	Finance costs	**6,587.51**	3,504.05	**6,606.90**	3,561.86
	Depreciation and amortisation expense	**4,865.73**	4,663.40	**5,084.76**	4,954.76
	Other expenses	**42,537.96**	30,721.42	**42,673.79**	30,962.89
	Total expenses (IV)	**389,800.36**	271,906.48	**388,956.62**	272,042.34
V.	**Profit before exceptional items and tax (III-IV)**	**30,181.23**	7,946.52	**31,024.97**	7,811.59
VI.	**Exceptional Items**	**(3,000.00)**	-	**(3,000.00)**	(2,465.06)
VII.	**Profit before tax (V-VI)**	**27,181.23**	7,946.52	**28,024.97**	5,346.53
VIII.	**Tax expenses**				
	Current tax	**4,745.61**	1,388.57	**4,784.30**	1,389.29
	Deferred tax	**1,654.77**	51.76	**1,654.77**	51.76
IX.	**Profit for the year (VII-VIII)**	**20,780.85**	6,506.19	**21,585.90**	3,905.48

2. Performance Highlights

i) Financial Performance - Standalone

The Company achieved total revenue from operations of ₹ 417,184.13 lakhs for the year ended 31 March 2023 as against ₹ 279,131.40 lakhs for the year ended 31 March 2022 representing an increase of 49.46% because of increase in volume, average realization and change in product mix. 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 ₹ 40,817.36 lakhs as compared to ₹ 16,159.31 lakhs for the previous year. EBITDA for the year increased by 152.59% due to the increase in volume, average realization and operational efficiencies. During the financial year 2022-23, the Company earned a profit after tax of ₹ 20,780.85 lakhs as compared to ₹ 6,506.19 lakhs in the previous year.

ii) Financial Performance – Consolidated

On a consolidated basis, the total revenue from operations in the financial year 2022-23 increased by 49.46% to ₹ 417,184.13 lakhs from ₹ 279,131.77 lakhs in the previous year. EBITDA for the year, excluding the effect of foreign exchange fluctuation loss/ (gain) and other income, was ₹ 41,899.31 lakhs as compared to ₹ 16,287.13 lakhs for the previous year. EBITDA for the year increased by 157.25 % due

Board's Report (Contd.)

to an increase in volume, average realization and operational efficiencies. During the financial year 2022-23, the Company earned a profit after tax of ₹ 21,585.90 lakhs as compared to ₹ 3,905.48 lakhs in the previous year.

3. Dividend

In terms of Dividend Distribution Policy of the Company, the Board has recommended a dividend of ₹ 0.25 per equity share having face value of ₹ 1 each (i.e. @ 25% per equity share of face value ₹ 1 each) for the financial year ended 31 March 2023 (Dividend for financial year 2021-22 @ ₹ 0.20 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 2023 was ₹ 838.68 lakhs (previous year: ₹ 628.45 lakhs).

The Register of Members and Share Transfer Books of the Company will remain closed for the purpose of payment of dividend for the financial year ended 31 March 2023 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 of Directors of the Company has, formulated a Dividend Distribution Policy, which is available on the website of the Company at https://www.himadri.com/pdf/dividend-distribution-policy-10.02.2023.pdf.

Pursuant to the provisions of 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 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 current financial year, the Company has not transferred any amount to the General Reserve.

5. Subsidiaries

The Company has two Subsidiary Companies 1) AAT Global Limited ("AAT") in Hong Kong in which the Company holds 100% equity, 2) 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.

During the financial year 2021-22 and 2022-23, 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/pdf/policy-for-determining-material-subsidiaries-10.02.2023.pdf.

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 ("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 2023, 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 Companies which become or ceased to be its Subsidiaries, Joint Ventures or Associates**

  No Company has become or ceased to be a subsidiary or joint venture or associate of the Company during this financial year.

6. Consolidated Financial Statements

The consolidated financial statements of the Company for the year ended 31 March 2023, 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 shareholders of the Company seeking such information.

The Audited Consolidated Financial Statements along with the Auditors' 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

Board's Report (Contd.)

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 has allotted 72,550,000 (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 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 on 17 February 2023, upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 13,300,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder.

For the remaining 59,250,000 warrants, the respective allottees have not yet exercised their option for conversion of the warrants into equity shares and accordingly, balance 75% money towards such remaining warrants is yet to be received.

The details of utilization of funds are given hereunder:

Particulars	Amount in ₹ Lakhs
Funds raised through allotment of 72,550,000 warrants on 22 August 2022 (A)	12,696.25
Funds raised through allotment of 13,300,000 fully paid-up equity shares against conversion of equal number of warrants on 17 February 2023 (B)	6,982.50
Total Funds raised and available for utilization till 31 March 2023 (A+B)	19,678.75
Funds utilized during the year ended 31 March 2023	19,678.75

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 EGM dated 14 July 2022.

8. Share Capital

The paid-up share capital of the Company at the beginning of the financial year was ₹ 4,189.65 lakhs consisting of 418,965,278 equity shares of ₹ 1 each.

During the financial year, the Company has allotted:

(i) 374,372 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 21 April 2022.

(ii) 67,548 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 12 December 2022.

(iii) 13,300,000 equity shares of ₹ 1 each of the Company on 17 February 2023 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 ₹ 4,327.07 lakhs consisting of 432,707,198 equity shares of ₹ 1 each.

9. Windmills

At the end of the financial year, the Company had sold both the windmills of the Company situated at Dhule, Maharashtra. The sale of the windmills do not have any 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.

10. 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,

Board's Report (Contd.)

State Bank of India, The Federal Bank Limited, The Hongkong and Shanghai Banking Corporation Limited and Yes Bank Limited. The Company has been regular in servicing these debts.

11. Credit Rating

The Company has obtained Credit Rating of its various credit facilities and instruments from ICRA Limited. The details about the rating assigned by the agency are clearly elaborated in the Corporate Governance report forming part of the Board's Report.

12. Capital Expenditure

During the financial year 2022-23, the Company incurred capital expenditure on account of addition to fixed assets aggregating to ₹ 8,315.20 lakhs (including capital work in-progress and capital advances).

13. Directors and Key Managerial Personnel

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

During the financial year 2022-23, Mr. Bankey Lal Choudhary (DIN: 00173792), Mr. Vijay Kumar Choudhary (DIN: 00173858) and Mr. Tushar Choudhary (DIN: 00174003) Executive Directors have resigned from the Directorship of the Company with effect from 08 July 2022 due to personal reason. Your Board of Directors places on record its sincere appreciation for the services rendered by them.

Further Mr. Hardip Singh Mann (DIN: 00104948) and Ms. Sucharita Basu De (DIN: 06921540) Independent Directors have resigned from the Directorship of the Company with effect from 08 July 2022. Mr. Mann and Ms. Basu De informed the Board that their resignations were purely on account of personal reasons. They have also confirmed that there are no other material reasons attributable/ connected with the Company for their resignation. The Board places on record its deep appreciation for the contributions of Mr. Mann and Ms. Basu De during their tenure as Independent Directors of the Company.

During the year under review, the Board of the Company (based on the recommendation of the Nomination & Remuneration Committee) has appointed Ms. Rita Bhattacharya (DIN: 03157199) as Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f. 11 August 2022. The Shareholders of the Company approved the said appointment with an overwhelming majority at the 34th AGM of the Company.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of the Company at its meeting held on 21 July 2022 has approved the appointment of Mr. Anurag Choudhary, Managing Director & CEO as the Chairman of the Company. While considering the said appointment as the Chairman, the Board has considered the benefits of integrating the duties of Chairperson and Managing Director and considered the leadership qualities, industrial achievements, skill set, career trajectory of Mr. Anurag Choudhary and his incomparable know how of the Indian Chemical Industry and his recognition of the same in the industry.

During the financial year 2022-23, the constitution of the Board complies with the requirements of the Act, and the SEBI Listing Regulations.

There were no changes in Key Managerial Personnel of your Company during the financial year 2022-23 other than disclosed above.

- **Re-classification of Promoter/Promoter Group**

The Board of Directors at its meeting held on 8 July 2022 took a note that the Promoters of the Company have inter-se entered into a Family Settlement Agreement ("FSA") pursuant to which Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary and Ms. Swaty Choudhary ('Outgoing Promoters') have applied for reclassification from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI Listing Regulations ("Reclassification")

Thereafter, the shareholders of the Company at the EGM held on 8 August 2022 approved the reclassification. Further, the Company has received approval from National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") on 24 February 2023 for re-classification of the outgoing promoters from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI Listing Regulations.

- **Director retiring by rotation**

Pursuant to the provisions of the Act, the members of the Company at the 34th AGM held

Board's Report (Contd.)

on 28 September 2022, re-appointed Mr. Shyam Sundar Choudhary (DIN: 00173732) who was liable to retire by rotation.

In accordance with the provisions of the Act, Mr. Anurag Choudhary (DIN: 00173934), Chairman cum Managing Director & CEO retires from the Board by rotation and being eligible and offers himself for re-appointment. The Board of Directors recommends the said re-appointment at the 35th 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 27 April 2023 received from 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.

Details pertaining to the remuneration of KMPs employed during the year is provided in the Annual Return. During the year under review, none of the Directors of the Company is disqualified as per the applicable provisions of the Act.

14. Meetings of the Board

The Board met 6 (Six) times during the financial year 2022-23. 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.

15. Declaration from Independent Directors

During the financial year 2022-23, 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.

16. 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.

17. 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 2023:

a. In the preparation of the annual accounts for the year ended 31 March 2023, 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 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e. The Directors had 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 had devised proper systems to ensure compliance with the provisions of

Board's Report (Contd.)

all applicable laws and that such systems are adequate and operating effectively.

18. 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.

19. 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. The details of loans granted, 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.

20. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31 March 2023 is available on the website of the Company at the link https://www.himadri.com/pdf/annual-return-in-form-mgt-7-for-the-fy-2022%E2%80%932023.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.

21. 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. Any Member who is interested in obtaining these particulars may write to the Company Secretary of the Company.

22. 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.

23. 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 2023 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 https://www.himadri.com/pdf/esop-disclosure-62.pdf.

24. 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. M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration Number: 101248W/W-100022) completed their term at the conclusion of the 34th AGM.

Board's Report (Contd.)

The Report given by M/s Singhi & Co, Chartered Accountants on the financial statements of the Company for the financial year 2022-23 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, the Board of Directors based on the recommendation of the Audit Committee appointed M/s Arun Kumar Maitra & Co, Practising Company Secretaries (ICSI Unique Code P2015WB086500), to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report, pursuant to Section 204(1) of the Act for the financial year ended 31 March 2023 is annexed to this Report as **Annexure IV** and forms part of this Report.

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2022-23 pursuant to Regulation 24A (2) of the SEBI Listing Regulations. The Annual Secretarial Compliance Report for the financial year ended 31 March 2023 has been submitted to the Stock Exchanges and the said report may be accessed on the Company's website at https://www.himadri.com/pdf/secretarial-compliance-report-31-march-2023.pdf.

- **Explanation or comments by the Board on the qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors**

  The observations/qualifications of the Secretarial Auditors in their Secretarial Audit Report for the financial year ended 31 March 2023 forming part of the Annual Report are self-explanatory. Their observations/qualifications and the explanation/comments/reply of the management is annexed to this Report as **Annexure V**.

(iii) Cost Auditor

Mr. Sambhu Banerjee, Cost Accountant, the Cost Auditor of the Company had submitted the Cost Audit Report for the year 2021-22 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 2022-23.

Pursuant to Section 148 of the Act, read with the rules framed thereunder, the Board of Directors at its meeting held on 28 April 2023, 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 2023-24. The Company has received the necessary consent from Mr. Sambhu Banerjee to act as the Cost Auditor of the Company for the financial year 2023-24 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 2023-24 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.

25. 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.

26. 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/pdf/vigil-mechanism-whislteblower-policy-10.02.2023.pdf.

27. 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 2023, as required

Board's Report (Contd.)

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 VI**.

28. 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 2022-23 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.

29. Related Party Transactions

The related party transactions that were entered into by the Company during the financial year 2022-23, were on arm's length basis. Further, no material related party transactions were entered into by the Company during the financial year 2022-23. The disclosure under Section 134(3)(h) read with Section 188 (2) of the Act in form AOC-2 is given in **Annexure VII** forming part of this Report.

There have been no materially significant related party transactions entered into by the Company which may conflict with the interests of the Company at large.

The details of the transaction with related parties during FY 2022-23 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/pdf/policy-on-related-party-transactions-10.02.2023.pdf.

30. Corporate Social Responsibility (CSR)

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/pdf/corporate-social-responsibility-policy_10.02.2023.pdf.

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 2022-23, the Company was required to spend ₹ 160.99 lakhs, the minimum amount to be spent on CSR activity. The Company spent ₹ 121.60 lakhs during the financial year 2022-23. Accordingly, the unspent amount for financial year 2022-23 is ₹ 39.39 lakhs pertaining to ongoing Health Care Project and the same has been transferred to the " Himadri Speciality Chemical Ltd Unspent CSR Account 2023" pursuant to Section 135(6) of the Act for the aforesaid Heath Care Project.

Setting up the aforesaid projects requires a substantial amount of involvement of time and effort for planning and its execution. The Company, through its CSR activities, has always focused on efforts that can substantially impact the well-being of the disadvantaged segments of the population. The endeavor is to have a comprehensive approach that is meaningful and with a long-term focus to ensure scalability. The CSR Committee has been continuously focused on providing social benefits to society in its true sense.

Board's Report (Contd.)

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 VIII** forming part of this Report.

31. 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 Non-Independent 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.

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 2022-23, all the members of the Board and its Committees met the criteria of performance evaluation as set out by the Nomination and Remuneration Committee.

32. Public Deposit

During the financial year 2022-23, 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.

33. 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 2023.

34. Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF)

During the financial year 2022-23, the Company was not required to transfer the amount of unclaimed/unpaid dividend to the IEPF pursuant to the provisions of Section 124 of the Act, since no dividend was declared for the financial year 2014-15. The Company sends reminder letters to the Shareholders from time to time for claiming their unpaid dividend.

35. Transfer of Unclaimed Shares to IEPF

During the financial year 2022-23, the Company was not required to transfer the unclaimed shares to IEPF pursuant to the provisions of Section 124(6) of the Act.

The members who have a claim on dividends and shares which have been transferred to IEPF may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website of IEPF Authority at www.iepf.gov.in and sending a physical copy of the same, to the Company, along with requisite documents enumerated in the Form IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred to IEPF.

36. 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 IX** forming part of this Report.

37. 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.

38. Business Responsibility and Sustainability Reporting (BRSR)

The Business Responsibility and Sustainability Reporting (BRSR) of the Company for the financial year ended 31 March 2023 as required pursuant to the Regulation 34(2)(f) of the SEBI Listing Regulations is annexed herewith and marked as **Annexure X** forming part of this Report and the same is also available on the Company's website at www.himadri.com.

Board's Report (Contd.)

39. Listing on Stock Exchanges

The Company's 432,707,198 equity shares of ₹ 1 each as on 31 March 2023 are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees to these stock exchanges.

40. Dematerialisation of Shares

There were 429,905,356 equity shares of the Company held by the shareholders in dematerialised form as on 31 March 2023, representing 99.35% of the total paid-up share capital of the Company consisting of 432,707,198 equity shares of ₹ 1 each. 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).

41. 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 35th 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.

42. Internal Complaint Committee

The Company has an Internal Complaint Committee as required to be formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a Policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the financial year 2022-23, 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.

43. Compliance of Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the financial year.

44. 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 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. 10/2022 dated 28 December 2022 and SEBI Circular dated 05 January 2023, the Annual Report of the Company for the financial year ended 31 March 2023 including therein the Audited Financial Statements for the financial year 2022-23, are being sent only by email to the Members.

Your directors wish to place on record their sincere appreciation for the continued support and cooperation extended to the Company by its bankers, customers, vendors, suppliers, dealers, investors, business associates, all the stakeholders, shareholders, debenture holders and various departments of the State and the Central Government.

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

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: 28 April 2023

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	
Name of the Subsidiary Company	AAT Global Limited, Hongkong		Shandong Dawn Himadri Chemical Industry Ltd, China*	
Financial year ending on	31 March 2023		31 March 2023	
Reporting Currency	INR	USD	INR	RMB
Share Capital	7,516.17	91.42	5,615.33	470.00
Other Equity	(16,366.43)	(199.06)	(10,307.93)	(862.77)
Total Assets	3,270.27	39.78	6,524.80	546.12
Total Liabilities	12,120.53	147.42	11,217.40	938.89
Investments	-	-	-	-
Turnover/Total Income	89,474.76	1,120.65	107.32	9.00
Profit/(Loss) before Taxation	332.77	4.18	(197.13)	(16.53)
Provision for Taxation	38.69	0.47	-	-
Profit/(Loss) after Taxation	294.08	3.71	(197.13)	(16.53)
Proposed Dividend	-	-	-	-
% of Shareholding	-	100%	-	94%

* 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.

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: 28 April 2023

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 2022-23:

Name	Designation	Ratio
Mr. Anurag Choudhary	Chairman cum Managing Director & Chief Executive Officer ("CMD & CEO")	66:1
Mr. Shyam Sundar Choudhary	Executive Director	52:1
Mr. Amit Choudhary	Executive Director	52:1
Mr. Sakti Kumar Banerjee	Independent Director	3:1
Mr. Santimoy Dey	Independent Director	3:1
Mr. Santosh Kumar Agrawala	Independent Director	2:1
Mr. Girish Paman Vanvari	Independent Director	2:1
Mr. Gopal Ajay Malpani	Independent Director	1:1
Ms. Rita Bhattacharya[1]	Independent Director	0.39:1

[1.] Appointed w.e.f. 11 August 2022

Note:

Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Mr. Hardip Singh Mann and Ms. Sucharita Basu De, the directors have resigned w.e.f 08 July 2022, hence their remuneration were not considered for the above.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2022-23:

Name	Designation	% Increase in remuneration
Mr. Anurag Choudhary	Chairman cum Managing Director & Chief Executive Officer ("CMD & CEO")	-
Mr. Shyam Sundar Choudhary	Executive Director	-
Mr. Amit Choudhary	Executive Director	-
Mr. Kamlesh Kumar Agarwal	Chief Financial Officer	27
Ms. Monika Saraswat	Company Secretary & Compliance Officer	20
Independent Director (Sitting Fee)		
Mr. Sakti Kumar Banerjee	Independent Director	(6.10)
Mr. Santimoy Dey	Independent Director	(8.26)
Mr. Santosh Kumar Agrawala	Independent Director	(14.95)
Mr. Girish Paman Vanvari	Independent Director	(11.76)
Mr. Gopal Ajay Malpani	Independent Director	(16.67)
Ms. Rita Bhattacharya[1]	Independent Director	NA

[1.] Appointed w.e.f. 11 August 2022

Note:

Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Mr. Hardip Singh Mann and Ms. Sucharita Basu De, the directors have resigned w.e.f 08 July 2022, hence their remuneration were not considered for the above.

Annexure II

of the Board's Report (Contd.)

3. The percentage increase in the median remuneration of employees in the financial year 2022-23:

The percentage increase in the median remuneration of employees is 10%.

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

There were 895 number of permanent employees on the rolls of the Company as on 31 March 2023.

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 2022-23 was 17% whereas the increase in the managerial remuneration for the same financial year was 18%.

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 of 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: 28 April 2023

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**	4,000,000	
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**	NA	NA
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**	584,612	987,200
	- **Number of Options granted during the year**	-	-
	- **Number of Options forfeited/lapsed during the year**	25,963 (lapsed)	26,200 (lapsed)
	- **Number of Options vested during the year**	-	246,781
	- **Number of Options exercised during the year**	441,920	-
	- **Number of Shares arising as a result of exercise of options**	441,920	-
	- **Money realized by exercise of options (Amount in ₹ Lakhs)**	83.96	-
	- **Loan repaid by the Trust during the year from exercise price received**	-	-
	- **Number of Options outstanding at the end of the year**	116,729	961,000
	- **Number of Options exercisable at the end of the year**	116,729	961,000
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 2022-23 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 change 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: 28 April 2023

Annexure IV

of the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

[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 2023 ("**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 the financial year ended on 31 March 2023, 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;

Annexure IV

of the Board's Report (Contd.)

ii. The Legal Metrology Act, 2009;

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

iv. The Boilers Act, 1923;

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

vi. The Environment (Protection) Act, 1986;

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

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

ix. Indian Electricity Act, 2003.

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 except that:

(i) During the Audit Period, due to surge of COVID-19 in China, preparation of standalone Balance Sheet of Shandong Dawn Himadri Chemical Industry Limited, a subsidiary of the Company as well as Consolidated Financial Statements were delayed. Consequently, the Company has submitted its audited financial results (standalone and consolidated) for the quarter and year ended 31 March 2022 to the Stock Exchanges on 21 July 2022 whereas pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit its audited financial results (standalone and consolidated) for the quarter and year ended 31 March 2022 to the Stock Exchanges within 60 days from the end of the financial year i.e. on or before 30 May 2022.

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 atleast 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 bearing on the Company's compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., except as follows:

I. The following special resolutions were passed for:

(i) Issue of upto 72,550,000 (Seven Crores Twenty Five Lakhs Fifty Thousand) Warrants each convertible into, or exchangeable for, 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 were approved by the members at the Extraordinary General Meeting of the Company held on Monday, the 08 August 2022;

(ii) Ms. Rita Bhattacharya (DIN: 03157199) was appointed as an Independent Director, for the first term of 5 (five) consecutive years with effect from 11 August 2022 at the 34th Annual General Meeting (AGM) of the Company held on Wednesday, the 28 September 2022;

(iii) Revision in remuneration of Mr. Anurag Choudhary, Chairman cum Managing Director & CEO, Mr. Shyam Sundar Choudhary, Whole-time Director and Mr. Amit Choudhary, Whole-time Director were approved by the members through resolutions passed through Postal Ballot on 24 March 2023.

Annexure IV

of the Board's Report (Contd.)

II. The Company has received approval from the Stock Exchanges for re-classification of the following persons from 'Promoter/Promoter Group' to 'Public Category'

a. Bankey Lal Choudhary; b. Vijay Kumar Choudhary; c. Tushar Choudhary; d. Sushila Devi Choudhary; e. Saroj Devi Choudhary; f. Kanta Devi Choudhary; g. Swaty Choudhary

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

(i) 374,372 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 21 April 2022.

(ii) 67,548 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 12 December 2022.

(iii) 13,300,000 equity shares of ₹ 1 each of the Company towards conversion of warrants issued on preferential basis on 17 February 2023.

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: A003010E000212780
Date: 28 April 2023

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: A003010E000212780
Date: 28 April 2023

Annexure V

of the Board's Report

Explanation or comments by the Board on the qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors

Observation:

During the Audit Period, due to surge of COVID-19 in China, preparation of standalone Balance Sheet of Shandong Dawn Himadri Chemical Industry Limited, a subsidiary of the Company as well as Consolidated Financial Statements were delayed. Consequently, the Company has submitted its audited financial results (standalone and consolidated) for the quarter and year ended 31 March 2022 to the Stock Exchanges on 21 July 2022 whereas pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit its audited financial results (standalone and consolidated) for the quarter and year ended 31 March 2022 to the Stock Exchanges within 60 days from the end of the financial year i.e. on or before 30 May 2022.

Management Reply:

The Company has two subsidiary companies 1) AAT Global Limited in Hong Kong, 2) Shandong Dawn Himadri Chemical Industry Ltd in China.

Pursuant to Regulation 33(3) of the SEBI Listing Regulations, in case a listed entity has subsidiaries, in addition to submission of standalone financial results it is also required to submit consolidated financial results within the time prescribed in the regulation i.e within 30 May 2022.

Due to the surge of coronavirus (COVID-19) in China, preparation of the Results of Shandong Dawn Himadri Chemical Industry Ltd, situated in China had not been completed despite the Company taking adequate steps within its control.

The Company had filed application to the Stock Exchanges (i.e BSE Ltd and National Stock Exchange of India Ltd) seeking extension of time till 15 July 2022 for submission of the Audited Standalone and Consolidated Financial Results for the quarter and year ended 31 March 2022. The Company had also made appropriate corporate announcement through the stock exchanges on 24 May 2022.

Thereafter, the Board of Directors at its meeting held on 21 July 2022 had approved the Audited Financial Results (Standalone & Consolidated) for the quarter and year ended 31 March 2022, and the Company has submitted the same with the Stock Exchanges vide its letter dated 21 July 2022.

The Stock Exchanges have imposed fine for such delay in submission of Financial Results for the quarter and year ended 31 March 2022 for which the Company has paid the fine on 22 July 2022.

Annexure VI

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 2023:

A. Conservation of energy

Sl. No.	Particulars	Description
1.	**Steps taken or impact on conservation of energy**	i) Installation of Active Harmonic Filter to reduce harmonic effect such as overheating to save energy. ii) CO Pump modification for pressure reduction to reduce consumption of fuel. iii) Thermal energy saving through utilization of continuous blowdown water. iv) Dryer jacket high temperature insulation fixation to conserve energy.
2.	**Steps taken by the Company for utilizing alternate source of energy**	i) The Company has installed Bio Gas Plant to produce power using waste. ii) The Company has installed Solar Unit at Plant gate for utilizing alternate source of energy. iii) We have installed micro turbine in CPP (Captive Power Plant) value chain for conserving waste energy and generating additional electricity out of it. iv) The Company has its' own co-generation Power Plants based on waste heat recovery system. The gas, which have both sensible heat and calorific value, is a bye-product of carbon black manufacturing industry, which is hazardous, and a threat to the environment. Hence, instead of venting this into the environment, the Company utilizes the waste gas for generation of power. This serves the twin objectives of pollution mitigation as well as achievement of economy in expansion since the Company in its own process uses this in house generated power. The Company utilizes green gas to generate power thus becoming eco-friendly organisation in this environment-distressed society.
3.	**Capital investment on energy conservation equipment.**	Additional investments during the year is ₹ 20.33 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) 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; 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 VI

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: ₹ 168.99 lakhs; ii) Revenue expenditure: ₹ 3,071.43 lakhs; iii) Total Research & Development expenditure: ₹ 3,240.42 lakhs; iv) Total R&D expenditure as a percentage of total turnover: 0.78%

C. Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned during the year:

Amount in ₹ Lakhs

Particulars	2022-23	2021-22
Total foreign exchange outgo in terms of actual outflow	68,515.52	71,186.50
Total foreign exchange earned in terms of actual inflows	55,078.51	17,724.73

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: 28 April 2023

Annexure VII

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 2023, 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 2023.
(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: 28 April 2023

Annexure VIII

of the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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;

Annexure VIII

of the Board's Report (Contd.)

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.

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

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/pdf/corporate_governance/composition_of_various_committees_of_board_of-directors2020new.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/pdf/hscl_csr_project_approved_by_board.pdf

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)	8,049.53
(b) Two percent of average net profit of the company as per section 135(5)	160.99
(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)]	160.99

Amount in ₹ Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	121.60
(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)]	121.60

Annexure VIII

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
121.60	39.39	21.04.2023	-	-	-

Details are also provided in the 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)	160.99
(ii)	Total amount spent for the Financial Year	121.60
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-

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	279.67	-	-	424.26	-
2	2021-22	331.21	219.41	111.80	-	-	219.41	-

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 section 135(5):

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.

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of the Board's Report (Contd.)

(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 2022-23, the Company was required to spend ₹ 160.99 lakhs, the minimum amount to be spent on CSR activity. The Company spent ₹ 121.60 lakhs during the financial year 2022-23. Accordingly, the unspent amount for financial year 2022-23 is ₹ 39.39 lakhs pertaining to ongoing Heath Care Project and the same has been transferred to the "Himadri Speciality Chemical Ltd Unspent CSR Account 2023" pursuant to Section 135(6) of the Act for the aforesaid Heath Care Project.

Setting up the aforesaid projects requires a substantial amount of involvement of time and efforts for planning and its execution. The Company, through its CSR activities, has always focused on efforts that can substantially impact the well-being of the disadvantaged segments of the population. The endeavor is to have a comprehensive approach that is meaningful and with a long-term focus to ensure scalability. The CSR Committee has been continuously focused on providing social benefits to society in its true sense.

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
(DIN: 06875452)

Place: Kolkata
Date: 28 April 2023

Annexure IX

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 refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organisation to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behaviour contribute to superior long-term performance of an organisation. Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders through ethically driven business processes.

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.

Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. The Company recognises that good Corporate Governance is a continuous exercise. Adherence to transparency, accountability, fairness, and ethical standards are an integral part of the Company's function. The Company's structure, business dealings, administration and disclosure practices are aligned to a good Corporate Governance philosophy. 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.

We ensure that we evolve and follow not just the stated Corporate Governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our 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 ("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.

We believe that an active, well - informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

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of the Board's Report (Contd.)

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 2023, the Board consisted of 9 (Nine) Directors, out of which 3 (Three) Directors were Executive and 6 (Six) were Independent Directors including one Independent Woman Director.

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.

Further, in the opinion of the Board, 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. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

During the financial year 2022-23, Mr. Bankey Lal Choudhary (DIN: 00173792), Mr. Vijay Kumar Choudhary (DIN: 00173858) and Mr. Tushar Choudhary (DIN: 00174003) Executive Directors have resigned from the Directorship of the Company with effect from 08 July 2022 due to personal reasons.

Further, Mr. Hardip Singh Mann (DIN: 00104948) and Ms. Sucharita Basu De (DIN: 06921540) Independent Directors have resigned from the Directorship of the Company with effect from 08 July 2022 due to personal reason. They have also confirmed that there are no other material reasons attributable/connected with the Company for their resignations.

Ms. Rita Bhattacharya (DIN: 03157199) has been appointed as Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f. 11 August 2022.

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.

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of the Board's Report (Contd.)

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 Banerjee	Independent Director	NA
6	Mr. Santimoy Dey	Independent Director	NA
7	Mr. Santosh Kumar Agrawala	Independent Director	NA
8	Ms. Rita Bhattacharya[1]	Independent Director	NA
9	Mr. Gopal Ajay Malpani	Independent Director	NA

* Relative as per Section 2(77) of the Act.

[1] Ms. Rita Bhattacharya (DIN: 03157199) has been appointed as an Independent Director of the Company for a term of 5 consecutive years w.e.f. 11.08.2022.

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 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 to the agenda, the same are 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

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when necessary. The meetings of the Board are generally convened at the Company's Corporate Office at Kolkata. 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.

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.

d) Meetings of the Board of Directors

During the financial year 2022-23, the Board met 6 (Six) times, i.e., on 08 July 2022, 14 July 2022, 21 July 2022, 11 August 2022, 29 October 2022 and 10 February 2023. 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 2022-23, 1 (One) separate meeting of Independent Directors was held on 09 February 2023 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 the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, of individual Directors and that of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Finance & Management Committee, Business Responsibility Report Committee and Share Transfer Committee. Feedback was sought by way of a structured questionnaire 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 and the evaluation was done, based upon the responses received from the Directors.

The entire Board (excluding the director being evaluated) carried out the performance evaluation of the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

The details of composition of the Board as at 31 March 2023, the attendance record of the Directors at the Board Meetings held during financial year 2022-23 and at the last Annual General Meeting (AGM), the number of Directorships, Committee Chairmanships and Memberships held by them in

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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:

Sl. No.	Directors' Name	Category	No of shares held	No of warrants held	Attendance		Directorship in Public Companies*	No. of Committee position held in all Companies#	
					Board Meetings	Last AGM		As Member	As Chairman
1	Mr. Anurag Choudhary	Promoter, Chairman cum Managing Director & Chief Executive Officer	13,300,000	19,700,000	5	Y	3	3	-
2	Mr. Shyam Sundar Choudhary	Promoter, Executive Director	-	8,250,000	6	Y	4	1	-
3	Mr. Amit Choudhary	Promoter, Executive Director	-	13,750,000	6	Y	4	1	-
4	Mr. Sakti Kumar Banerjee	Independent Director	-	-	6	Y	1	2	-
5	Mr. Santimoy Dey	Independent Director	-	-	6	Y	2	2	1
6	Mr. Santosh Kumar Agrawala	Independent Director	-	-	6	Y	2	3	2
7	Mr. Girish Paman Vanvari	Independent Director	-	-	6	Y	7	8	4
8	Mr. Gopal Ajay Malpani	Independent Director	-	-	4	Y	2	2	0
9	Ms. Rita Bhattacharya[1]	Independent Director	-	-	2	Y	1	-	-

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 and Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (including Himadri Speciality Chemical Ltd) have been considered.

[1] Ms. Rita Bhattacharya (DIN: 03157199) has been appointed as an Independent Director of the Company for a term of 5 consecutive years w.e.f. 11.08.2022.

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 2023 are given herein below:

Sl. No.	Directors' name	Names of other listed entities holding directorship	Category
1	Mr. Anurag Choudhary	Himadri Credit & Finance Limited	Promoter, Managing Director
1	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	-	-
6	Mr. Santosh Kumar Agrawala	Himadri Credit & Finance Limited	Independent Director
7	Mr. Girish Paman Vanvari	1. Aurobindo Pharma Ltd; 2. Tarsons Products Ltd; 3. Rategain Travel Technologies Ltd; 4. Kolte-Patil Developers Limited	Independent Director
8	Mr. Gopal Ajay Malpani	1. MPL Plastics Limited	Independent Director
9	Ms. Rita Bhattacharya	-	-

g) Formal Letter of Appointment to the Independent Directors

Three Independent Directors were appointed/re-appointed during the financial year 2022-23. 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/corporate governance.

h) Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, during the financial year 2022-23, 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/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/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 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.

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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 on 31 March 2023, has 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 35th AGM

As required under Regulation 36(3) of SEBI Listing Regulations, the Company has furnished information relating to the Director retiring by rotation and seeking re-appointment in the Notice convening the 35th 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 35th AGM.

l) List of core skills/expertise/competencies identified by the Board of Directors

The Board at its meeting held on 28 May 2019 has identified the below mentioned core skills/expertise/competencies as required by the Company in the context of its business(es) and sector(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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of the Board's Report (Contd.)

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	✓			✓		✓
Mr. Santosh Kumar Agrawala	✓	✓	✓	✓		✓
Ms. Rita Bhattacharya		✓			✓	✓
Mr. Girish Paman Vanvari	✓	✓	✓	✓		✓
Mr. Gopal Ajay Malpani	✓					✓

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.

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. The Audit Committee comprises of 5 (Five) Directors including 4 (Four) 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.

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of the Board's Report (Contd.)

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 6 (Six) times during the year i.e., 08 July 2022, 14 July 2022, 21 July 2022, 11 August 2022, 29 October 2022 and 10 February 2023.

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 attended
1	Mr. Girish Paman Vanvari	Chairman, Independent Director	6
2	Mr. Santosh Kumar Agrawala	Member, Independent Director	6
3	Mr. Sakti Kumar Banerjee	Member, Independent Director	6
4	Mr. Santimoy Dey	Member, Independent Director	6
5	Mr. Anurag Choudhary	Member, CMD & CEO	5

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;

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

Annexure IX

of the Board's Report (Contd.)

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 SEBI (Prohibition of Insider Trading) Regulation, 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.

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.

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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. Santosh Kumar Agrawala, 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 5 (Five) times during the year i.e., on 21 April 2022, 21 July 2022, 11 August 2022, 12 December 2022 and 09 February 2023. The details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings attended
1	Mr. Santosh Kumar Agrawala	Chairman, Independent Director	5
2	Mr. Santimoy Dey	Member, Independent Director	5
3	Mr. Sakti Kumar Banerjee	Member, Independent Director	5

b. Terms of Reference

The present terms of reference of the Nomination and Remuneration Committee is 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 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

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approved a Nomination and Remuneration Policy of the Company. This Policy is available in the Company's website at https://www.himadri.com/pdf/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 criterias 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.

e. **Remuneration to Directors and Disclosures**

a) **Details of remuneration paid/payable to the Directors for the year ended 31 March 2023 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	Shareholding (Equity) (No.)
Mr. Shyam Sundar Choudhary	200.00	0.68	-	-	-	-	-	200.68	Present tenure valid till 31 March 2025	-
Mr. Anurag Choudhary	250.00	0.68	-	-	-	-	-	250.68	Present tenure valid till 13 August 2024	13,300,000
Mr. Amit Choudhary	200.00	0.61	-	-	-	-	-	200.61	Present tenure valid till 13 August 2024	-

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Amount in ₹ Lakhs

Names of the Directors	Salary (₹)	Perquisites (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Stock Option	Pension	Total (₹)	Service Contract/ Notice period/ Severance Fees	Shareholding (Equity) (No.)
Mr. Sakti Kumar Banerjee	-	-	-	-	10.00	-	-	10.00	Appointed as Independent Director up to 31 March 2024	-
Mr. Santimoy Dey	-	-	-	-	10.00	-	-	10.00	Appointed as Independent Director up to 23 September 2024	-
Mr. Santosh Kumar Agrawala	-	-	-	-	8.25	-	-	8.25	Appointed as Independent Director up to 13.11.2021	-
Ms. Rita Bhattacharya[1]	-	-	-	-	1.50	-	-	1.50	Appointed as Independent Woman Director up to 10 August 2027	-
Mr. Girish Paman Vanvari	-	-	-	-	6.00	-	-	6.00	Appointed as Independent Director up to 21 June 2026	-
Mr. Gopal Ajay Malpani	-	-	-	-	2.50	-	-	2.50	Appointed as Independent Director up to 12 August 2026	-

[1] Ms. Rita Bhattacharya has been appointed as an Independent Director of the Company w. e. f 11.08.2022 for a term of 5 consecutive years w.e.f. 11.08.2022.

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 Independent 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.

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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. The Risk Management Committee was last re-constituted on 01 October 2022.

During the financial year 2022-23, the Risk Management Committee met on 16 September 2022 and 10 March 2023.

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 attended
1	Mr. Shyam Sundar Choudhary	Chairman, Executive Director	1
2	Mr. Santimoy Dey	Member, Independent Director	2
3	Mr. Anurag Choudhary	Member, CMD & CEO	2
4	Mr. Kamlesh Kumar Agarwal	Member, Chief Financial Officer	2
5	Mr. Somesh Satnalika	Member, Executive Vice President, CTD and Strategy	1

Mr. Bankey Lal Choudhary, Executive Director and Member of Risk Management Committee resigned from the Board of the Company w.e.f. 08 July 2022.

Mr. Monojit Mukherjee, Business President, Carbon Black Division and Member of Risk Management Committee ceased from membership of Risk Management Committee w.e.f. 01 October 2022.

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;

(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;

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(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 comprises of 3 (Three) members. The Committee comprises of Mr. Santimoy Dey, as the Chairman, Mr. Shyam Sundar Choudhary and Mr. Sakti Kumar Banerjee as its members and majority of directors are Independent. 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 06 April 2022, 07 June 2022, 09 September 2022, 30 November 2022 and 15 February 2023. The details of meetings attended by each of the members are given below:

Sl. No.	Name of members	Category	No of meetings attended
1	Mr. Santimoy Dey	Chairman, Independent Director	5
2	Mr. Sakti Kumar Banerjee	Member, Independent Director	5
3	Mr. Shyam Sundar Choudhary	Member, Executive Director	2

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;

(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 over telephone may do so at 033- 2230 9953/4363.

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d) Status of Investors' Grievances

There were 8 complaints pending at the beginning of the year, during the financial year 2022-23, total 350 complaints were received from investors and 355 complaints were resolved satisfactory 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 ("CSR Committee")

a) Composition, Meetings and Attendance

The Company in terms of Section 135(1) of the Act has constituted Corporate Social Responsibility Committee comprising of 3 (Three) members. The Committee comprises of Mr. Santimoy Dey, as the Chairman, Mr. Shyam Sundar Choudhary and Mr. Sakti Kumar Banerjee as its members and majority of directors are Independent.

During the financial year 2022-23, the Committee met 2 (Two) times on 21 July 2022 and 28 October 2022. 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 attended
1	Mr. Santimoy Dey	Chairman, Independent Director	2
2	Mr. Sakti Kumar Banerjee	Member, Independent Director	2
3	Mr. Shyam Sundar Choudhary	Member, Executive Director	2

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 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;

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(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")

The SEBI vide SEBI (LODR) (Second Amendment) Regulations, 2021 dated 05 May 2021, has mandated top 1000 Companies as per market capitalisation that Annual Report of their Companies 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") and reconstituted the ESG Committee on 10 February 2023 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. Santosh Kumar Agrawala	Member, Independent Director

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;

(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

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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.

During the financial year 2022-23, the ESG Committee (formerly known as BRR Committee) met on 21 July 2022.

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.

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 2022-23, the Committee met 18 (Eighteen) 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 ₹ 3,000 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 including grant of authority to officials in this regard;

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(vii) To avail of factoring facility from any other bank & Financial Institution;

(viii) To obtained higher purchase loan/vehicle loan;

(ix) To initiated 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;

(x) To file various e-forms with MCA (Registrar of Companies);

(xi) To avail of Commercial Card facility as a part of working Capital limit sanction 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 rupees two lacs 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 fund in form of CP to amount not exceeding ₹ 300 Crores;

(xvi) To apply for listing of Commercial paper at the Stock exchange;

(xvii) To invest fund of the Company including mutual fund not exceeding ₹ 1,000 Crores;

(xviii) To borrow money from time to time for long term purpose of the Company upto an aggregate amount not exceeding ₹ 1,000 Crores;

(xix) To grant corporate guarantee upto an aggregate amount of ₹ 1,000 Crores;

(xx) To deal with any other matter which are incidental to the aforesaid;

(xxi) 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	Member, Independent Director
4	Mr. Anurag Choudhary	Member, CMD & CEO

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;

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(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;

(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. Debashree Tarafdar, Presiding Officer
- Ms. Neha Pandey, Member
- Mr. Bhaskarmoy Dey, 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;

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(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;

(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 2022-23.

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

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.

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of the Board's Report (Contd.)

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	Member, Independent Director
4	Mr. Santosh Kumar Agrawala	Member, Independent Director

Terms of reference

(i) To make allotment of securities/ warrants on preferential basis upon receipt of the subscription amount;

(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 2022-23, the Committee met 2 (two) times.

15. General Body Meetings

i) Details of location, time, and date of the last three AGM are as follows

Financial Year	Number of the AGM	Date	Venue	Time
2019-20	32nd AGM	11 December 2020	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	11.00 am
2020-21	33rd AGM	29 September 2021	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	11.30 am
2021-22	34th AGM	28 September 2022	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	4.00 pm

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ii) Details of location, time, and date of the last Extra-Ordinary General Meeting is as follows

Type of General Meeting	Date	Venue	Time
Extra – Ordinary General Meeting	08 August 2022	Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The deemed venue: Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001.	01.00 p.m.

iii) Details of Special Resolution(s) passed during the last three years in General Meetings

32nd AGM held on 11 December 2020	1. Re-appointment of Mr. Shyam Sundar Choudhary (DIN: 00173732) as Whole-time Director for a further period of 5 (Five) years with effect from 1 April 2020 to 31 March 2025. 2. Re-appointment of Mr. Vijay Kumar Choudhary (DIN: 00173858) as Whole-time Director for a further period of 5 (Five) years with effect from 1 April 2020 to 31 March 2025.
33rd AGM held on 29 September 2021	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. 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.
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.
34th AGM held on 28 September 2022	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;

iv) During the financial year 2022-23, the Company passed the following special resolutions by way of Postal Ballot on 24 March 2023

1. Approval of the revision in remuneration of Mr. Anurag Choudhary, Chairman cum Managing Director & CEO;
2. Approval of the revision in remuneration of Mr. Shyam Sundar Choudhary, Whole-time Director;
3. Approval of the revision in remuneration of Mr. Amit Choudhary, Whole-time Director;

v) No Special Resolution at present is proposed to be passed through Postal Ballot. Therefore, the procedure for Postal Ballot is not applicable.

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16. 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 2022-23, 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 "Investors" 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/CMD2/CIR/P/2022/62 dated 13 May 2022, the Company has sent Annual Report for the financial year 2021-22 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 at 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. However, during the year the Company has not made any specific presentation to any Institutional Investor.

17. General Shareholder Information

Annual General Meeting (AGM) and Book Closure Dates

The Day, Date, Time of the 35th AGM and Book Closure Dates in relation thereto have been indicated in the Notice convening the AGM.

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Financial Year

The financial year of the Company is from 1 April to 31 March every year.

Tentative Schedule for the Meetings for the financial year 2023-24

Financial Year Board meetings for approval of quarterly results	2023-24
- Quarter ended 30 June 2023	Within 2nd Week of August 2023
- Quarter ended 30 September 2023	Within 2nd week of November 2023
- Quarter ended 31 December 2023	Within 2nd week of February 2024
- Audited Financial Results for the year ended 31 March 2024	Within 60 days from the end of the financial year
AGM for the financial year 2023-24	In accordance with Section 96 of the Act and SEBI Listing Regulations and Circulars of MCA and SEBI from time to time.
Dispatch of Annual Report	21 (clear) days before the meeting.

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 2022-23 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-22	85.50	68.00	85.50	68.50
May-22	73.70	56.10	73.75	56.10
Jun-22	73.40	55.40	73.40	55.40
Jul-22	93.15	58.75	93.20	58.70
Aug-22	104.55	80.35	104.50	80.40
Sep-22	108.80	96.35	108.85	96.30
Oct-22	108.85	96.60	108.85	96.55

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Month	BSE		NSE	
	Amount in ₹		Amount in ₹	
	High	Low	High	Low
Nov-22	106.20	94.20	106.30	94.10
Dec-22	107.35	82.35	107.30	82.40
Jan-23	101.70	86.55	101.70	86.50
Feb-23	95.00	80.20	95.00	80.20
Mar-23	92.00	80.31	92.10	80.40

Stock Performance in comparison to broad-based indices

Financial Year	BSE SENSEX		NSE NIFTY 50	
	Change in Himadri Share Price	Change in SENSEX	Change in Himadri Share Price	Change in Nifty 50
2022-23	17.50%	0.72%	17.50%	(0.60%)

Registrar and Share Transfer Agent

The Company has engaged the services of M/s S. K. Infosolutions Pvt. Ltd., 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 RTA 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 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 a 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

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the Depository Participants (DPs) as per the formats prescribed by them.

Dividend remittance

Dividend on equity shares as recommended by the Board for the year ended 31 March 2023, when declared at the ensuing AGM will be paid:

i) 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

ii) in respect of shares held in physical form, to those Shareholders whose names appear on the Company's register of members lodged with the Company before the start of date of book closure.

Members may please note that the dividend warrants shall be payable at par at the designated branches of the bank for an initial period of three months. The Members are therefore advised to encash dividend warrants within the initial validity period of three months. After expiry of initial validity period, bank draft will be issued against cancellation of warrants upon request of the shareholders, if any.

Electronic Clearing Service – NECS

Members desirous of receiving dividend 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 Shareholdings

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.

Details of Payee

Further, the SEBI with a view to safeguard the interest of the shareholders has issued circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018, 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.

Unclaimed/Unpaid Dividend

The amount of unclaimed dividend is 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 unclaimed for 7 years or more from the date it became unpaid/unclaimed shall be transferred to the Investor Education and Protection Fund (IEPF). As on 31 March 2023, 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 31.03.2023 (₹)	Due date for transfer to Investor Education and Protection Fund	Banker's name in which the unpaid amount is lying
2015-16	24 September 2016	317,579.65	30 October 2023	State Bank of India
2016-17	22 September 2017	587,591.30	28 October 2024	State Bank of India
2017-18	4 September 2018	332,345.50	10 October 2025	State Bank of India
2018-19	25 September 2019	459,409.80	31 October 2026	State Bank of India
2019-20	11 December 2020	558,714.07	17 January 2028	Axis Bank Ltd
2020-21	29 September 2021	708,562.43	04 November 2028	Axis Bank Ltd
2021-22	28 September 2022	753,914.83	03 November 2029	Axis Bank Ltd

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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' RTA 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 Shares to IEPF

During the financial year 2022-23, the Company was not required to transfer the unclaimed shares to IEPF pursuant to the provisions of Section 124(6) of the Act.

The shareholders may re-claim those shares which have been transferred to IEPF 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:

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 29 November 2022 , 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	115.00	[ICRA]A+ (Stable) (Pronounced as ICRA A plus); Outlook: Stable	Reaffirmed
Fund Based Working Capital	390.86	[ICRA]A+ (Stable) (Pronounced as ICRA A plus); Outlook: Stable	Reaffirmed
Fund Based /Non- Fund Based Working Capital	1,310.00	[ICRA]A+(Stable)/[ICRA]A1	Reaffirmed
Commercial Paper	300.00	[ICRA]A1 (Pronounced ICRA A one)	Reaffirmed

Distribution of Shareholding and Shareholding Pattern as on 31 March 2023

- **Distribution of Shareholding as on 31 March 2023**

No. of shares	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
Upto 5000	277,782	98.86	68,636,463	15.86
5001 to 10000	1,699	0.60	13,014,302	3.01
10001 to 20000	751	0.27	10,885,022	2.52
20001 to 30000	240	0.09	6,036,553	1.40
30001 to 40000	112	0.04	3,992,928	0.92
40001 to 50000	81	0.03	3,778,118	0.87
50001 to 100000	154	0.05	11,279,492	2.61

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No. of shares	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
100001 to 500000	128	0.05	26,109,622	6.03
500001 to 1000000	11	0.00	8,109,727	1.87
1000001 and Above	27	0.01	28,086,4971	64.91
Total	**280,985**	**100.00**	**432,707,198**	**100.00**

- **Shareholding pattern as on 31 March 2023**

Category of shareholders	No. of holders	% of total number of holders	Number of shares held	% of the total number of shares	Number of warrants held	% of the total number of warrants
(A) Promoter Group						
1 Individual	7	0.00	13,300,000	3.07	50,350,000	84.98
2 Bodies corporate	2	0.00	184,083,674	42.55	0	0.00
Sub- total (A)	**9**	**0.00**	**197,383,674**	**45.62**	**50,350,000**	**84.98**
(B) Non-promoters						
1 Mutual funds	1	0.00	2,085,000	0.48	0	0.00
2 Financial institutions/Bank	1	0.00	3,000	0.00	0	0.00
3 NBFCs registered with RBI	1	0.00	1,000	0.00	0	0.00
4 Foreign Portfolio	67	0.02	10,210,837	2.36	0	0.00
5 Central Government/State Government(s)/President of India.	1	0.00	3,000	0.00	0	0.00
6 KMP	6	0.00	247,342	0.06	740,000	1.25
7 Bodies Corporate	688	0.25	62,138,530	14.36	0	0.00
8 Individuals	274,257	97.61	128,642,680	29.73	8,160,000	13.77
9 IEPF	1	0.00	3,461,506	0.80	0	0.00
10 N.R.I.	2,362	0.84	3,124,043	0.72	0	0.00
11 Clearing Members	97	0.04	1,878,090	0.43	0	0.00
12 HUF	3,387	1.21	10,150,227	2.35	0	0.00
13 Trusts	4	0.00	12,596	0.00	0	0.00
14 Market Maker	35	0.01	5,004,783	1.16	0	0.00
15 LLP	68	0.02	8,360,890	1.93	0	0.00
Sub-total (B)	**280,976**	**100.00**	**235,323,524**	**54.38**	**8,900,000**	**15.02**
Total (A) + (B)	**280,985**	**100.00**	**432,707,198**	**100.00**	**59,250,000**	**100.00**

Dematerialization of shares and liquidity

The shares of the Company are under compulsory demat list of SEBI, 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

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The summary of shareholding of the Company being held as on 31 March 2023 is given below:

Held in dematerialised form in CDSL	78,494,050	18.14%
Held in dematerialised form in NSDL	351,411,306	81.21%
Physical	2,801,842	0.65%
Total No. of shares	**432,707,198**	**100.00%**

Outstanding Warrants

The Company, on 22 August 2022 has allotted 72,550,000 (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 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 on 17 February 2023, upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 13,300,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder.

59,250,000 warrants outstanding as on as on 31 March 2023 for which the respective allottees have not yet exercised their option for conversion of the warrants into equity shares and accordingly, balance 75% money towards such remaining warrants is yet to be received.

The Company has not issued any American depository receipts or global depository receipts.

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

Sl. No.	Location of Plants
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- 495683 (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 -768112
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 -743504
8	China Unit- Longkou, Shandong, China. (Step-down Subsidiary)

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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.

18. Subsidiary Companies

The Company also has two Subsidiary Companies 1) AAT Global Limited, Hong Kong in which the Company holds 100% equity 2) Shandong Dawn Himadri Chemical Industry Ltd ("SDHCIL"), China, in which the Company holds 94% equity through its wholly owned Subsidiary Company, AAT Global Limited.

During the financial year 2022-23, AAT Global Limited was material subsidiary pursuant to Section 16 of SEBI Listing Regulations. Mr. Santimoy Dey, the Independent Director of the Company is 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 web link for Policy for determining Material Subsidiaries is placed on the website of the Company at https://www.himadri.com/pdf/policy-for-determining-material-subsidiaries-10.02.2023.pdf

19. 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 2022-23 that were prejudicial to the Company's interest. There are no materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management and their subsidiaries or relatives 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 2023.

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 2022-23. 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.

Annexure IX

of the Board's Report (Contd.)

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. 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 Regulations, the Company was required to submit audited financial results for the quarter and year ended 31 March 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.

Action Taken by	Details of violation during financial year 2020-21	Details of action taken e.g., fines, warning letter, debarment, etc.
National Stock Exchange of India Limited (NSE)	Pursuant to Regulation 33 of SEBI Listing Regulations read with SEBI Circular dated 29 July 2020, the Company was required to submit unaudited financial statements for the quarter ended 30 June 2020 on or before 15 September 2020 but the same was submitted by the Company on 29 October 2020	Fine was imposed by NSE. The Company paid the fine on 16 April 2021.
BSE Limited (BSE)		Fine was imposed by BSE. The Company paid the fine on 18 September 2021.

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 2023, 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 read with Part E of Schedule II of the SEBI Listing Regulations as follows:

Unmodified Audit Opinion

The financial statements of the Company are with unmodified audit opinion.

Annexure IX

of the Board's Report (Contd.)

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.

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.

vii. Proceeds from Public Issues, Rights Issue, Preferential Issues, Qualified Institutional Placement etc.

The Company has not raised any money through issue of Securities by means of Public Issue, Rights Issue, Qualified Institutions Placement etc. during the financial year ended 31 March 2023.

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 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 has allotted 72,550,000 (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 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 on 17 February 2023, upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 13,300,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder.

For the remaining 59,250,000 warrants, the respective allottees have not yet exercised their option for conversion the warrants into equity shares and accordingly, balance 75% money towards such remaining warrants is yet to be received.

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 EGM dated 14 July 2022.

viii. 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/pdf/policy-for-determining-material-subsidiaries-10.02.2023.pdf

ix. 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/pdf/policy-on-related-party-transactions-10.02.2023.pdf

x. 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 IX

of the Board's Report (Contd.)

xi. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

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 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 has allotted 72,550,000 (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 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 on 17 February 2023, upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 13,300,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder.

For the remaining 59,250,000 warrants, the respective allottees have not yet exercised their option for conversion the warrants into equity shares and accordingly, balance 75% money towards such remaining warrants is yet to be received.

The details of utilization of funds are given hereunder:

Particulars	Amount in ₹ Lakhs
Funds raised through allotment of 72,550,000 warrants on 22 August 2022 (A)	12,696.25
Funds raised through allotment of 13,300,000 fully paid-up equity shares against conversion of equal number of warrants on 17 February 2023 (B)	6,982.50
Total Funds raised and available for utilization till 31 March 2023 (A+B)	19,678.75
Funds utilized during the year ended 31 March 2023	19,678.75

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 EGM dated 14 July 2022.

xii. **Declaration of Non-Disqualification or debarment for appointment/continuing as the Director in companies for the financial year 2022-2023**

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**.

xiii. **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.

Annexure IX

of the Board's Report (Contd.)

xiv. Details of fees paid to Statutory Auditor

Total fees paid by the Company to the Statutory Auditors for all the services provided by them are as follows:

Amount in ₹ Lakhs

Payment towards-	2022-23	2021-22
Statutory Audit Fee	50.50	50.50
Limited Review Reports	9.50	9.50
Certification fees	15.33	6.35
Re-imbursement of Expenses	5.07	4.03
Total	**80.40**	**70.38**

xv. 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 2022-23, 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 2022-23 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

xvi. 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

xvii. Disclosure of discretionary requirements as specified in Part E of Schedule II have been adopted

As mentioned above in point no. 19(vi).

xviii. 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 Listing Regulations 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.

xix. 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.

Annexure IX

of the Board's Report (Contd.)

Details of corporate policies

Sl. No	Policy	Link
1	Corporate Social Responsibility Policy	https://www.himadri.com/pdf/corporate-social-responsibility-policy_10.02.2023.pdf
2	Composition and Profile of the Board of Directors	https://www.himadri.com/leadership
3	Terms and Conditions of appointment of Independent Directors	https://www.himadri.com/corporate_governance
4	Familiarization Programme for Independent Directors	https://www.himadri.com/pdf/familiarisation-programme-fy-2022-23.pdf
5	Remuneration policy of Directors, KMPs & other Employees	https://www.himadri.com/pdf/nomination-and-remuneration-policy-10.02.2023.pdf
6	Code of Conduct	https://www.himadri.com/pdf/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/pdf/corporate_governance/criteria_of_making_payment_to_non_executive_directors.pdf
8	Code of Conduct for Non-Executive Independent Directors	https://www.himadri.com/pdf/code-of-conduct-for-independent-directors-HSCL.pdf
9	Policy on Related Party Transactions	https://www.himadri.com/pdf/policy-on-related-party-transactions-10.02.2023.pdf
10	Policy on determining Material Subsidiaries	https://www.himadri.com/pdf/policy-for-determining-material-subsidiaries-10.02.2023.pdf
11	Whistle Blower Policy	https://www.himadri.com/pdf/vigil-mechanism-whislteblower-policy-10.02.2023.pdf
12	Policy on determination of Materiality for Disclosure(s)	https://www.himadri.com/pdf/policy-on-determination-of-materiality-of-events-10.02.2023.pdf
13	Dividend Distribution Policy	https://www.himadri.com/pdf/dividend-distribution-policy-10.02.2023.pdf

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]

No such transactions were entered into by the Company during the financial year. All transactions with related parties have been disclosed in Financial Statements.

Disclosure 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 during the financial year.

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: 28 April 2023

Annexure IX

of the Board's Report (Contd.)

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 2023.

For Himadri Speciality Chemical Ltd

Sd/-
Anurag Choudhary
Chairman cum Managing Director &
Chief Executive Officer
(DIN: 00173934)
Date: 28 April 2023

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

Annexure IX

of the Board's Report (Contd.)

the Financial Year ending on 31 March 2023 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	Santosh Kumar Agrawala	Independent Director	00364962	14/11/2016
5	Sakti Kumar Banerjee	Independent Director	00631772	11/07/2006
6	Gopal Ajay Malpani	Independent Director	02043728	13/08/2021
7	Rita Bhattacharya	Independent Director	03157199	11/08/2022
8	Santimoy Dey	Independent Director	06875452	27/05/2014
9	Girish Paman Vanvari	Independent Director	07376482	22/06/2021

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
ACS – 17717
CP No. 8921
UDIN: A017717E000211977

Place: Kolkata
Date: 27 April 2023

Annexure IX

of the Board's Report (Contd.)

Certificate regarding Compliance of Conditions of Corporate Governance

To
The Members
Himadri Speciality Chemical Ltd
23A, Netaji Subhas Road, 8th Floor, Suite No. 15
Kolkata – 700 001

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 March 31, 2023 ("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 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. The Certificate 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 **Arun Kumar Maitra & Co.**
Practicing Company Secretaries

Sd/-
A.K.MAITRA
Partner
Membership No. A 3010
C.P. No.14490
UDIN: A003010E000184312
Date: 25 April 2023

Annexure IX

of the Board's Report (Contd.)

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 2023 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/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 28 April 2023

Annexure X

of the Board's Report

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

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.com
7. Telephone	(033) 2230 4363/ 9953
8. Website	www.himadri.com
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd, BSE Limited
11. Paid-up Capital	₹ 4,327.07 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. Kamlesh Kumar Agarwal Chief Financial Officer investors@himadri.com (033) 2230 4363/ 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

II. Products/services

14. 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

15. 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

16. 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

Annexure X

of the Board's Report (Contd.)

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	25
International (No. of Countries)	49

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

- Revenue from operations: ₹ 417,184.13 lakhs
- Contribution of exports: 22% (approx.)

c. A brief on types of customers

Since incorporation in 1987, Himadri Speciality Chemical Limited ("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, aluminium, graphite, tyre, automotive components, plastic, paints, fibre, printing inks, infrastructure development, and many more.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	700	669	95.57	31	4.43
2	Other than Permanent (E)	52	52	100.00	0	0.0
3	**Total employees (D + E)**	**752**	**721**	**95.88**	**31**	**4.12**
	WORKERS					
4	Permanent (F)	195	189	96.92	6	3.08
5	Other than Permanent (G)	1,161	1,155	99.48	6	0.52
6	**Total workers (F + G)**	**1,356**	**1,344**	**99.12**	**12**	**0.88**

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	NA
2	Other than Permanent (E)	0	0	NA	0	NA
3	**Total differently abled employees (D+ E)**	**1**	**1**	**100**	**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**

Annexure X

of the Board's Report (Contd.)

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	1	11.11
Key Management Personnel*	9	1	11.11

*Includes CMD & CEO and Executive Directors

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the Year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees (%)	**7.86**	**0.71**	**8.57**	10.34	0.65	10.99	13.69	1.26	14.95
Permanent Workers (%)	**27.18**	**3.08**	**30.26**	24.57	0.00	24.57	17.53	0.00	17.53

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

21. (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	Yes
2	Shandong Dawn Himadri Chemical Industry Limited	Subsidiary of AAT Global Ltd	94	Yes

VI. CSR Details

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

(ii) Turnover for the year ended 31 March 2023: ₹ 417,184.13 lakhs

(iii) Net worth as at 31 March 2023: ₹ 221,560.10 lakhs

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VII. Transparency and Disclosures Compliances

23. 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 2022-23 (Current Financial Year)			FY 2021-22 (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/pdf/vigil-mechanism-whislteblower-policy-10.02.2023.pdf

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health & Safety	Risk and Opportunity	In line with business values, beliefs, and practices, safeguarding our employees is our top priority. As any negligence in health and safety elements may result in serious consequences, we put our best efforts to preserve HSE at workplace.	Himadri strictly adheres to the health and safety protocols at all its plants and office locations. Himadri locations have been ISO 45001:2018 certified. Training on health and safety is conducted at regular intervals for the employees and workers along with periodic audits and surprise checks to ensure 100% 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 as well as it has enhanced the brand value significantly.

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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)
2	Human Rights	Opportunity	A socially responsible corporation has a responsibility to foster strong relationships with all its stakeholders, including regulators, investors, suppliers, and customers. By prioritizing respect for human rights, a business demonstrates its commitment to developing enduring partnerships with stakeholders and upholding their rights.	Himadri is committed to the principles of sustainable development including protecting human rights, respecting the dignity and well-being of people and guaranteeing equal rights to all people. Therefore, the Human Rights Policy is applicable to all employees and investors, and the Supplier Code of Conduct clearly outlines the expectations.	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.
3	GHG Emissions/ Energy Management	Risk and Opportunity	Considering GHG emissions have a negative impact on the global climate, it is indeed a common risk to all of us. Hence, as a corporate entity we totally recognize this risk and remain fully committed to contributing positively to this perspective.	Himadri has been monitoring Scope 1 and 2 emissions with all efforts being made to increase energy efficiency. Himadri is actively assessing its emissions and having a short term and long-term plans with defined objective to improve energy intensity as well as reducing carbon footprint.	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 utilize water in our operations. Given the importance of this finite resource, it is our duty to reduce freshwater usage and optimize our processes.	Himadri has implemented Zero Liquid Discharge (ZLD) as a strategic tool to manage water consumption, treatment, and recycling for internal usage to the maximum possible extent, eventually, improving our water consumption intensity on a continuous basis.	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 key contributors to value creation and are our greatest assets. We aim to recruit qualified employees with relevant experience, nurture them with best-in-class training and develop their skills to see Himadri reach greater heights.	To ensure a positive working culture at Himadri, progressive people practices have been adopted to retain and attract more talents. A regular assessment is conducted by the Leadership in that direction and appropriate measures are adopted.	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 to the stakeholders are being done towards achieving transparency to the best possible extent.	Policies are in place to ensure Himadri's objectives in operating 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.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	QMS (ISO 9001:2015), IATF (16949:2016)	ISO 17025:2017, QMS (ISO 9001:2015), IATF (16949:2016)	ISO 45001:2018, QMS (ISO 9001:2015), IATF (16949:2016)	QMS (ISO 9001:2015), IATF (16949:2016)	ISO 45001:2018	EMS (ISO 14001:2015)	NA	NA	QMS (ISO 9001:2015), IATF (16949:2016)
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**								

Governance, leadership, and oversight

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

   At Himadri, our business operations are guided by a strong commitment to Environmental, Social, and Governance (ESG) principles aligned with BRSR framework. We conduct our operations in a transparent and fair manner with all stakeholders and ensure that our workplace is safe and resourced with all necessary facilities.

   We are dedicated to promoting ethical and socially responsible practices throughout our extensive supply chain. Our focus is on adhering to all relevant regulations, including environmental standards, and our research and development team continuously explores sustainable and eco-friendly products that create maximum value by minimizing environmental impact internally. Our products not only promote energy efficiency but also aid in the customer's sustainability agenda by significantly reducing their carbon footprint, resulting in substantial value creation.

   At Himadri, our approach to sustainability is not limited to regulatory compliances. Rather, we have been striving to institutionalize best in class sustainable practices in everything we do. We are fully committed to reducing our GHG emissions by continuous improvement in operating efficiency, optimizing waste and water management, and adhering to best practices.

   Our governance systems and risk management processes are robust and effective, and we extend our compliance efforts to our value chain partners. We conduct our business activities in accordance with ethical principles, internal policies, procedures, and applicable laws to prevent corruption and promote fair competition.

   To further strengthen our ESG commitments, we have established an ESG Committee that is currently reviewing our targets for the short /long term. Our goals include improving employee diversity, improving health and safety performance, reducing emissions, enhancing water and waste management, and increasing transparency in our company disclosures.

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 of the Company, led by the Chairman cum Managing

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Director & CEO, has the primary role of responsibility to protect and enhance shareholder value through strategic. The Board ensures that the Company has clear goals aligned to shareholder value and its growth, and also in line with its sustainability agenda.

The ESG Committee of the Board, chaired by the Chairman cum Managing Director & CEO, reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis. In addition, the CSR Committee and the Board also review the progress of implementation of the Company's CSR programmes.

The ESG Committee of the Company is the management body responsible for compliance with the Sustainability Policies of the Company. The Board has constituted the ESG Council which oversees day-to-day ESG matters arising out of the activities and operations of the Company and monitors and evaluates 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 mentioned above, the ESG Committee is a Board Committee which is responsible for making key decisions pertaining to ESG related issues, identifying risks and having mitigating actions in place.

The ESG Committee reviews the Business Responsibility and Sustainability Report of the Company, and recommends the same to the Board for adoption, and approves the Sustainability & Integrated Report of the Company.

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								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	N	N	N	N	N	N	N	N	N

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not applicable 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)									

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

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

Essential Indicators

1. **Percentage during 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	2	All BRSR Principles	100.00
Key Managerial Personnel	8	All BRSR Principles	83.33
Employees other than BoD and KMPs	8	All BRSR Principles	99.86
Workers	8	All BRSR Principles	100.00

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

	Monetary				
	NGBRC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an Appeal been preferred (Yes/No)
Penalty/ Fine	Nil				
Settlement	Nil				
Compounding fees	Nil				

	Non-Monetary			
	NGBRC Principle	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	

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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 the company's website. The Company is committed to the prevention and detection of bribery and other corrupt business practices and has set the responsibility for the directors and employees to maintain the highest standard of business practices and comply with all anti-corruption laws applicable in all the geographies which we operate. Himadri has a zero-tolerance policy against any sort of unethical behaviour.

To maintain utmost integrity and to ensure that the values of the company are upheld, regular awareness sessions are held with all existing and new employees. A robust governance structure is in place to oversee and monitor the policy.

https://www.himadri.com/pdf/anti-bribery-policy-10-02-2023.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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2022-23 (Current Financial Year)		FY 2021-22 (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.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

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.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has Code of Conduct for the Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and senior management personnel regarding the entities in which they are interested, and ensures requisite approvals as required under the applicable laws are taken prior to entering transactions with those entities.

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PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year (2022-23)	Previous Financial Year (2021-22)	Details of improvements in environmental and social impacts
R&D	**100.00%**	100.00%	1. Installation of Panel to reduce harmonic effects such as overheating, overloading, transmission loss and save power. 2. Developed new non-ASTM grades of Carbon Black with reduced rolling resistance resulting in an increase of fuel efficiency of vehicle. 3. With the new non-ASTM grades of Carbon Black, the abrasion and tear resistance has also improved which has resulted in lowering emissions as well. 4. Low PAH Carbon Black introduced in the market which will minimise toxic vehicle emission while the tyre is in use. Additionally, this results in safe transfer of liquid and solid food which is conveyed by mechanical handling equipment, for ex:- hose and conveyor belt. 5. Installation of chevron type vent condenser scrubbing system to resist the waste-water droplet emission & reduce Gas emission from vent by cooling media which converts vapour into liquid and the waste-water is collected and send to ETP for treatment. 6. Anti corrosive Pump installation in ETP for better treatment of water. 7. Installation of Ambient Air Quality Monitoring Station for monitoring of Air quality.
Capex	**0.63%**	0.04%	

2. a. **Does the entity have procedures in place for sustainable sourcing?**

Yes, Himadri's value chain is fully derived from by-products of other core industries like steel, petrochemical, etc. Our robustly designed supply chain model ensures that the major raw materials are non-virgin in nature and do not cause any direct depletion of natural resources. This makes Himadri's value chain intrinsically sustainable since inception.

The Company's policies encourage its value chain partners to participate actively in the journey towards sustainability. Himadri has initiated robust framework to institutionalize sustainable sourcing integrating ethical, environmental, and social criteria.

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

More than 95% of inputs were sourced sustainably.

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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 raw materials to businesses for manufacturing their end products, our products cannot be reclaimed from the customers.

   However, 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.**

   EPR is not applicable to the Company.

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?**

   No, we have not conducted any life cycle assessment for any of our products.

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.**

   Not applicable as life cycle assessment is not conducted.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
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 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

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.

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 benefit		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	669	669	100	669	100	NA	NA	669	100	669	100
Female	31	31	100	31	100	31	100	NA	NA	31	100
Total	**700**	**700**	**100**	**700**	**100**	**31**	**100**	**669**	**100**	**700**	**100**
Other than Permanent Employees											
Male	52	52	100	52	100	NA	NA	52	100	52	100
Female	0	0	NA	0	NA	0	NA	NA	NA	0	NA
Total	**52**	**52**	**100**	**52**	**100**	**0**	**NA**	**52**	**100**	**52**	**100**

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

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefit		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	189	189	100	189	100	NA	NA	189	100	189	100
Female	6	6	100	6	100	6	100	NA	NA	6	100
Total	**195**	**195**	**100**	**195**	**100**	**6**	**100**	**189**	**100**	**195**	**100**
Other than Permanent Workers											
Male	1,155	1,155	100	1,155	100	NA	NA	1,155	100	1,155	100
Female	6	6	100	6	100	6	100	NA	NA	6	100
Total	**1,161**	**1,161**	**100**	**1,161**	**100**	**6**	**100**	**1155**	**100**	**1,161**	**100**

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (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	**99.73**	**100**	**Y**	99.63	100	Y
Gratuity	**99.47**	**100**	**NA**	99.39	100	NA
ESI	**15.16**	**100**	**Y**	18.03	100	Y
Other - (NPS)	**21.14**	**0**	**NA**	30.21	0	NA

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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 web link for the same is

https://www.himadri.com/pdf/policy-on-diversity-equity-and-inclusion-10-02-2023.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.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, we have a comprehensive and detailed Grievance Redressal Mechanism in place with the underlying aim of protecting our employees and workers. We have established procedures to ensure that the process of registering a complaint, conducting an investigation, and arriving at a suitable decision is carried out in a professional and confidential manner.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022 - 2023 (Current Financial Year)			FY 2021 - 2022 (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

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8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/A)	Number (F)	% (F/A)
Employees										
Male	721	542	75.17	652	90.43	790	415	41.77	323	40.89
Female	31	10	32.26	29	93.55	31	6	67.74	18	58.06
Total	752	552	73.40	681	90.56	**821**	**421**	**51.28**	**341**	**41.53**
Workers										
Male	1,344	1,344	100.00	213	15.85	971	760	78.27	120	12.36
Female	12	8	66.67	6	50.00	7	5	85.71	3	42.86
Total	1,356	1,352	99.71	219	16.15	**978**	**765**	**78.22**	**123**	**12.58**

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

Category	FY 2022-2023 (Current Financial Year)			FY 2021 - 2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	721	721	100	790	790	100
Female	31	31	100	31	31	100
Total	752	752	100	**821**	**821**	**100**
Workers						
Male	1,344	1,344	100	971	971	100
Female	12	12	100	7	7	100
Total	1,356	1,356	100	**978**	**978**	**100**

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, Safety and health of our employees across all the layers is of paramount importance for Himadri and we are committed to preserve a safe workplace. Since 2019 full-fledged ISO 45001-2018 Management System has been implemented covering entire process of manufacturing and all layers of Employees and Workers. Following the procedure, the renewal of certification has been completed under the guidance of M/S SGS (An international Entity for such certification). The Company is invested in accessing workplace conditions and continuous initiatives are being taken to deal with prevailing hazards and risks. Regular health and safety training which includes process safety, mock fire drills are conducted to ensure all employees and workers are aware of the processes in place.

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 used to identify work-related hazards such as:

1. For representative/ standard processes, Hazard identification and Risk Assessment are done by the Process Team.

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2. For non-repetitive and 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.

3. Routine/ non-route Audits and Inspections are done to identify work related hazards for necessary corrective action.

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. 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 healthcare 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.

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

Safety Incident/Number	Category	FY 2022-2023 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	**2.73**	4.59
	Workers	**2.02**	3.85
Total recordable work-related injuries	Employees	**6**	11
	Workers	**8**	11
No. of fatalities	Employees	**Nil**	Nil
	Workers	**Nil**	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	**1**	1
	Workers	**Nil**	2

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 in place a mechanism for identification of fire hazards, preparation of action plan for control system and plans to mitigate or eliminate hazards.

We also have certified first aid providers at Plant level who are competent enough to give first aid treatment in case of any incident.

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

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (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	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

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.

Appropriate reporting frameworks have been put in place to report every safety related incident in a systematic and organized manner to the HSE Team which is followed by a detailed investigation involving all requisite stakeholders. A root cause analysis (RCA) is conducted and a mitigation plan to prevent re-occurrence is deployed. As a result of the continuous process, safety related incidents have reduced over the years. Our continuous endeavor is to prioritize investments in world-class processes that ensure safety.

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 with 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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-2023 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Employees	**1**	1	**1**	1
Workers	**Nil**	2	**Nil**	2

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   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**

   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 observed.

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

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

   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 Intranet • 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 guided by 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
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 aware the customers about the new developments in techniques and products • Build long-lasting relationships with suppliers • To receive feedback from customers

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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
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 aware the suppliers about 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 Company • Understand 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 industry reform

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 to 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.

- During the year, Himadri has undertaken a comprehensive materiality assessment and stakeholder engagement exercise to identify Environmental, Social and Governance (ESG) topics of significance to its business.

As a part of this exercise, Himadri along with an 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 prioritising ESG topics and way forward ESG framework.

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- 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 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 marginalised group.

PRINCIPLE 5:

Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2022-2023 (Current Financial Year)			FY 2021 - 2022 (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	700	678	96.86	751	532	70.84
Other than permanent	52	20	38.46	70	24	34.29
Total Employees	752	698	92.82	**821**	**556**	**67.72**
		Workers				
Permanent	195	194	99.49	157	134	85.35
Other than permanent	1,161	812	69.94	821	550	66.99
Total Workers	1,356	1,006	74.19	**978**	**684**	**69.94**

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

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/A)	No. (F)	% (F/D)
Employees										
Permanent										
Male	669	0	0	669	100	720	0	0	720	100
Female	31	0	0	31	100	31	0	0	31	100
Other than Permanent										
Male	52	0	0	52	100	70	0	0	70	100
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	189	0	0	189	100	150	12	8.00	138	92.00
Female	6	0	0	6	100	7	0	0.00	7	100
Other than Permanent										
Male	1155	801	69.35	354	30.65	821	640	77.95	181	22.05
Female	6	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	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	200.00	0	NA
Key Managerial Personnel	5	125.83	1	30.27
Employees other than BoD and KMP	664	4.57	30	5.51
Workers	189	2.15	6	1.23

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 to the United Nations Guiding Principles of Business and Human Rights (UNGPs) and International Labour Organization (ILO Declaration).

A governance framework has been put in place, whereby employees can address their complaints or grievances to 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.

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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, 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 is 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 identify any shortcomings.

The Company also has a Policy on Prevention of Sexual Harassment (POSH), and any such concern can be reported. All violations are dealt seriously on the principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness while addressing the concern. The concerns are handled with sensitivity, while delivering timely action and closure.

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

Category	FY 2022-2023 (Current Financial Year)			FY 2021 - 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

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

While handling complaints which form 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 part of the enquiry are entrusted to record keeping 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.

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

Yes, human rights requirements form 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 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 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).

9. 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.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 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.

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).

At Himadri, none of the business processes required any modification nor introduction of any new process as a result addressing 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.

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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.

PRINCIPLE 6:

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

Essential Indicators

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Total electricity consumption (A)	GJ	337,171	319,730
Total fuel consumption (B)	GJ	24,345	24,740
Energy consumption through other sources (C)		Nil	Nil
Total energy consumption (A+B+C)	GJ	361,516	344,470
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (approx.)	J / INR	8,666	12,341
Energy intensity per quantity of goods sold (Total energy consumption/ quantity of goods sold)	GJ/MT	0.90	0.93

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

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

   Not Applicable

3. **Details of the following disclosures related to water, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Water withdrawal by source			
(i) Surface Water		Nil	Nil
(ii) Ground Water	KL	913,328	926,744
(iii) Third party water	KL	8,175	9,045
(iv) Seawater/ desalinated water		NA	NA
(v) Others		NA	NA
Total volume of water withdrawal	KL	921,503	935,789
Total volume of water consumption	KL	921,503	935,789
Water intensity per rupee of turnover (Water consumed/turnover)	KL/INR	0.000022	0.000034
Water intensity per quantity of goods sold (Total water consumption/ quantity of goods sold)	KL/MT	2.28	2.52

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

4. **Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If yes, provide details of its coverage and implementation.**

   Yes, Himadri has adopted a mechanism for 'Zero Liquid Discharge' by developing a policy as well as mobilizing facility for the same. The processed water with organic material is segregated from the domestic water with inorganic materials. Both the organic and inorganic material water is treated at the common effluent treatment plant and sent to the equalisation tank to be recycled in the water recycling plant. The water is recycled as the dilutant of the concentrate that is processed through Reverse Osmosis (RO)/De-Mineralisation (DM)/Effluent Treatment Plant (ETP) as applicable. The equalized stream is treated in permeating units, which are used to cool towers and reject the stream that is used as gas in the Carbon Black Process. This is the integrated process utilized by Himadri to achieve Zero Liquid Discharge.

5. **Details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
NO_x	mg/m3	46.50	61.94
SO_x	mg/m3	50.98	54.59
Particulate matter (PM)	mg/m3	48.67	56.43
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-

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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, the external agency assigned by the State Pollution Control Board has conducted the evaluation. Their laboratories are accredited by NABL.

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	**385,752**	415,145
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	**2,112**	2,520
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e /INR	**0.000009**	0.000015
Total Scope 1 and Scope 2 emission intensity (optional) – (Total emissions / quantity of goods sold)	tCO_2e /MT	**0.96**	1.12

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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

For reducing GHG emission, Himadri has undertaken multiple projects to produce clean energy and to improve energy efficiency / intensity. Some key projects are: -

1. Installation of captive power generation plant creating value chain out of tail gas.
2. Installation of continuous re-crystallization to reduce energy use in turn improving energy intensity.
3. Himadri is net exporter of electricity power as an entity. More than 90% of the Company's captive demand of electricity is fully managed by its own power plant.
4. We have exported 60,620 MWH unit of electricity to the grid generated from captive power plant as part of our business value chain.
5. Installed specially designed energy efficient Reactors to positively impact energy efficiency by 1.5%
6. The Company's converting partial waste heat to the usable Low Pressure (LP) steam of 800kg/hour and use it for tracing purpose, where electrical tracing was used earlier.
7. We have installed micro turbine in CPP (Captive Power Plant) value chain for conserving waste energy and generating additional electricity out of it.

Robust process technology driving excellence: -

1. Re-engineered reactor design to gain higher efficiency and low Poly-nuclear Aromatic content with improved process capability (Cpk) and this leads to substantially low CO2.generation.
2. Introduced secondary Air Pre Heater to use maximum sensible heat, thus reducing direct use of steam or electricity leading to lower CO2 generation and lower Carbon footprint.

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3. Parallel Oil Pre Heater of state of art design to avoid maximum re-circulation process thus conserve oil sensible heat for lower CO2 generation and subsequently delivering lower Carbon footprint.

4. Introduced Vacuum breather in raw material section storage to control/ eliminate the volatile organic content in the atmosphere.

8. Details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	**127.62**	77.14
E-waste **(B)**	**4.22**	3.40
Bio-medical waste **(C)**	**Nil**	Nil
Construction and demolition waste **(D)**	**Nil**	Nil
Battery waste **(E)**	**1.17**	1.12
Radioactive waste **(F)**	**Nil**	Nil
Other Hazardous waste. ETP sludge, used oils and others **(G)**	**3.07**	4.43
Other Non-hazardous waste generated **(H)**. Please specify, if any (Break-up by composition i.e., by materials relevant to the sector)	**442.01**	342.15
Process and metals **(I)**	**1,270.66**	913.46
Total (A+B+C+D+E+F+G+H)	**1,848.75**	1,341.70
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	**1,845.68**	1,337.27
(ii) Re-used	**Nil**	Nil
(iii) Other recovery operations	**Nil**	Nil
Total	**1,845.68**	**1,337.27**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(iv) Incineration	**1.63**	2.94
(v) Landfilling	**1.44**	1.49
(vi) Other disposal operations	**Nil**	Nil
Total	**3.07**	**4.43**

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

9. 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.

Himadri has implemented robust and comprehensive waste management systems and procedures adopting ISO 14001 management system. We have successfully implemented the "Scrap to By-product" strategy to leverage recycling opportunities of scrap to the maximum possible extent introducing suitable value chain. As a result, we are able to recycle more than 99% of our by-products successfully in partnership with our value chain partners. The rest of the non-recyclable wastes such as ETP sludge and others, are disposed through an agency authorised by local pollution control board majorly in form of onward neutralization treatment followed by landfill. A very small fraction is incinerated which cannot be processed for landfill.

Annexure X

of the Board's Report (Contd.)

10. 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.
Not Applicable			

11. 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
Not Applicable					

12. 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
Yes, we are in compliance with all the statutory environmental laws and regulations.				

Leadership Indicators

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
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)		Nil	Nil
From non-renewable sources			
Total electricity consumption (D)	GJ	337,171	319,730
Total fuel consumption (E)	GJ	24,345	24,740
Energy consumption through other sources (F)		Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	GJ	361,516	344,470

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

Annexure X

of the Board's Report (Contd.)

2. **Details related to water discharged:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (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		
(iv) Sent to third-parties	**Nil**	Nil
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	**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 - NA

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Not applicable, as none of our facilities are situated in any of the declared water stressed zones.

4. **Details of total Scope 3 emissions & its intensity, in the following format:**

The Company plans to take Scope 3 emissions study as a future strategy.

5. **With respect to the ecologically sensitive areas reported at Question 10 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

6. **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:**

Explained under the essential indicator in Question 7

7. **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, 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.

Annexure X

of the Board's Report (Contd.)

8. 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.

In order to run its business ethically and transparently, Himadri takes social responsibility and environmental sustainability into account. Our suppliers play a crucial role in the business value chain and have a significant impact on Himadri's growth. Therefore, we strive to implement the best practices to foster long-term strategic alliances and uphold corporate responsibility. Given the industry we operate in, we consider it our responsibility to encourage sustainable practices amongst our suppliers. As a result, our Supplier Code of Conduct outlines what we anticipate from our suppliers and binds them to meet the following standards:

- Environmental Disclosures: Suppliers are urged to abide by the rules and guidelines established by the relevant regulatory authorities for the disclosure of environmental factors such as air emissions, energy use, water use, waste, and biodiversity. As for Himadri, the corporation has made significant expenditures in green measures to help it realize its "Zero Liquid Discharge" facility.
- Statutory compliance: The suppliers are encouraged to comply with all statutory laws, rules, and regulations in accordance with national standards. Additionally, suppliers must keep track of all licenses, permits, and approvals and provide copies of them upon Himadri's request.
- Training and awareness programs: Himadri regularly train their vendors to share the best practices used by the top professionals in the field. Additionally, it provides suppliers with a chance to highlight their environmental, compliance, and health and safety practices

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

The Company plans to initiate value chain partners assessment in this perspective.

PRINCIPLE 7:

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

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

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)
1	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)	National
2	Bharat Chamber of Commerce	
3	Federation of Indian Chambers of Commerce and Industry (FICCI)	
4	Confederation of Indian Industry (CII)	
5	Carbon Black Manufacturers Association	
6	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	
7	All India Rubber Industries Association	
8	Hooghly Chamber of Commerce & Industry	State
9	International Tar Association	International

Annexure X

of the Board's Report (Contd.)

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 (2022-23).		

Leadership Indicators

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

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others - please specify)	Web Link, if available
None					

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

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

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)	No. of Project Affected Families (PAFs)	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

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 deal 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 resolved by the CSR Team under guidance of CSR Committee.

Annexure X

of the Board's Report (Contd.)

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

	FY 2022-23 (Current Financial Year)	FY 2021 - 2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	0.35%	0.25%
Sourced directly from within the district and neighbouring districts	30.25%	27.98%

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? (Yes/No)**

   No

   b. **From which marginalized /vulnerable groups do you procure?** Not Applicable

   c. **What percentage of total procurement (by value) does it constitute?** Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

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

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

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

Annexure X

of the Board's Report (Contd.)

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.	Rural development projects for Economically Weaker Sections (EWS) of the Society in villages - Setting up of Pucca Houses, drinking water facilities/ drainage facility/electrification, setting of skill development centre/ Community Hall, setting up of panchayat Building, setting up of playground and gym, Training to promote Rural Sports, setting up of centre for handicapped children, Setting up of schools etc.	People of 16 villages surrounding or adjoining to Company's plants at West Bengal	These have not been identified as vulnerable/ marginalized groups.
2.	Health Care Project - Setting up of Nursing Home by construction of building - facilities of Kidney dialysis, eye testing, spectacles distribution, medicine distribution, Ayurvedic, naturopathic and homeopathy treatment.		
3.	Free Distribution of Books, Scholarship for Education, development of school, Library.		
4.	Food & Cloth Distribution.		
5.	Organised free eye check-up camps, Conducted free village medical centers, Contribution for Hospital Development and medical purpose.		
6.	Contribution towards animal welfare.		
7.	Contribution towards promoting nationally recognized sports.		

PRINCIPLE 9:

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

Essential Indicators

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

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. and then 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 being 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 will discuss it with the concerned customer and resolve 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.

Annexure X

of the Board's Report (Contd.)

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 2022 - 2023 (Current Financial Year)		Remarks	FY 2021 - 2022 (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	

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, the Company has a policy on information security, which is available on the Company's website at

https://www.himadri.com/pdf/information-security-policy-10-02-2023.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

None

Annexure X

of the Board's Report (Contd.)

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

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

Place: Kolkata
Date: 28 April 2023

Standalone

Financial Statements

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 2023, 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 significant 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 2023, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 March 31, 2023. 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 ₹ 54,524.44 lakhs as on March 31, 2023. Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 3(i) to the standalone 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. 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. • 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.

Independent Auditor's Report (Contd..)

Descriptions of key audit matter	How we addressed the matter in our audit
B. Recognition of MAT credit entitlements The Company has recognised Minimum Alternate Tax ('MAT') credit entitlement (a component of deferred tax assets) as at 31 March 2023. The Company recognises MAT credit only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. The recoverability of MAT credit entitlement is dependent upon generation of sufficient future taxable profits within the stipulated period prescribed under the Income- tax Act, 1961. Significant estimation is involved in projecting future taxable profits and other assumptions affected by expected future market or economic conditions. Due to significant level of judgement as stated aforesaid, we have identified recoverability of MAT credit entitlement as a key audit matter	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Evaluated the accounting policy of MAT credit entitlement in terms of relevant accounting standard. • Tested the design, implementation, and operating effectiveness of key controls regarding recoverability of MAT credit assets and budgeting procedures upon which the approved business plans are based. • Assessed the profit forecast prepared by the Company by comparing it with the historical trends, current year performance and approved future business plans. • Evaluated the Company's estimate regarding the period by which the MAT credit entitlement would be utilised. We compared the Company's assessment to business plans and projections of future taxable profits with the prescribed credit utilisation period under the Income-tax Act,1961.

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 are 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.

Independent Auditor's Report (Contd..)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal 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 the standalone financial statements and the operating effectiveness of such controls.

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

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

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

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

Independent Auditor's Report (Contd..)

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 accounts;

   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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls 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 and

   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 financial statements– - Refer Note 8(d), 16(b), 24 and 35(a) to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 21 to the standalone financial statements.

      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

Independent Auditor's Report (Contd..)

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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -23053816BGXNKN9082

Place: Kolkata
Date: April 28, 2023

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 Limited on the standalone financial statements as of and for the year ended March 31, 2023)

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 fixed assets.

(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 fixed assets 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 (₹ 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 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 March 31, 2023.

(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 not made any investments, provided guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii) (d) & (f) of the Order are not applicable to the Company. However, loans granted to and investment made in the wholly owned subsidiary has been fully provided for in earlier years.

Annexure "A"

to the Independent Auditor's Report (Contd.)

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

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 to the extent applicable.

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, 2013 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 services tax, provident fund, employees' state insurance, income-tax, sales-tax, service 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 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 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	1,160.21	127.87	2005-06 to 2007-08, 2009-10 and 2013-14,2016-17	Appellate and Revision Board
		30.45	7.61	2005 - 2006	Sales Tax Appellate Tribunal
		23.26	8.50	2016-17	Addl. Commissioner (Appeal)
		0.89	0.44	2010 - 2011	Deputy Commissioner
		96.15	14.42	2017-18	Commissioner (Appeal)
		137.86	-	2008-09	Hon'ble Calcutta High Court

Annexure "A"

to the Independent Auditor's Report (Contd.)

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
West Bengal Value Added Tax Act,	Value Added Tax	905.86	-	2008 - 2009	West Bengal Taxation Tribunal
		2,194.46	24.36	2005-2006 to 2007-2008; 2009-2010 to 2010-2011 and 2013-14	Appellate and Revision Board
		257.91	-	2005 - 2006	Senior Joint Commissioner - Special Cell
Chhattisgarh Value Added Sales Tax Act, 2003	Value Added Tax	276.31	-	2017 - 2018	Commissioner
		25.92	43.00	2016-2017	Addl. Commissioner (Appeal)
Good & Service Tax Act, 2017	GST - Korba	102.05	8.58	Apr - Sep 21	First Appellate Authority
	GST - West Bengal	3.55	0.89	Apr-Mar 23	First Appellate Authority
The Central Excise Act, 1944	Excise Duty	2,061.27	-	2011 to 2016	Hon'ble Calcutta High Court
		0.31	0.09	2011-12 to 2014-15	Custom Excise and Service Tax Appellate Tribunal
		47.29	1.16	2004 to 2006 and 2012-13, 2015-16	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
		34.26	13.42	2016-17	Addl. Commissioner (Appeal)
		55.89	-	2017-18	Commissioner
		188.79	94.34	2014-15 to 2015-16	Assistant Commissioner
The West Bengal Tax On Entry Of Goods into Local Areas Act, 2012	Entry Tax	964.42	-	2012 - 2013 and 2017 -2018 (Apr-Jun)	Hon'ble High Court of Kolkata
		4,064.40	-	2013-14 to 2016-17	West Bengal Taxation Tribunal
Income Tax Act, 1961	Income Tax	463.24	38.79	AY 2011-12, AY 2017-18 & AY 2018-19	Commissioner of Income Tax (Appeals)

Annexure "A"

to the Independent Auditor's Report (Contd.)

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) 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, no fraud/ material fraud by the Company or no fraud/material fraud on the Company has been noticed or reported during the year.

(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 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 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, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

Annexure "A"

to the Independent Auditor's Report (Contd.)

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), (b) and (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. In the immediately preceding financial year, the Company had not incurred cash losses.

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. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In our opinion and according to the information and explanations given to us, 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, 2013, 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, the Company has transferred the unspent amount to a special account within a period of 30 days from the end of the financial year in compliance to the provisions of sub section (6) of section 135 of the Act.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -23053816BGXNKN9082

Place: Kolkata
Date: April 28, 2023

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 Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023)

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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors of the Company are 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 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 theses 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

Annexure "B"

to the Independent Auditor's Report (Contd.)

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 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 March 31, 2023, 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 -23053816BGXNKN9082

Place: Kolkata
Date: April 28, 2023

Standalone Balance Sheet

as at 31 March 2023

Amount in ₹ Lakhs

	Note	31 March 2023	31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	**143,177.68**	145,637.83
(b) Capital work-in-progress	5	**9,353.11**	7,655.24
(c) Right of use assets	4B	**1,964.33**	2,328.08
(d) Intangible assets	6	**65.73**	66.72
(e) Financial assets			
(i) Investments	7	**13,190.87**	11,331.82
(ii) Loans	11	**100.00**	100.00
(iii) Trade receivables	8	**1,008.49**	1,003.87
(iv) Other financial assets	12	**2,176.93**	1,922.15
(f) Non-current tax assets (net)	13	**737.48**	737.48
(g) Other non-current assets	14	**1,222.66**	1,267.18
Total non-current assets		**172,997.28**	172,050.37
(2) Current assets			
(a) Inventories	15	**54,524.44**	77,239.76
(b) Financial assets			
(i) Trade receivables	8	**50,489.37**	50,503.45
(ii) Cash and cash equivalents	9	**20,604.60**	17,129.44
(iii) Bank balances other than (ii) above	10	**41,699.81**	9,162.75
(iv) Loans	11	**152.63**	170.44
(v) Other financial assets	12	**2,476.21**	1,257.29
(c) Other current assets	16	**17,747.11**	10,824.17
Total current assets		**187,694.17**	166,287.30
TOTAL ASSETS		**360,691.45**	338,337.67
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	**4,327.07**	4,189.65
(b) Other equity	18	**217,233.03**	176,188.27
Total equity		**221,560.10**	180,377.92
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**4,830.74**	9,316.92
(ii) Lease liabilities	35(c)	**122.10**	160.29
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**589.06**	432.60
(c) Deferred tax liabilities (net)	33	**9,396.26**	7,316.37
Total non-current liabilities		**14,963.93**	17,251.95
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**78,788.87**	48,520.91
(ii) Lease liabilities	35(c)	**57.23**	188.69
(iii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		**444.83**	89.20
- total outstanding dues of creditors other than micro enterprises and small enterprises		**33,659.21**	77,339.29
(iv) Derivatives	21	**11.00**	1,130.00
(v) Other financial liabilities	22	**2,931.84**	6,304.66
(b) Other current liabilities	23	**8,257.48**	6,974.15
(c) Provisions	24	**12.54**	160.90
(d) Current tax liabilities (net)	25	**4.42**	-
Total current liabilities		**124,167.42**	140,707.80
TOTAL EQUITY AND LIABILITIES		**360,691.45**	338,337.67
Significant accounting policies	3		

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: 28 April 2023

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: 28 April 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

Amount in ₹ Lakhs

	Note	Year ended 31 March 2023	Year ended 31 March 2022
I. Revenue from operations	26	**417,184.13**	279,131.40
II. Other income	27	**2,797.46**	721.60
III. Total income (I + II)		**419,981.59**	279,853.00
IV. Expenses			
Cost of materials consumed	28	**329,728.25**	239,179.74
Changes in inventories of finished goods and work-in-progress	29	**(3,013.87)**	(14,177.78)
Employee benefits expense	30	**9,094.78**	8,015.65
Finance costs	31	**6,587.51**	3,504.05
Depreciation and amortisation expense	4A,4B and 6	**4,865.73**	4,663.40
Other expenses	32	**42,537.96**	30,721.42
Total expenses		**389,800.36**	271,906.48
V. Profit before exceptional item and tax (III-IV)		**30,181.23**	7,946.52
VI. Exceptional items	36	**(3,000.00)**	-
VII. Profit before tax (V-VI)		**27,181.23**	7,946.52
VIII. Tax expenses			
Current tax	33	**4,745.61**	1,388.57
Deferred tax	33	**1,654.77**	51.76
Total tax expenses		**6,400.38**	1,440.33
IX. Profit for the year (VII-VIII)		**20,780.85**	6,506.19
X. Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the net defined benefit plan		**(3.04)**	0.88
(b) Net gain/ (loss) on investment in equity instruments accounted at fair value		**1,905.45**	4,726.82
(c) Income-tax relating to items that will not be reclassified to profit or loss		**(425.12)**	(1,085.83)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**1,477.29**	3,641.87
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)		**1,477.29**	3,641.87
XI. Total comprehensive income for the year (IX+X)		**22,258.14**	10,148.06
XII. Earnings per equity share	34		
[Face value of equity share ₹ **1 each** (previous year ₹ 1 each)]			
- Basic		**4.94**	1.55
- Diluted		**4.94**	1.55
Significant accounting policies	3		

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: 28 April 2023

Place: Kolkata
Date: 28 April 2023

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

A. Equity share capital

Amount in ₹ Lakhs

	Note	Number	Amount
Balance as at 1 April 2021		418,965,278	4,189.65
Changes in equity share capital during the year	17	-	-
Balance as at 31 March 2022		**418,965,278**	**4,189.65**
Equity shares issued during the year	17	**13,741,920**	**137.42**
Balance as at 31 March 2023		**432,707,198**	**4,327.07**

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 2021		1,280.50	45,600.10	18,955.61	351.63	98,066.97	2,383.62	-	166,638.43
Total comprehensive income for the year ended 31 March 2022									
Profit for the year 2021-2022		-	-	-	-	6,506.19	-	-	6,506.19
Remeasurement of net defined benefit plan		-	-	-	-	0.51	-	-	0.51
Net change in fair value of Equity investments		-	-	-	-	-	3,641.36	-	3,641.36
Total comprehensive income for the year		-	-	-	-	6,506.70	3,641.36	-	10,148.06
Dividends	49	-	-	-	-	(628.45)	-	-	(628.45)
Share based payments- Equity settled	39	-	-	-	30.23	-	-	-	30.23
Balance at 31 March 2022		1,280.50	45,600.10	18,955.61	381.86	103,945.22	6,024.98	-	176,188.27

Standalone Statement of Changes in Equity

for the year ended 31 March 2023 (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 2022		1,280.50	45,600.10	18,955.61	381.86	103,945.22	6,024.98	-	176,188.27
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	49	-	-	-	-	(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	39	-	113.65	-	(113.65)	-	-	-	-
Share based payments- Equity settled	39	-	79.55	-	-	-	-	-	79.55
Balance at 31 March 2023		1,280.50	54,970.30	18,955.61	268.21	123,885.35	7,504.31	10,368.75	217,233.03

Standalone Statement of Changes in Equity

for the year ended 31 March 2023 (Contd.)

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.

(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 for further details of these plans.

(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 has 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 shall be 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.

Significant accounting policies 3

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: 28 April 2023

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: 28 April 2023

Standalone Statement of Cash Flows

for the year ended 31 March 2023

Amount in ₹ Lakhs

	Year ended 31 March 2023		Year ended 31 March 2022	
A. Cash flows from operating activities				
Net profit before tax		**27,181.23**		7,946.52
Adjustments for:				
Depreciation and amortisation expense	**4,865.73**		4,663.40	
Share based payments - Equity settled	**-**		30.23	
Finance costs	**6,587.51**		3,504.05	
Interest income	**(1,602.98)**		(126.48)	
Net gain on sale of current investments carried at FVTPL	**(143.20)**		-	
Unrealised foreign exchange fluctuation losses, net	**332.31**		1,801.46	
Loss (net) on sale of property, plant and equipment	**329.88**		7.55	
		10,369.25		9,880.21
Cash generated from operations before working capital changes		**37,550.48**		17,826.73
Movement in working capital:				
Decrease/ (Increase) in inventories	**22,715.32**		(43,758.11)	
Decrease/ (Increase) in trade receivables	**249.03**		(4,255.68)	
(Increase) in financial and other assets	**(6,989.65)**		(1,469.27)	
(Decrease)/ Increase in trade payables	**(43,422.48)**		61,576.50	
(Decrease)/ Increase in financial liabilities (net)	**(194.84)**		216.91	
Increase in other liabilities and provisions (net)	**158.38**		4,580.15	
		(27,484.24)		16,890.50
Cash generated from operations		**10,066.24**		34,717.23
Taxes paid		**(4,741.19)**		(1,726.35)
Net cash generated from operating activities		**5,325.05**		32,990.88
B. Cash flows from investing activities				
Purchase of property, plant and equipment (including intangible assets)	**(8,315.20)**		(2,316.01)	
Proceeds from sale of property, plant and equipment (including intangible assets)	**685.23**		7.27	
Interest income received	**301.18**		147.42	
Sale of current investments	**59,845.36**		-	
Sale of non-current investments	**46.40**		-	
Purchase of current investments	**(59,702.16)**		-	
Redemption of bank deposits (having maturity of more than 3 months)	**9,312.41**		8,665.80	
Investment in bank deposits (having maturity of more than 3 months)	**(41,833.48)**		(9,327.06)	
Net cash (used in) investing activities		**(39,660.26)**		(2,822.58)
C. Cash flows from financing activities				
Proceeds from allotment of equity share under employee stock options	**83.97**		-	
Proceeds from issue of warrants convertible into equity shares	**19,678.75**		-	
Proceeds from non-current borrowings	**-**		5,026.59	
Repayment of non-current borrowings	**(3,936.05)**		(4,301.71)	
Proceeds from/ (Repayment of) current borrowings (net)	**27,879.49**		(15,054.74)	
Interest paid	**(4,854.83)**		(3,078.31)	
Payment of lease liabilities (principal portion)	**(169.65)**		(195.03)	
Payment of lease liabilities (interest portion)	**(19.04)**		(29.23)	
Net proceeds/ (Outflow) on settlement of derivative contracts	**(14.05)**		194.31	
Dividend paid	**(838.68)**		(628.45)	
Net cash generated from/ (used in) financing activities		**37,809.91**		(18,066.57)
Net increase in cash and cash equivalents (A+B+C)		**3,474.70**		12,101.73

Standalone Statement of Cash Flows

for the year ended 31 March 2023 (Contd.)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Cash and cash equivalents at the beginning of the year (refer note 9)	17,129.44	5,027.73
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)	0.46	(0.02)
Cash and cash equivalents at the end of the year (refer note 9)	**20,604.60**	17,129.44

Notes:

1. Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013.
2. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
3. Changes in liability arising from financing activities:

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

Amount in ₹ Lakhs

	1 April 2021	Cash flow (net)	Foreign exchange movement	Lease additions	Other changes#	31 March 2022
Borrowings (refer note 19)	71,909.29	(14,329.86)	246.90	-	11.50	57,837.83
Derivative contracts	(48.69)	194.31	-	-	984.38	1,130.00
Lease Liabilities	481.46	(224.26)	-	62.55	29.23	348.98

#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: 28 April 2023

Place: Kolkata
Date: 28 April 2023

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

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 Company also has wholly owned subsidiary in the name of AAT Global Limited, incorporated in Hong Kong and a step-down subsidiary with 94% shareholding in the name of Shandong Dawn Himadri Chemical Industry Ltd, incorporated in China.

2. Basis of preparation and measurement of Standalone financial statements

(a) Basis of preparation

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, other relevant provisions and presentation requirements of Division II of Schedule III to the Act, as applicable.

The Standalone financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 28 April 2023.

The details of the Company's accounting policies are included in note 3 to the Standalone financial statements.

(b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Standalone financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Derivative financial instruments measured at fair value;

(ii) Certain financial assets and financial liabilities measured at fair value;

(iii) Employee's defined benefit plan as per actuarial valuation, and

(iv) Employee share-based payments measured at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In determining 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.

(d) 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.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

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 unmortised depreciable amount is charged over the remaining useful life of the assets. See note 3(d), 4A and 6 for details.

(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. See note 3(y) and 42 for details.

(iii) **Defined benefit plan**

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuation using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 38 for details.

(iv) **Employee share-based payments**

The Company measures the cost of equity-settled transactions with employees using Black Scholes Merton model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 3(g)(ii) and 39.

(v) **Recognition of current tax and deferred tax (including MAT credit entitlements)**

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is recognised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Section 115BAA 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 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"). See note 3(n) and 33 for details.

(vi) **Recognition and measurement of provisions and contingencies**

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes,

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. In respect of litigation against receivables, advances and other matters, the Company evaluates amount to be provided for, if any, on the basis of merit of the ongoing legal proceedings and independent legal opinion obtained from the lawyers. See note 24 and 35(a) for details.

(vii) Impairment of financial assets

Certain key assumptions used in estimating recoverable cash flows. The Company reviews it's carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's carrying amount, the impairment loss is accounted for in the Standalone Statement of Profit and Loss. See note 7 for details.

(viii) Determination of Right of use (ROU) assets and liabilities

Certain key assumptions used in determination of ROU assets and liabilities, incremental borrowing rate and lease term. See note 4B and 35(c) for details.

(ix) 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. See note 8, 42 and 43 for details.

(e) Measurement of fair values

Number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values.

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 values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 42.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

3. Significant accounting policies

(a) Current Vs. non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

For the purpose of current and non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

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.

Exchange differences are recognised in the Standalone Statement of Profit and Loss in the period in which they arise, except:

- exchange differences on qualifying cash flow hedges to the extent that the hedges are effective;
- exchange differences on long term foreign currency monetary items accounted for in accordance with exemption availed by the Company under Ind AS 101.

(c) Financial instruments

(i) Recognition and initial measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue of the financial asset/ financial liabilities.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or

- fair value through Other Comprehensive Income (FVOCI)– Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Standalone Statement of Profit and Loss. This category generally applies to long-term deposits, loans, and long-term trade receivables.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

Financial assets at fair value through Profit or Loss (FVTPL)

All financial assets which are not classified as measured at amortised cost or FVOCI as described above, are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the EIR. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Investments in subsidiaries

Investments in subsidiary are carried at cost less accumulated impairment losses, if any. Where any indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Standalone Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on such instruments are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the EIR method. Interest expense and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Standalone Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Standalone Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables (including other financial liabilities) maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

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for the year ended 31 March 2023 (Contd.)

(iii) Derecognition

Financial assets

The Company derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or

- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Standalone Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) 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.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions and firm commitments arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Company uses forward contracts, cross currency swaps and interest rates swaps to hedge its exposure to foreign currency risk and interest rate risk in forecast transactions and firm commitments.

These derivative contracts which qualify as cash flow hedges are recorded in accordance with the recognition and measurement principles set out in the Ind AS 109 "*Financial Instruments: Recognition and Measurement*". The use of hedge instruments is governed by the Company's policies approved by the Board of Directors. The Company does not use these contracts for trading or speculative purposes.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under “effective portion of cash flow hedges”. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

of the derivative is recognised immediately in Standalone Statement of Profit and Loss.

All other hedged forecast transactions, the amount accumulated in other equity is reclassified to Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect Standalone Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Standalone Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect Standalone Statement of Profit and Loss.

If the hedged future cash flows/ forecasted transactions are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to Standalone Statement of Profit and Loss.

Derivatives that are not designated as hedge

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through Standalone Statement of Profit and Loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and 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.

Revenue generated from items produced during testing / trail phase is considered as part of reduction in cost of PPE and is not recognised in the statement of profit or loss.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

An item of property, plant and equipment is eliminated from the Standalone financial statements on disposal or when no further benefit is expected from its use and disposal.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Standalone Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Standalone Balance Sheet are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under "Other current assets".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-current Assets".

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3(b) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

(iii) Capital work-in-progress

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/under development as at the balance sheet date. 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.

(iv) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Standalone Statement of Profit and Loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their 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. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. 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)	Useful life as per Schedule II (in years)
Buildings	10-60	30
Plant and equipment	5-60	8-40
Office equipment	3-25	5
Vehicles	8-10	6-10
Furniture and fixtures	10	8-10

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).

(e) Other intangible assets

(i) Recognition and measurement

Other intangible assets includes Computer Software which are acquired by the Company and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loss.

Revenue expenditure on research and development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Amortisation

Amortisation in respect to all the intangible assets is provided on straight line method over the useful lives of assets based on evaluation. The useful life of such intangible assets for Computer software is 3 to 5 years. The amortisation period for other intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is "credit- impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at twelve months ECL unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Standalone Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 "*Financial Instruments for recognition of impairment loss allowance*". The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Standalone Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU,

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in current periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Employee share-based payment transactions

The Company recognises compensation expense relating to share-based payments in Standalone Statement of Profit and Loss using fair value in accordance with Ind AS 102, "*Share Based Payment*".

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

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. The Company makes specified monthly contributions for (a) employee provident fund to Government administered provident fund scheme and (b) employee state insurance, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ("the asset ceiling"). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ("past service cost" or "past service gain") or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested.

(v) Compensated absences

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.

(h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Constructive obligation is an obligation that derives from an entity's actions where:

i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

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 an obligation or a reliable estimate of the amount cannot be made.

The Company does not recognise a Contingent liability but discloses in the Standalone financial statements.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

(i) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out (FIFO) formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

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.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(j) Revenue recognition

The Company's revenue primarily from sale of Carbon materials and chemicals, and power (generation and distribution).

Revenue from sale of product is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the product.

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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration and excluding taxes or duties collected on behalf of the Government.

Sale of Power

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. Delivery is deemed complete when all the risks and rewards associated with ownership have been transferred to the grid as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

Significant financing component: Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods will be one year or less.

(k) Government Grant/Subsidy

Government grants are recognised in the Standalone Statement of Profit and Loss as other operating revenue on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Standalone Statement of Profit and Loss in the period in which they become receivable.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Export incentives

Government grants in the form of import duty exemption on purchase of property, plant and equipment, to be used for export of goods, are recognised as an income as and when export obligations are met as specified in EPCG Scheme.

(l) Recognition of dividend income, interest income or expense

Dividend income is recognised in Standalone Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest rate (EIR) method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Rental income is recognised on a straight-line basis over the term of the relevant arrangements.

(m) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

(i) Right of use assets

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 less any lease incentives received. 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.

The right of use assets are also subject to impairment [refer to note 3(f)].

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(n) Income-tax

Income tax expense comprises of current tax and deferred tax charge or credit. Current tax and deferred tax is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

The measurement of deferred tax 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

For items recognised in other comprehensive income or equity, deferred / current tax is also recognised in other comprehensive income or equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets are not recognised when there is lack of reasonable certainty.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternate Tax (MAT)

In case of tax payable as Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. 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. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(o) Borrowing costs

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.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(q) Dividends

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

(r) Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, cheques in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than 3 months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other balances with bank- which includes balances and deposits with banks having original maturity of more than three months but less than 12 months of the reporting date.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period 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.

(t) Earnings per share

Basic earnings per share ("EPS") 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.

(u) Operating segment

An operating segment is a component of the Company that engages in business activities from

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) (Managing Director & CEO) to make decisions about resources to be allocated to the segments and assess their performance. The Company has currently two reportable segments (a) Carbon materials and chemicals; and (b) Power.

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone financial statements.

(w) Exceptional items

When the items of income and expense within profit or loss are of such size, nature and incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items is disclosed separately as exceptional items. Such items are material by nature or amount to the year's Standalone financial statements and require separate disclosure in accordance with Ind AS.

(x) Business combination

The Company accounts for common control transaction in accordance with the applicable method prescribed under Ind AS 103 "*Business Combinations*" for common control transactions and also as per the provisions of the Scheme approved by National Company Law Tribunal, where all the assets and liabilities of the Transferor Company is recorded at the carrying value as on the Appointed Date.

(y) Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Separable embedded derivative

The fair value of the separable embedded derivative is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on measurement date, expected term of the instrument, risk free rate (based on government bond), expected volatility.

(ii) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI.

Investments in equity instruments are measured at FVOCI and adjusted net assets method has been used for fair valuations of investment in unquoted securities.

(iii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Derivative financial liabilities

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, cross currency swaps to hedge its foreign currency risks, interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value as at the reporting date.

(v) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. For finance leases the market rate of interest is

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

determined with reference to similar lease agreements.

(vi) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility, expected life of the instrument (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

(z) Recent Indian Accounting Standards (Ind AS)

The 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1, "*Presentation of Financial Statements*"- Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

- Ind AS 8, "*Accounting policies, Change in Accounting Estimates and Errors*"- Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.

  - A company develops an accounting estimate to achieve the objective set out by an accounting policy.

  - Accounting estimates include:

    a) Selection of a measurement technique (estimation or valuation technique)

    b) Selecting the inputs to be used when applying the chosen measurement technique.

The amendments will help entities to distinguish between accounting policies and accounting estimates.

- Ind AS 12, "*Income Taxes*"- 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.

The Company has evaluated the effect of the above on the financial statements and the impact is not material.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

4A.Property, plant and equipment

See accounting policies in note 3(d) and 3(f) (ii)

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 2021	4,226.01	123.53	8,624.64	173,108.38	985.24	1,675.77	2,139.65	391.45	191,274.67
Additions during the year	1,400.60	-	1,792.96	10,309.22	183.85	284.81	645.42	-	14,616.86
Discard/ disposals during the year	-	-	-	-	-	(70.82)	-	-	(70.82)
Balance at 31 March 2022	5,626.61	123.53	10,417.60	183,417.60	1,169.09	1,889.76	2,785.07	391.45	205,820.71
Balance at 1 April 2022	**5,626.61**	**123.53**	**10,417.60**	**183,417.60**	**1,169.09**	**1,889.76**	**2,785.07**	**391.45**	**205,820.71**
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**	**184,056.53**	**1,210.01**	**1,628.75**	**2,566.16**	**391.45**	**206,370.02**
Accumulated depreciation and amortisation									
Balance at 1 April 2021	-	7.75	2,858.10	49,486.02	742.57	965.08	1,822.24	162.83	56,044.59
Depreciation/ amortisation during the year	-	1.55	227.27	3,590.59	44.18	139.51	115.27	75.92	4,194.29
Discard/ disposals during the year	-	-	-	-	-	(56.00)	-	-	(56.00)
Balance at 31 March 2022	-	9.30	3,085.37	53,076.61	786.75	1,048.59	1,937.51	238.75	60,182.88
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**
Net carrying amount									
At 31 March 2022	5,626.61	114.23	7,332.23	130,340.99	382.34	841.17	847.56	152.70	145,637.83
At 31 March 2023	**5,653.69**	**112.68**	**7,399.92**	**128,025.88**	**363.32**	**757.12**	**812.13**	**52.94**	**143,177.68**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2023						
Property, plant and equipment	Freehold Land	518.86	Equal Commodeal Private Limited	No	2017-2019	Refer note (d) below

(b) As at 31 March 2023, Property, plant and equipment with net carrying amount of ₹ **137,715.69 lakhs** (31 March 2022: ₹ 140,176.22 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 ₹ **2,043.30 lakhs** (31 March 2022: ₹ 1,874.31 lakhs) and net carrying amount of ₹ **1,127.33 lakhs** (31 March 2022: ₹ 1,033.96 lakhs). Additions to the Research and development assets during the year 2022-2023 is ₹ **168.99 lakhs** (2021-2022: ₹ 26.90 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) No indicator of impairment were identified during the current year, hence Property, plant and equipment including Capital work-in-Progress were not tested for impairment.

4B.Right of use assets

See accounting policies in note 3(f)(ii) and 3(m)

Amount in ₹ Lakhs

	Land	Buildings	Total
Gross carrying amount			
Balance at 1 April 2021	2,706.44	492.41	3,198.85
Additions during the year	-	63.42	63.42
Discard/ disposals during the year	-	(30.05)	(30.05)
Balance at 31 March 2022	2,706.44	525.78	3,232.22
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**
Accumulated amortisation			
Balance at 1 April 2021	434.20	94.69	528.89
Amortisation during the year	199.65	205.65	405.30
Discard/ disposals during the year	-	(30.05)	(30.05)
Balance at 31 March 2022	633.85	270.29	904.14

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

4B.Right of use assets (Contd.)

Amount in ₹ Lakhs

	Land	Buildings	Total
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**
Net carrying amount			
At 31 March 2022	2,072.59	255.49	2,328.08
At 31 March 2023	**1,872.93**	**91.40**	**1,964.33**

5. Capital work-in-progress

See accounting policy in note 3(d)(iii)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Balance at the beginning of the year	**7,655.24**	15,961.03
Additions during the year	**4,753.83**	5,660.38
Capitalised during the year	**(3,055.96)**	(13,966.17)
Balance at the end of the year	**9,353.11**	7,655.24

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 2022:					
Projects in progress	2,264.01	1,574.14	3,229.05	588.04	7,655.24
As at 31 March 2023:					
Projects in progress	**3,816.53**	**1,398.32**	**1,244.08**	**2,894.18**	**9,353.11**

(b) Details of projects where activity has been suspended - Nil (31 March 2022: Nil)

Capital work-in-progress includes:

Expenditure incurred on addition to manufacturing facility of the Company, given below:

	31 March 2023	31 March 2022
Balance at the beginning of the year	**213.60**	1,025.03
Additions during the year:		
Employee benefits expense	**304.64**	87.41
Power and fuel	**0.44**	-
Rent	**47.73**	-
Miscellaneous expenses (includes professional fees, inspection charges, testing charges, etc.)	**117.95**	10.71
	470.76	98.12
Less: Capitalised during the year	**(2.15)**	(909.55)
Balance at the end of the year	**682.21**	213.60

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

6. Intangible assets

See accounting policies in note 3(e) and 3(f) (ii)

Reconciliation of carrying amount of Computer software

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Gross carrying amount		
Balance at the beginning of the year	311.33	311.33
Additions during the year	62.83	-
Balance at the end of the year	374.16	311.33
Accumulated amortisation		
Balance at the beginning of the year	244.61	180.80
Amortisation during the year	63.82	63.81
Balance at the end of the year	308.43	244.61
Net carrying amount	65.73	66.72

Intangible assets under development - Nil

No indicator of impairment were identified during the current year, hence intangible assets were not tested for impairment.

7. Investments

See accounting policies in note 3(c)(i) - (iv) and 3(f)(i)

A. Non-current investments

(All the investments are fully paid, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Investments in subsidiary carried at cost		
70,783,680 (31 March 2022: 70,783,680) 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)
	-	-

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

7. Investments (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Investments carried at fair value through other comprehensive income (FVOCI)		
Equity instruments		
Quoted		
334,900 (31 March 2022: 334,900) equity shares of Himadri Credit & Finance Limited (face value - ₹ 10 each)	**606.17**	576.03
8,000 (31 March 2022: 8,000) equity shares of Transchem Limited (face value - ₹ 10 each)	**1.51**	1.76
	607.68	577.79
Unquoted		
17,000 (31 March 2022: 17,000) equity shares of Himadri e-Carbon Limited (face value - ₹ 10 each)	**2.06**	2.14
22 (31 March 2022: 2) equity shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)	**5.90**	3.43
Nil (31 March 2022: 1) equity share of Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited) (face value - ₹ 10 each)	**-**	0.03
	7.96	5.60
Preference shares (unquoted)		
1,248,774 (31 March 2022: 1,248,774) 1% Non-cumulative optionally convertible preference shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each) (refer note a)	**12,575.16**	10,701.99
	12,575.16	10,701.99
Investments carried at fair value through profit or loss (FVTPL)		
Preference shares (unquoted)		
Nil (31 March 2022: 463,702) 1% Non-cumulative redeemable preference shares of Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited) (face value - ₹ 10 each)	**-**	46.37
	-	46.37
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (deposited with sales tax authorities)	**0.07**	0.07
	13,190.87	11,331.82
Aggregate book value of quoted investments	**607.68**	577.79
Aggregate market value of quoted investments	**607.68**	577.79
Aggregate value of unquoted investments (net of impairment)	**12,583.19**	10,754.03
Aggregate amount of impairment in book value of unquoted investments	**(5,244.64)**	(5,244.64)
Investment carried at amortised cost	**0.07**	0.07
Investment carried at fair value through profit or loss (FVTPL)	**-**	46.37
Investment carried at fair value through other comprehensive income (FVOCI)	**13,190.80**	11,285.38

(a) OCPS 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 that 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.

Information about the Company's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

7. Investments (Contd.)

B. Investments designated at fair value

Amount in ₹ Lakhs

	Fair value as at 31 March 2023	Dividend income recognised during 2022-2023	Fair value as at 31 March 2022	Dividend income recognised during 2021-2022	Fair value as at 1 April 2021
Fair value through other comprehensive income					
Equity shares					
Investment in Himadri Credit & Finance Limited	**606.17**	-	576.03	-	509.05
Investment in Transchem Limited	**1.51**	-	1.76	-	1.34
Investment in Modern Hi-Rise Private Limited	**5.90**	-	3.43	-	1.93
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	-	-	0.03	-	0.02
Investment in Himadri e-Carbon Limited	**2.06**	-	2.14	-	2.15
Preference shares					
Investment in Modern Hi-Rise Private Limited	**12,575.16**	-	10,701.99	-	6,044.07
Fair value through profit or loss (FVTPL)					
Preference shares					
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	-	-	46.37	-	46.37
	13,190.80	-	11,331.75	-	6,604.93

8. Trade receivables

See accounting policy in note 3(c) (i)-(iv) and (f) (i)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Trade receivable considered good - secured	**1,493.16**	1,783.37
Trade receivable considered good - unsecured	**50,721.71**	50,440.96
	52,214.87	52,224.33
Less: Loss allowance	**(717.01)**	(717.01)
	51,497.86	51,507.32
Non-current	**1,008.49**	1,003.87
Current	**50,489.37**	50,503.45
	51,497.86	51,507.32
(a) Movement in loss allowance		
Balance as at beginning of the year	**717.01**	717.01
Change in loss allowances during the year	-	-
Trade receivables written off during the year	-	-
Balance as at the end of the year	**717.01**	717.01

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

8. Trade receivables (Contd.)

(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 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**

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 2022							
(i) Undisputed Trade receivables:							
- considered good	41,865.41	8,452.03	298.12	210.39	68.25	43.28	50,937.48
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,003.87	1,003.87
- credit impaired	-	-	-	9.31	14.00	259.67	282.98
Total	41,865.41	8,452.03	298.12	219.70	82.25	1,306.82	52,224.33

(c) For trade receivables given as security for borrowings, refer note 19.

(d) Non-current trade receivables represent an amount of ₹ **1,008.49 lakhs** (31 March 2022: ₹ 1,003.87 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 43.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

9. Cash and cash equivalents

See accounting policy in note 3(r)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Cash on hand	**62.19**	65.57
Balances with banks		
- On current accounts	**19,303.43**	13,946.89
- On EEFC accounts	**426.48**	112.58
- On deposit account (with original maturities less than 3 months) [refer note below]	**812.50**	3,004.40
	20,604.60	17,129.44

Balances with banks on current accounts includes earmarked balances of ₹ **643.67 lakhs** (31 March 2022: ₹ 703.93 lakhs) lying in CSR account.

Bank deposits of ₹ **812.50 lakhs** (31 March 2022: ₹ 4.40 lakhs) have been pledged with the banks against various credit facilities availed by the Company.

10. Bank balances other than cash and cash equivalents

See accounting policy in note 3(r)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date [refer note (a) below]	**41,662.36**	9,132.78
Earmarked balances with banks		
- Earmarked balances with banks for unpaid dividend accounts	**37.18**	29.70
- Other deposits [refer note (b) below]	**0.27**	0.27
	41,699.81	9,162.75

(a) Bank deposits of ₹ **41,158.81 lakhs** (31 March 2022: ₹ 120.38 lakhs) have been pledged with various banks against various credit facilities availed by the Company.

(b) Earmarked balances with banks of ₹ **0.27 lakhs** (31 March 2022: ₹ 0.27 lakhs) is held as security against various credit facilities availed by the Company.

11. Loans

See accounting policy in note 3(c) (i) - (iv) and 3(f) (i)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Loan to employees	**100.00**	100.00
To related party - wholly owned subsidiary		
Loan given to AAT Global Limited (refer note 40 and 41)	**6,298.98**	6,298.98
Less: Loss allowance	**(6,298.98)**	(6,298.98)
	-	-
	100.00	100.00

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

11. Loans (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Current		
Loan to employees	55.41	79.21
To related party		
Loan to employees (including interest receivable) (refer note 40)*	97.22	91.23
	152.63	170.44
	252.63	270.44
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured	252.63	270.44
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)
	252.63	270.44

Information about the Company's exposure to credit and market risks are disclosed in note 43.

*Loan to employees include ₹ **97.22 lakhs** (31 March 2022: ₹ 91.23 lakhs) due from a Key Management Personnel (KMP) of the Company. Maximum balance outstanding during the year is ₹ **97.22 lakhs** (31 March 2022: ₹ 91.23 lakhs)

12. Other financial assets

See accounting policy in note 3(c) (i) - (v) and 3(f) (i)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Security and other deposits	2,176.44	1,912.89
Bank deposits due to mature after 12 months of the reporting date	0.46	8.97
Interest accrued on bank deposits	0.03	0.29
	2,176.93	1,922.15
Current		
Receivable from parties other than related parties		
Security and other deposits	535.16	535.16
Interest accrued on bank deposits	1,377.64	75.58
Insurance claim receivable	5.96	-
Export incentive receivable	0.39	19.64
Government grants receivable	557.06	557.06
Other receivable	-	69.85
	2,476.21	1,257.29
	4,653.14	3,179.44

Bank deposits of ₹ **0.46 lakhs** (31 March 2022: ₹ 8.97 lakhs) 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 43.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

13. Non-current tax assets (net)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Advance income tax	**737.48**	737.48
[net of provision for income tax ₹ **25,997.06 lakhs** (31 March 2022: ₹ 25,997.06 lakhs)]		
	737.48	737.48

14. Other non-current assets

(Unsecured, considered good)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Capital advances		
Other than related party	**338.56**	287.19
Deposits with government authorities (Custom, excise etc.)	**884.10**	860.30
Prepaid expenses	**-**	119.69
	1,222.66	1,267.18

15. Inventories

See accounting policy in note 3(i)

(Valued at the lower of cost and net realisable value)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Raw materials [including goods-in-transit ₹ **1,542.92 lakh**s (31 March 2022: ₹ 1,688.84 lakhs)]	**22,256.51**	48,237.88
Work-in-progress	**6,676.73**	9,125.22
Finished goods	**21,537.47**	16,075.11
Packing materials	**758.50**	713.69
Stores and spares	**3,295.23**	3,087.86
	54,524.44	77,239.76

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 2023	31 March 2022
Parties other than related parties		
Advances to suppliers		
Unsecured, considered good [refer note (b) below]	**13,093.52**	9,471.30
Unsecured, considered doubtful	**216.75**	216.75
	13,310.27	9,688.05
Less: Allowances for unsecured advances [refer note (a) below]	**(216.75)**	(216.75)
	13,093.52	9,471.30

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

16. Other current assets (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Others		
Balance with government authorities	**1,546.06**	731.94
Others (prepaid expenses and other receivables)	**536.69**	288.47
To related party		
Advance for supplies: AAT Global Limited (refer note 40)	**3,825.87**	1,587.49
Less: Allowances for advances [refer note (a) below]	**(1,255.03)**	(1,255.03)
	2,570.84	332.46
	17,747.11	10,824.17

(a) Movement in allowances for unsecured advances

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
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

(b) Advances to suppliers includes ₹ **833.93 lakhs** (31 March 2022: ₹ 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.

Other receivables includes prepaid expenses and advance for expenses.

17. Equity share capital

See accounting policy in note 3(p)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Authorised		
700,100,000 (31 March 2022: 700,100,000) equity shares of ₹ 1 each	**7,001.00**	7,001.00
Issued, subscribed and fully paid-up		
432,707,198 (31 March 2022: 418,965,278) equity shares of ₹ 1 each	**4,327.07**	4,189.65
	4,327.07	4,189.65

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

Amount in ₹ Lakhs

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
At the beginning of the year	**418,965,278**	**4,189.65**	418,965,278	4,189.65
Add: Equity shares issued on exercise of employee stock option (refer note 39)	**441,920**	**4.42**	-	-
Add: Equity shares issued against conversion of warrants (refer note H)	**13,300,000**	**133.00**	-	-
At the end of the year	**432,707,198**	**4,327.07**	418,965,278	4,189.65

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

17. Equity share capital (Contd.)

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 2023		31 March 2022	
	Number	Amount	Number	Amount
Modern Hi-Rise Private Limited	**182,599,607**	**1,826.00**	182,599,607	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 Company

	31 March 2023		31 March 2022	
	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	**182,599,607**	**42.20%**	182,599,607	43.58%

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 2023					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited *	**182,599,607**	**-**	**182,599,607**	**42.20%**	**-**
Himadri Credit & Finance Limited *	**1,484,067**	**-**	**1,484,067**	**0.35%**	**-**
Anurag Choudhary	**-**	**13,300,000**	**13,300,000**	**3.07%**	**3.07%**
	184,083,674	**13,300,000**	**197,383,674**	**45.62%**	**3.07%**

	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 2022					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited	182,599,607	-	182,599,607	43.58%	-
Himadri Credit & Finance Limited	1,484,067	-	1,484,067	0.36%	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

17. Equity share capital (Contd.)

	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
Mr. Vijay Kumar Choudhary #	3,266,640	-	3,266,640	0.79%	-
Mr. Bankey Lal Choudhary #	1,484,280	-	1,484,280	0.35%	-
Mr. Tushar Choudhary #	1,484,280	-	1,484,280	0.35%	-
	190,318,874	-	190,318,874	45.43%	-

* Change in percentage is due to increase in equity share capital of the Company during the year.

The Board of Directors at its meeting held on 8 July 2022 took a note that the Promoters of the Company have inter-se entered into a Family Settlement Agreement ("FSA") pursuant to which Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary and Ms. Swaty Choudhary ('Outgoing Promoters') have applied for reclassification from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI Listing Regulations ("Reclassification')

Thereafter, the shareholders of the Company at the Extraordinary General Meeting held on 8 August 2022 has approved the reclassification. Further, the Company has received approval from National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") on 24 February 2023 for re-classification of the outgoing promoters from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI Listing Regulations. Accordingly no disclosure has been made for the current financial year in respect of shares held by outgoing promoters.

Post reclassification as on 31 March 2023, the Promoters shareholding stands at 45.62%.

F. Shares reserved for issue under options

See accounting policies in note 3(g)(ii)

Amount in ₹ Lakhs

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016): **1,077,729** (31 March 2022: 1,571,812) equity shares of ₹ 1 each (refer note 39)	**1,077,729**	**10.78**	1,571,812	15.72

Information of stock options granted to employees are disclosed in note 39 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 year, the Company has issued and allotted 72,550,000 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) shall be 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, the Company upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 13,300,000 warrants, has 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 has increased by 13,300,000 equity shares of face value of ₹ 1 each. For the remaining 59,250,000 warrants, the respective allottees have not yet exercised their option for conversion of the warrants into equity shares and accordingly, balance 75% money towards such remaining warrants is yet to be received.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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 2021	Movement during the year	31 March 2022	Movement during the year	31 March 2023
Capital reserve	1,280.50	-	1,280.50	-	1,280.50
Securities premium	45,600.10	-	45,600.10	9,370.20	54,970.30
General reserve	18,955.61	-	18,955.61	-	18,955.61
Share option outstanding reserve	351.63	30.23	381.86	(113.65)	268.21
Money received against share warrants	-	-	-	10,368.75	10,368.75
Retained earnings	98,066.97	5,878.25	103,945.22	19,940.13	123,885.35
Items of other comprehensive income:					
- Equity instruments through Other Comprehensive income	2,383.62	3,641.36	6,024.98	1,479.33	7,504.31
	166,638.43	9,549.84	176,188.27	41,044.76	217,233.03

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 2021	2,383.62
Equity instruments through other comprehensive income - net change in fair value	4,726.82
Tax on above items	(1,085.46)
As at 31 March 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

19. Borrowings

See accounting policy in note 3(b) and (c)(i) - (iv)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2023	31 March 2022
Non-current borrowings				
Secured				
Term loans				
Rupee term loan (secured)	refer note [A(i)] below			
From banks			9,219.88	13,064.04
Loan against vehicles and equipments (secured)	7%-8.3%	2025-2028	127.65	188.70
			9,347.53	13,252.74
Less: Current maturities of non-current borrowings			(4,516.79)	(3,935.82)
			4,830.74	9,316.92

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

19. Borrowings (Contd.)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2023	31 March 2022
Current borrowings				
Secured				
From banks (repayable on demand)				
Rupee loans			**17,009.69**	31,180.11
Foreign currency loans			**55,957.66**	1,904.98
			72,967.35	33,085.09
Current maturities of non-current borrowings				
Unsecured			**4,516.79**	3,935.82
From banks (repayable on demand)				
Rupee loans			**1,304.73**	11,500.00
			78,788.87	48,520.91

Information about the Company's exposure to fair value measurement, interest rate, currency and liquidity risks related to borrowings are disclosed in note 42 and 43.

A. Terms of repayment/ conversion/ redemption

Term loans

Amount in ₹ Lakhs

	Name of lender	Interest	Repayment schedule	31 March 2023	31 March 2022
(i)	**Rupee term loans**				
	HDFC Bank Limited [₹ **4,875.00 lakhs** (31 March 2022: ₹ 8,125.00 lakhs)]	3 Month Repo Rate + 2.75%	Repayable at quarterly rest: 6 of ₹ 812.50	**4,859.07**	8,085.93
	Kotak Mahindra Bank Limited [₹ **4,375.00 lakhs** (31 March 2022: ₹ 5,000.00 lakhs)]	3 Month REPO Rate+ 1.75%	Repayable at quarterly rest: 14 of ₹ 312.50	**4,360.81**	4,978.11

(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 from HDFC Bank Limited and Kotak Mahindra Bank Limited are secured by way of pari passu first charge on the movable fixed assets of the Company and equitable mortgage on the Mahistikry Unit of the Company situated in West Bengal.

(ii) Loans against vehicles and equipments are secured by way of hypothecation of the underlying asset financed.

(iii) Current borrowings from banks aggregating to ₹ **72,967.35 lakhs** (31 March 2022: ₹ 33,085.09 lakhs) are secured by hypothecation of currents assets of the Company both present and future on pari passu basis. Further, working capital loan from banks aggregating to ₹ **Nil** (31 March 2022: ₹ 758.66 lakhs) is also secured by subservient charge on moveable Property, plant and equipment of the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

20. Trade payables

See accounting policy in note 3(c) (i) - (iv)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Trade payable for goods and services		
- total outstanding dues of micro enterprises and small enterprises (refer note 48)	**444.83**	89.20
- total outstanding dues of creditors other than micro enterprises and small enterprises	**33,343.78**	34,384.44
(b) Acceptances	**315.43**	42,954.85
	34,104.04	77,428.49
Non-current	**-**	-
Current	**34,104.04**	77,428.49
	34,104.04	77,428.49

(c) 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 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

	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 2022					
(i) MSME	89.20	-	-	-	89.20
(ii) Others	27,309.74	1,280.40	25.07	151.18	28,766.39
(iii)Disputed dues- MSME	-	-	-	-	-
(iv)Disputed dues- others	-	-	-	-	-
Total	27,398.94	1,280.40	25.07	151.18	28,855.59
Add: Accrued Liabilities	-	-	-	-	5,618.05
Add: Acceptances					42,954.85
					77,428.49

Information about the Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 43.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

21. Derivatives

See accounting policy in note 3(c)(v)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Mark to market on derivative contracts	**11.00**	1,130.00
	11.00	1,130.00
Non-current	**-**	-
Current	**11.00**	1,130.00
	11.00	1,130.00

Information about the Company's exposure to currency risks related to derivatives are disclosed in note 43.

22. Other financial liabilities

See accounting policy in note 3(c) (i) - (iv)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Security deposits	**25.77**	25.77
	25.77	25.77
Current		
Interest accrued but not due on borrowings	**671.71**	338.78
Unclaimed dividend	**37.18**	29.70
Liability for capital goods	**525.29**	4,043.68
Others (including Employee related liabilities and Security deposits)	**1,697.66**	1,892.50
	2,931.84	6,304.66

(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 43.

23. Other current liabilities

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Statutory dues (including provident fund, tax deducted at source, goods and services tax and others)	**2,266.99**	2,903.52
Contract Liabilities		
-Advance from customers	**5,990.49**	4,070.63
	8,257.48	6,974.15

24. Provisions

See accounting policies in note 3(g) and (h)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Net defined benefit liability - Gratuity (refer note 38)	**380.78**	354.18
Liability for compensated absences [refer note (a) below]	**129.86**	-
Provision for litigation [refer note (a) below]	**78.42**	78.42
	589.06	432.60

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

24. Provisions (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Current		
Liability for compensated absences [refer note (a) below]	12.54	160.90
	12.54	160.90

(a) Movement of provisions (Non-current and current)

Amount in ₹ Lakhs

	Liability for compensated absences	Provision for litigation
Balance as at 1 April 2021	161.76	78.42
Add: Provisions made during the year 2021-2022	88.80	-
Less: Amount utilised/ reversed during the year 2021-2022	(89.66)	-
Balance as at 31 March 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**

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)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Income-tax liabilities	4.42	-
[net of advance tax ₹ **4,741.19 lakhs** (31 March 2022: ₹ Nil)]	4.42	-

26. Revenue from operations

See accounting policies in note 3(j) and (k)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	417,182.60	279,072.35
Other operating revenue		
- Export incentive	1.53	59.05
Total revenue from operations	417,184.13	279,131.40

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

26. Revenue from operations (Contd.)

(i) Sales are net of price adjustments settled during the year by the Company, discounts and Goods and Services tax (GST) etc.

(ii) Revenue disaggregation is as follows:

Amount in ₹ Lakhs

		Year ended 31 March 2023	Year ended 31 March 2022
a.	**Disaggregation of goods**		
	- Carbon materials and chemicals	**415,226.34**	277,329.49
	- Power	**1,956.26**	1,742.86
		417,182.60	279,072.35
b.	**Disaggregation based on geography**		
	India	**325,385.41**	239,300.83
	Outside India	**91,797.19**	39,771.52
		417,182.60	279,072.35
	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	**420,466.32**	278,202.21
	Add/(less): Adjustment for variable consideration	**(3,283.72)**	870.14
		417,182.60	279,072.35
d.	**Information about major customers (refer note 43)**		
e.	**Contract balances**		
	Trade receivables (refer note 8)	**51,497.86**	51,507.32
		51,497.86	51,507.32

27. Other income

See accounting policies in note 3(l) and 3(b)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income under the effective interest method:		
- Interest on bank deposits	**1,591.55**	124.58
- Others	**5.44**	1.90
- Income from a related party (refer note 40):		
- Others	**5.99**	5.98
- Unwinding of discount on security deposits and others	**154.91**	142.51
Gain on sale proceeds of current investments measured at fair value through profit or loss	**143.20**	-
Insurance claims	**350.76**	100.29
Rental income (refer note 40)	**90.00**	90.00
Miscellaneous income	**455.61**	256.34
	2,797.46	721.60

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

28. Cost of materials consumed

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory of raw materials at the beginning of the year	**48,237.88**	18,104.82
Add: Purchases during the year	**303,746.88**	269,312.80
	351,984.76	287,417.62
Less: Inventory of raw materials at the end of the year	**(22,256.51)**	(48,237.88)
Cost of materials consumed	**329,728.25**	239,179.74

29. Change in inventories of finished goods and work-in-progress

See accounting policy in note 3(i)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories		
Finished goods	**16,075.11**	7,685.39
Work-in-progress	**9,125.22**	3,337.16
	25,200.33	11,022.55
Closing inventories		
Finished goods	**21,537.47**	16,075.11
Work-in-progress	**6,676.73**	9,125.22
	28,214.20	25,200.33
Change in inventories of finished goods and work-in-progress	**(3,013.87)**	(14,177.78)

30. Employee benefits expense

See accounting policy in note 3(g)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	**7,673.99**	6,868.66
Contribution to provident and other funds	**436.18**	347.38
Defined benefit plan expenses - Gratuity (refer note 38)	**80.94**	74.80
Share based payments to employees - Equity settled (refer note 39)	**-**	30.23
Staff welfare expenses	**903.67**	694.58
	9,094.78	8,015.65

Salaries, wages and bonus includes ₹ **606.83 lakhs** (31 March 2022: ₹ 504.77 lakhs) relating to outsource manpower cost.

31. Finance costs

See accounting policy in note 3(o)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost	**4,864.55**	2,880.22
Exchange difference regarded as an adjustment to borrowing costs	**1,349.87**	224.25
Other borrowing costs	**354.05**	370.35
Interest cost on lease liability [refer note 35(c)]	**19.04**	29.23
	6,587.51	3,504.05

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

32. Other expenses

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	621.29	988.97
Power and fuel* [refer note (a) below]	1,592.52	1,683.00
Rent	547.74	342.46
Rates and taxes	210.92	111.16
Repairs to*:		
- Building	74.69	71.72
- Plant and equipment	3,458.74	2,914.51
- Others	671.52	542.47
Payment to auditors' [refer note (b) below]	80.40	70.38
Insurance	541.77	467.56
Packing expenses	3,434.16	2,542.15
Freight and forwarding expenses	19,981.51	14,009.11
Commission on sales	1,504.29	1,258.94
Net foreign exchange loss	1,980.35	766.94
Expenditure on corporate social responsibility [refer note (c) below]	160.99	386.82
Miscellaneous expenses [refer note (d) below]	7,677.07	4,565.23
	42,537.96	30,721.42
* includes stores and spares consumed	5,797.49	2,910.25

(a) Power and fuel includes expenses incurred on operation of the power plant

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	221.25	287.39
Repairs	196.16	212.93
Other operational expenses	18.48	20.11
	435.89	520.43

(b) Payment to auditors'

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
As auditors':		
- Statutory audit fees	50.50	50.50
- Limited review of quarterly results	9.50	9.50
- Certification fees	15.33	6.35
Reimbursement-Out of pocket expenses	5.07	4.03
	80.40	70.38

Payment to auditors for the current financial year includes ₹ 21.85 lakhs paid to erstwhile auditors as under.

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
As auditors':		
- Limited review of quarterly results	3.00	-
- Certification fees	13.98	-
Reimbursement-Out of pocket expenses	4.87	-
	21.85	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

32. Other expenses (Contd.)

(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 2023	Year ended 31 March 2022
A. Gross amount required to be spent by the Company	**160.99**	386.82
B. Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**121.60**	55.61
C. Related party transactions in relation to corporate social responsibility (refer note 40)	**541.47**	261.34
D. Provision movement during the year		
Opening provision	**1,035.14**	892.27
Addition during the year	**39.39**	331.21
Utilised during the year	**(391.47)**	(188.34)
Closing provision	**683.06**	1,035.14
E. Details of ongoing projects		
(a) Opening unspent amount brought forward	**-**	-
(b) Amount required to be spent by the Company for the year	**160.99**	386.82
(c) Amount spent during the year from Company's bank account	**(121.60)**	(55.61)
(d) Amount transferred to CSR unspent account #	**(39.39)**	(331.21)
Closing balance	**-**	-
Closing balance:		
(a) With Company	**-**	-
(b) In CSR unspent account	**683.06**	1,035.14
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		

#Transferred to CSR unspent account on **21 April 2023** (31 March 2022: transferred on 29 April 2022)

(d) Miscellaneous expenses

It includes loss of ₹ **290.91 lakhs** (31 March 2022: ₹ Nil) on account of sale of two windmill assets of the Company situated at Dhule, Maharashtra. The sale of aforesaid windmills will have 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

33. Income tax

See accounting policy in note 3(n)

A. Reconciliation of effective tax rate

Amount in ₹ Lakhs

	Year ended 31 March 2023		Year ended 31 March 2022	
	Percentage	Amount	Percentage	Amount
Profit before tax		27,181.23		7,946.52
Statutory income-tax rate	34.94%	9,498.21	34.94%	2,776.83
Tax Effects of:				
Non - deductible expenses for tax purposes	0.82%	222.66	4.24%	337.10
Tax exempt income/ additional deduction as per income-tax	(12.22%)	(3,320.49)	(21.06%)	(1,673.60)
	23.55%	6,400.38	18.13%	1,440.33
Amount recognised in profit or loss				
- Current tax		4,745.61		1,388.57
- Deferred tax		1,654.77		51.76
Total tax expenses		6,400.38		1,440.33

B. Movement in deferred tax assets and liabilities

Amount in ₹ Lakhs

Movement during the year ended 31 March 2022	Balance as on 1 April 2021	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2022
Deferred tax (assets)/liabilities:				
Property, plant and equipment	20,953.57	1,737.99	-	22,691.56
Trade receivables	(255.50)	(0.13)	-	(255.63)
Right of use assets	1,044.20	22.16	-	1,066.36
Loans	(915.46)	47.60	-	(867.86)
Other assets	(31.55)	(1.19)	-	(32.74)
Borrowings	22.40	(3.83)	-	18.57
Other liabilities	(168.24)	46.24	-	(122.00)
Other financial liabilities	-	(392.64)	-	(392.64)
Share based payments- Equity-settled	(136.68)	(10.56)	-	(147.24)
Provisions	(146.05)	(5.31)	0.38	(150.98)
MAT credit entitlement	(15,500.62)	(1,388.57)	-	(16,889.19)
Gain/ loss on fair valuation of Investments in equity instruments	1,312.71	-	1,085.45	2,398.16
Net deferred tax liabilities	6,178.78	51.76	1,085.83	7,316.37

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (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
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

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, no reversal of net deferred tax liability has been recognised during the current year and previous year.

34. Earnings per equity share (EPS)

See accounting policy in note 3(t)

A. Basic earnings per equity share

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Profit for the year, attributable to the equity share holders of the Company (before exceptional items)	23,780.85	6,506.19
(ii) Profit for the year, attributable to the equity share holders of the Company (after exceptional items)	20,780.85	6,506.19
(iii) Weighted average number of equity shares (basic) (number)	420,906,342	418,965,278
Basic earnings per equity share (before exceptional items) [(i)/ (iii)]	5.65	1.55
Basic earnings per equity share (after exceptional items) [(ii)/ (iii)]	4.94	1.55

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

34. Earnings per equity share (EPS) (Contd.)

B. Diluted earnings per equity share

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(i) Weighted average number of equity shares (basic) (number)	420,906,342	418,965,278
(ii) Effect of dilutive potential equity shares on account of employee stock options (number)	-	-
(iii) Weighted average number of equity shares (diluted) for the year (i+ii)	420,906,342	418,965,278
Diluted earnings per equity share (before exceptional items) [(A) (i)/ (B) (iii)]	5.65	1.55
Diluted earnings per equity share (after exceptional items) [(A) (ii)/ (B) (iii)]	4.94	1.55

35. Contingent liability and commitments

See accounting policy in note 3(v)

(to the extent not provided for)

(a) Contingent liabilities

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Claim against the Company not acknowledged as debts		
Sales tax/VAT matters in dispute/ under appeal	5,030.85	4,726.72
GST matters in dispute/ under appeal	105.61	-
Excise/ Service Tax matters in dispute/under appeal	2,112.22	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	5,028.82
Entry tax in dispute/ under appeal - Chhattisgarh	511.88	500.08
Income tax in dispute/ under appeal	463.24	2,489.16
Others [refer note (iii) 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.

(ii) The Company had filed Writ petition on 7 January 2013 before the Hon'ble High Court of Calcutta and challenged the constitutional validity of Entry Tax levied by the Government of West Bengal ('Government'). The Hon'ble High Court of Calcutta during the earlier year, passed an order on 24 June 2013 declaring The West Bengal tax on Entry of Goods into Local Areas Act, 2012 as unconstitutional against which the Government filed an appeal which is still pending to be disposed off. In the opinion of the Company and on the basis of independent legal opinion obtained, there is a strong merit of the case. Hence, the Company has not made provision for entry tax liability in the books for the current year and for the earlier years.

(iii) 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

35. Contingent liability and commitments (Contd.)

(b) Commitments

Capital and other commitments

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Estimated amount of contracts in capital account remaining to be executed and not provided for (net of capital advance)	1,582.38	5,699.10

(c) Leases (Ind AS 116)

See accounting policy in note 3(m)

Carrying value of right of use assets at the end of the reporting period by class (Refer note 4B):

Amount in ₹ Lakhs

	Year ended 31 March 2023			Year ended 31 Matrch 2022		
	Land	Buildings	Amount	Land	Buildings	Amount
Balance at the beginning of the year	2,072.59	255.49	2,328.08	2,272.24	397.72	2,669.96
Addition during the year	-	-	-	-	63.42	63.42
Amortisation during the year	(199.66)	(164.09)	(363.75)	(199.65)	(205.65)	(405.30)
Balance at the end of the year	1,872.93	91.40	1,964.33	2,072.59	255.49	2,328.08

Movement in lease liabilities

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	348.98	481.46
Additions during the year	-	62.55
Finance cost accrued during the year (refer note 31)	19.04	29.23
Payment of lease liabilities during the year (including interest)	(188.69)	(224.26)
Balance at the end of the year	179.33	348.98
Lease liabilities - Non-current	122.10	160.29
Lease liabilities - Current	57.23	188.69

Maturity analysis of lease liabilities

Amount in ₹ Lakhs

Maturity analysis – contractual undiscounted cash flows	31 March 2023	31 March 2022
Less than one year	57.23	188.69
One to five years	111.92	157.94
More than five years	65.94	77.15
Total undiscounted lease liabilities at the end of the year	235.09	423.78

Amount recognised in Standalone Statement of Profit and Loss

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	19.04	29.23
Amortisation during the year	363.75	405.30
Expenses relating to short-term leases and low value assets	547.74	342.46

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

35. Contingent liability and commitments (Contd.)

Amount recognised in the Standalone Statement of Cash Flows

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses recognised during the year (refer note 31)	**19.04**	29.23
Lease payments reflected in Standalone Statement of Cash Flows	**169.65**	195.03

36. Exceptional items 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.

37. Research and development expenses

See accounting policy in note 3(d) and 3(e)

Research and development expenses aggregating to **₹ 3,071.43 lakhs** (31 March 2022: ₹ 585.03 lakhs) in the nature of revenue expenditure and addition of **₹ 168.99 lakhs** (31 March 2022: ₹ 26.90 lakhs) in the nature of capital expenditure during the year have been included under the relevant account heads.

38. Employee benefits

See accounting policy in note 3(g)

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 **₹ 324.30 lakhs** (31 March 2022: ₹ 289.36 lakhs). Out of these, **₹ 305.78 lakhs** (31 March 2022: ₹ 264.81 lakhs) pertains to provident fund plan and **₹ 18.52 lakhs** (31 March 2022: ₹ 24.55 lakhs) pertains to ESI.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

38. Employee benefits (Contd.)

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 2023	31 March 2022
(a) Balance at the beginning of the year	**690.02**	614.04
(b) Current service cost	**80.94**	74.80
(c) Interest cost	**48.19**	40.64
(d) Actuarial (gains)/ losses recognised in other comprehensive income	**(4.89)**	(6.72)
(e) Benefits paid	**(41.37)**	(32.74)
Balance at the end of the year	**772.89**	690.02

(ii) Reconciliation of fair value of plan assets

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Balance at the beginning of the year	**335.84**	274.17
(b) Expected return on plan asset	**25.57**	20.25
(c) Actual return on plan asset less interest on plan asset	**(7.93)**	(5.84)
(d) Contributions by the employer	**80.00**	80.00
(e) Benefits paid	**(41.37)**	(32.74)
Balance at the end of the year	**392.11**	335.84

(iii) Net liability recognised in the Standalone Balance Sheet

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Present value of defined benefit obligation	**(772.89)**	(690.02)
(b) Fair value of plan assets	**392.11**	335.84
Net liability recognised in the Standalone Balance Sheet	**(380.78)**	(354.18)

(iv) Expense recognised in Standalone Statement of Profit or Loss

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Current service cost	**80.94**	74.80
(b) Interest cost	**48.19**	40.64
(c) Expected return on plan assets	**(25.57)**	(20.25)
Amount charged to Standalone Statement of Profit or Loss	**103.56**	95.19

(v) Remeasurements recognised in Standalone Other Comprehensive Income

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	**(8.58)**	(31.04)
- experience adjustment	**3.69**	24.32
(b) Actual return on plan asset less interest on plan asset	**7.93**	5.84
Amount recognised in Standalone Other Comprehensive Income	**3.04**	(0.88)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

38. Employee benefits (Contd.)

(vi) The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Impact on defined benefit obligation on discount rate plus **100 basis points**	**(78.19)**	(68.77)
Impact on defined benefit obligation on discount rate minus **100 basis points**	**92.90**	73.23
Impact on defined benefit obligation on salary growth rate plus **100 basis points**	**84.31**	81.96
Impact on defined benefit obligation on salary growth rate minus **100 basis points**	**(72.91)**	(63.56)

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.

Financial assumptions

	31 March 2023	31 March 2022
Discount rate	**7.30%**	7.20%
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).

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

38. Employee benefits (Contd.)

(viii) Maturity profile of defined benefit obligation (undiscounted)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Within next 12 months	**48.81**	75.61
1-2 year	**38.18**	30.16
2-3 year	**52.69**	34.89
3-4 year	**48.01**	47.04
4-5 year	**72.46**	41.85
Thereafter	**471.57**	387.10

		31 March 2023	31 March 2022
(ix)	Weighted average duration of defined benefit obligation	**12 years**	11 years

(x) The Company expects to pay ₹ **380.78 lakhs** in contribution to its defined benefit plans during the year 2023-2024.

(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.

39. Share based payments

See accounting policy in note 3(g)(ii)

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 4,000,000 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	1,304,600	19
ESOP 2016 Plan (Tranche II)			2018-2019	08 May 2018	2,695,000	140

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

39. Share based payments (Contd.)

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 2023	31 March 2022	**31 March 2023**	31 March 2022
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.

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share option under the share option plan (see A above) are as follows.

	Weighted average exercise price per option (in ₹)	**Number of options**	Weighted average exercise price per option (in ₹)	Number of options
	31 March 2023		31 March 2022	
Outstanding at 1 April	**95.00**	**1,571,812**	96.04	1,658,343
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**79.77**	**52,163**	114.93	86,531
Exercised during the year	**19.00**	**441,920**	-	-
Outstanding at 31 March	**126.89**	**1,077,729**	95.00	1,571,812
Exercisable at 31 March	**126.89**	**1,077,729**	86.61	1,325,031

A weighted average remaining contractual life of **2.90 years** (31 March 2022: 3.91 years).

The weighted average share price at the date of exercise for share options exercised during the year 2022-2023 was ₹ **60.69** (2021-2022: ₹ Nil).

Weighted average fair value of the options granted during the year 2022-2023 was ₹ **Nil** (2021-2022: ₹ Nil).

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

39. Share based payments (Contd.)

D. Expense recognised in Standalone Statement of Profit and Loss

During the year ended 31 March 2023, the Company has charged ₹ **Nil** (31 March 2022: ₹ 30.23 lakhs) as share based payment equity-settled expenses, refer note 30.

E. Details of the liabilities arising out of the share based payments to employees - Equity settled were as follows:

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Total carrying amount	**268.21**	381.86

40. 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 2023	31 March 2022
AAT Global Limited (AAT), Wholly owned subsidiary	Hongkong	**100**	100
Shandong Dawn Himadri Chemical Industry Limited (SDHCIL), subsidiary of AAT	China	**94**	94

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)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

40.Related party disclosure (Contd.)

b) Non-executive Directors

Name of the related parties
Mr. Sakti Kumar Banerjee, Non-Executive Independent Director
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

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

iv) Entities with significant influence over the Company

BC India Investments (upto 25 February 2021)

Modern Hi-Rise Private Limited

v) Firm in which director is a partner

Aquilaw (upto 8 July 2022)

Transaction Square LLP (w.e.f. 22 June 2021)

B. Disclosure of transactions between the Company and related parties

Amount in ₹ Lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2023	Year ended 31 March 2022
AAT Global Limited	Purchase of raw mtaterials	**90,201.00**	75,261.00
	Payment for supplies	**92,565.94**	74,711.99
	Sales of finished goods	**-**	8.75
	Receipt for sale	**-**	8.91
Tuaman Engineering Limited	Engineering, procurement and construction of project (EPC)	**451.23**	3,985.11
	Payment for EPC	**4,825.01**	-
	Rental income	**90.00**	90.00
Modern Hi-Rise Private Limited	Rent paid	**0.14**	0.14
Sri Agro Himghar Limited	Rent paid	**0.06**	0.06
Aquilaw	Legal expenses	**-**	162.15
Transaction Square LLP	Consultancy expenses	**305.97**	9.30
Himadri Foundation	Donation/Expenditure on corporate social responsibility	**541.47**	261.34
BC India Investments	Dividend paid	**-**	53.52
Modern Hi-Rise Private Limited	Dividend paid	**365.20**	273.90
Himadri Credit & Finance Limited	Dividend paid	**2.97**	2.23

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

40. Related party disclosure (Contd.)

C. Disclosure of transactions with Key Management Personnel

Key management personnels (KMP) remuneration comprised of the following:

Amount in ₹ Lakhs

Nature of transaction	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	**1,023.41**	1,373.37
Share based payments to employees - Equity settled	**21.14**	-
Other long-term benefits	**6.21**	4.73
Total remuneration paid to key management personnel	**1,050.76**	1,378.10
Sitting fees paid	**38.25**	52.05
Non Compete Fees paid	**3,000.00**	-
Interest income on loan	**5.99**	5.98
Sale of Investment	**0.08**	-
Received on issue of share warrants convertible into equity shares	**11,194.75**	-
Received on conversion of share warrants into equity shares	**6,982.50**	-
Dividend paid	**12.60**	9.36

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.

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 2023	31 March 2022
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 for supplies (net)	**3,825.87**	1,587.49
	Loss allowance for advances	**(1,255.03)**	(1,255.03)
Tuaman Engineering Limited	(Trade Payable)/ Capital advances	**-**	(3,657.41)
Mr. Kamlesh Kumar Agarwal	Loan given (including interest receivable)	**97.22**	91.23

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.

41. Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) Loans and advances in the nature of loan to a subsidiary company

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
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 to AAT Global Limited for business purpose (refer note 11).		

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

41. Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013 (Contd.)

The Company has neither given any loan or has advanced any amount in the nature of loan either during the year ended 31 March 2023 or year ended 31 March 2022.

(b) Details of investments:

Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7.

42. Fair value measurement

See accounting policy in note 3(y)

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. Accounting classification and fair value

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 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	-	-	-
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	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

42. Fair value measurement (Contd.)

Amount in ₹ Lakhs

As on 31 March 2022	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	-	46.37	10,701.99	10,748.36	-	10,701.99	46.37
Investment in equity instruments (unquoted)	7	-	-	5.60	5.60	-	3.43	2.17
Investment in equity instruments (quoted)	7	-	-	577.79	577.79	1.76	-	576.03
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	51,507.32	-	-	51,507.32	-	-	-
Cash and cash equivalents	9	17,129.44	-	-	17,129.44	-	-	-
Bank balances other than cash and cash equivalents	10	9,162.75	-	-	9,162.75	-	-	-
Loans	11	270.44	-	-	270.44	-	-	-
Other financial assets	12	3,179.44	-	-	3,179.44	-	-	-
Financial liabilities:								
Borrowings	19	57,837.83	-	-	57,837.83	-	-	-
Trade payables	20	77,428.49	-	-	77,428.49	-	-	-
Derivatives	21	-	1,130.00	-	1,130.00	-	1,130.00	-
Lease liabilities	22	348.98	-	-	348.98	-	-	-
Other financial liabilities	22	6,330.43	-	-	6,330.43	-	-	-

The Company assessed that fair value of trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, loans, trade payable and other financial assets and liabilities except derivative financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such borrowings approximate fair value.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

42. Fair value measurement (Contd.)

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.

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 2023 and 31 March 2022.

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 2023	31 March 2022
Balance as at beginning of the year	**624.57**	557.59
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**30.06**	66.98
Change in value due to sale of investment in equity instruments measured at FVTPL (realised)	**(46.40)**	-
Balance as at end of the year	**608.23**	624.57

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 2022.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

42. Fair value measurement (Contd.)

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.

43. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

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.

(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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

Details of concentration percentage of revenue generated from a top customer and top five customers are stated below:

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from a top customer	**16%**	15%
Revenue from top five customers	**44%**	42%

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 2023	Year ended 31 March 2022
Balance at the beginning of the year	**717.01**	717.01
Add: Provided during the year	**-**	-
Less: Utilised during the year	**-**	-
Balance at the end of the year	**717.01**	717.01

Aging analysis of trade receivables is disclosed in note 8.

(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, finding 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

43. 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 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

Amount in ₹ Lakhs

31 March 2022	Carrying amount	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	57,837.83	49,326.20	4,972.70	3,068.98	1,969.42	-	59,337.30
Trade payables (including acceptances)	77,428.49	77,428.49	-	-	-	-	77,428.49
Derivatives	1,130.00	1,130.00	-	-	-	-	1,130.00
Other financial liabilities	6,330.43	6,304.66	-	-	-	25.77	6,330.43
Lease liabilities including lease interest	348.98	188.69	57.23	52.97	47.74	77.15	423.78

(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.

(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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

Exposure to currency risk

The Company's exposure to foreign currency as at the end of the reporting period are as follows:

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 contracts/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)

31 March 2022	In original currency (USD in lakhs)	In local currency (₹ in lakhs)
Financial Assets		
Trade receivables	59.42	4,504.46
Cash and cash equivalents	1.49	112.58
	60.91	4,617.04
Financial Liabilities		
Borrowings	25.13	1,904.98
Trade payables	909.30	68,931.76
Other financial liabilities	5.11	387.40
Less: Forward currency call options	(700.00)	(53,064.99)
	239.54	18,159.15
Net exposure in respect of recognised financial assets and financial liabilities	(178.63)	(13,542.11)

Note : Loans and advances given to subsidiary company has not been considered in the above table as the same stands impaired in the books.

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 2023				
USD (5% Movement)	(839.56)	839.56	(546.19)	546.19
31 March 2022				
USD (5% Movement)	(677.11)	677.11	(440.50)	440.50

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

(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 in 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 2023	31 March 2022
Fixed rate instruments		
Financial assets	**42,727.95**	12,416.59
Financial liabilities	**(56,085.31)**	(2,093.68)
	(13,357.36)	10,322.91
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(27,534.30)**	(55,744.15)
	(27,534.30)	(55,744.15)

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 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**
31 March 2022				
Variable rate instruments (1% Movement)	(557.44)	557.44	(362.65)	362.65
Cash flow sensitivity (net)	(557.44)	557.44	(362.65)	362.65

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

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 2023. 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 2023		31 March 2022	
			Amount in foreign currency in lakhs	Amount in ₹ lakhs	Amount in foreign currency in lakhs	Amount in ₹ lakhs
Forward contracts [**7** (previous year Nil)]	USD/INR	Buy	**293.00**	**24,089.55**	-	-
Foreign Currency Option contracts [**1** (previous year 1)]	USD/INR	Options	**150.00**	**12,332.54**	700.00	53,064.99

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 2023	31 March 2022
Not later than one month	**(1.50)**	(6.36)
Later than one month and not later than three months	**(9.50)**	(1,123.64)
	(11.00)	(1,130.00)

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Amount in ₹ Lakhs

	31 March 2023		31 March 2022	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	**-**	**(11.00)**	-	(1,130.00)
Net amount presented in Standalone Balance Sheet	**-**	**(11.00)**	-	(1,130.00)

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

44. Ratios to disclosed as per requirement of Schedule III to the Act

		Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% of variance	Explanation for change in the ratio by more than 25%
	Liquidity Ratio						
(a)	Current ratio (times)	Current assets	Current liabilities	**1.51**	1.18	27.97%	Increase in liquid assets and reduction in trade payables resulting in improvement in current ratio
	Solvency Ratio						
(b)	Debt-equity ratio (times)	Total Debt	Shareholder's Equity	**0.38**	0.32	18.75%	Not applicable
(c)	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 etc.)	Debt service (i.e. Interest & Lease Payments + Principal Repayments)	**3.36**	2.04	64.71%	Increase in profitability resulting into improvement in Debt service coverage ratio
	Profitability ratio						
(d)	Net profit ratio (%)	Net profit after tax	Net sales	**4.98%**	2.33%	113.66%	Increase in profitability resulting into overall improvement in net profit ratio
(e)	Return on equity ratio (%)	Net profit after taxes - preference dividend (if any)	Average shareholder's equity	**10.34%**	3.71%	179.09%	Increase in profitability resulting into overall improvement in retun on equity ratio
(f)	Return on Capital employed (%)	Earning before interest and tax	Capital employed (i.e. tangible net worth + total debt + deferred tax liability)	**10.73%**	4.66%	130.39%	Increase in profitability along with reduction in debt resulting into overall improvement in return on capital employed
(g)	Return on Investment (%)	Interest (finance income)	Average fixed deposits	**5.87%**	1.24%	375.09%	It has increased primarily on account of change in mix of FDs having different maturity dates as well as increase in FD interest rates.
	Utilization ratio						
(h)	Trade Receivables turnover ratio (times)	Net Credit Sales	Average trade receivables	**8.10**	5.66	43.11%	Due to increase in sales and collection efficiency
(i)	Inventory turnover ratio (times)	Cost of goods sold	Average inventory	**4.96**	4.06	22.17%	Not applicable
(j)	Trade payables turnover ratio (times)	Net credit purchases	Average trade payables	**5.45**	5.83	(6.52%)	Not applicable
(k)	Net capital turnover ratio (times)	Net sales	Working capital	**6.57**	10.91	(39.78%)	Increase in turnover due to higher sales realisation

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

45. 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 2023	31 March 2022
Borrowings	A	**83,619.61**	57,837.83
Liquid investments	B	**20,604.60**	17,129.44
TOTAL	C = A-B	**63,015.01**	40,708.39
Equity	D	**221,560.10**	180,377.92
Debt to Equity	E = A / D	**0.38**	0.32
Debt to Equity (net)	F = C / D	**0.28**	0.23

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) Liquid investments include cash and cash equivalents, mutual funds (refer note 9).

46. Segment information

See accounting policy in note 3(u)

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.

47. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

48. 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 2023 and 31 March 2022 are as under

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year:		
- Principal	**444.83**	89.20
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues 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.	-	-

49. Distribution made and proposed dividend on equity shares

See accounting policy in note 3(q)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended on 31 March 2022: ₹ 0.20 per share (31 March 2021: ₹ 0.15 per share)	**838.68**	628.45
Total dividend paid	**838.68**	628.45
Proposed dividend on equity shares not recognised as liability		
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 proposed for the year	**1,081.95**	838.68

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.

50. 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 2023 (Contd.)

51. Other Statutory information

(i) 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.

(ii) 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.

(iii) Willful defaulter

The Company have not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) 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:

Name of the struck off Company	Nature of transactions with the struck off Company	Relationship with the struck off Companies	Number of shares outstanding 31 March 2023	Number of shares outstanding 31 March 2022	31 March 2023	31 March 2022
Frohar Trading Private Limited	Shares held by struck off Company	NA	**1,700**	1,700	-	-
Trishul Vintrade Private Limited	Shares held by struck off Company	NA	**590**	590	-	-
Nipu Commercial Limited	Shares held by struck off Company	NA	**650**	650	-	-
Satidham Industries Private Limited	Shares held by struck off Company	NA	-	1,000	-	-

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) 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.

(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 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023 (Contd.)

51. Other Statutory information (Contd.)

(viii) 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).

(ix) 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.

(x) 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.

(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 Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

52. Previous year figures have been regrouped / reclassified/ rearranged wherever necessary to correspond with current year classification / disclosure.

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: 28 April 2023

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: 28 April 2023

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 March 31, 2023, 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 significant accounting policies and other explanatory information (reinafter 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 Companies Act, 2013 (hereinafter referred to as "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 March 31, 2023, their consolidated total comprehensive income (comprising consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity 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 the "other matters" 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 ₹ 54,421.64 lakhs as on March 31, 2023. Inventories are to be valued as per Ind AS 2. As described in the accounting policies in note 3(i) 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 Materials, 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	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
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. Recognition of MAT credit entitlements The Company has recognised Minimum Alternate Tax ('MAT') credit entitlement (a component of deferred tax assets) as at 31 March 2023. The Company recognises MAT credit only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. The recoverability of MAT credit entitlement is dependent upon generation of sufficient future taxable profits within the stipulated period prescribed under the Income- tax Act, 1961. Significant estimation is involved in projecting future taxable profits and other assumptions affected by expected future market or economic conditions. Due to significant level of judgement as stated aforesaid, we have identified recoverability of MAT credit entitlement as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Evaluated the accounting policy of MAT credit entitlement in terms of relevant accounting standard. • Tested the design, implementation, and operating effectiveness of key controls regarding recoverability of MAT credit assets and budgeting procedures upon which the approved business plans are based. • Assessed the profit forecast prepared by the Company by comparing it with the historical trends, current year performance and approved future business plans. • Evaluated the Company's estimate regarding the period by which the MAT credit entitlement would be utilised. We compared the Company's assessment to business plans and projections of future taxable profits with the prescribed credit utilisation period under the Income-tax Act, 1961.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

5. The Holding Company's Management and Board of Directors are 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 Management and Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India including

Independent Auditor's Report (Contd..)

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 Management and the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Management and 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 the respective Board of Directors 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 skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal 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.

Independent Auditor's Report (Contd..)

- 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 March 31, 2023 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. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 9,795.07 lakhs as at 31st March 2023, total revenues (before consolidation adjustments) of ₹ 89,582.08 lakhs, total Net profit after tax (before consolidation adjustments) of ₹ 96.95 lakhs, total comprehensive income (before consolidation adjustments) of ₹ 96.95 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 33.22 lakhs for the year ended on that date, as considered in the consolidated financial statements. These 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.

    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.

Independent Auditor's Report (Contd..)

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 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statement of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    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 March 31, 2023 on the consolidated financial position of the group – Refer Note 8(d), 16(b), 24 and 35(a) to the consolidated financial statements.

       ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21 to the consolidated financial statements

       iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2023.

       iv. (a) The Managements of the Holding Company which is company incorporated in India whose financial statements have been audited under the Act, have represented to us that, to the best of their 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

Independent Auditor's Report (Contd..)

premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("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 subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Managements of the Holding Company which is incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 performed by us on the Company, 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 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -23053816BGXNKO6054

Place: Kolkata
Date: April 28, 2023

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 Limited on the consolidated financial statements as of and for the year ended March 31, 2023)

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -23053816BGXNKO6054

Place: Kolkata
Date: April 28, 2023

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 Limited on the consolidated financial statements as of and for the year ended March 31, 2023)

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 March 31, 2023, 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 Board of Directors of the Holding Company to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of adequacy of the internal financial control with reference to consolidated financial statements is applicable, are responsible for establishing and maintaining internal financial control based on internal financial controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Holding Company's, internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these 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, 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 31st March 2023, 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.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No. - 302049E

Sd/-
Navindra Kumar Surana
Partner
Membership No. - 053816
UDIN -23053816BGXNKO6054

Place: Kolkata
Date: April 28, 2023

Consolidated Balance Sheet

as at 31 March 2023

Amount in ₹ Lakhs

	Note	31 March 2023	31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	**148,812.32**	151,404.47
(b) Capital work-in-progress	5	**9,353.11**	7,655.24
(c) Right of use assets	4B	**2,636.32**	3,082.03
(d) Intangible assets	6	**65.73**	66.72
(e) Financial assets			
(i) Investments	7	**13,190.87**	11,331.82
(ii) Loans	11	**100.00**	100.00
(iii) Trade receivables	8	**1,008.49**	1,003.87
(iv) Other financial assets	12	**2,176.93**	1,922.15
(f) Non-current tax assets (net)	13	**737.48**	737.48
(g) Other non-current assets	14	**1,222.66**	1,267.18
Total non-current assets		**179,303.91**	178,570.96
(2) Current assets			
(a) Inventories	15	**54,421.64**	77,150.65
(b) Financial assets			
(i) Trade receivables	8	**50,489.37**	50,503.45
(ii) Cash and cash equivalents	9	**20,780.33**	17,338.39
(iii) Bank balances other than (ii) above	10	**41,699.81**	9,162.75
(iv) Loans	11	**166.18**	225.05
(v) Other financial assets	12	**2,476.21**	1,257.29
(c) Other current assets	16	**18,475.45**	11,174.79
Total current assets		**188,508.99**	166,812.37
TOTAL ASSETS		**367,812.90**	345,383.33
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	**4,327.07**	4,189.65
(b) Other equity	18	**223,723.49**	182,574.09
Equity attributable to the owners of the Company		**228,050.56**	186,763.74
Non-controlling interests		**(281.43)**	(269.35)
Total equity		**227,769.13**	186,494.39
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**4,830.74**	9,316.92
(ii) Lease liabilities	35(c)	**442.00**	558.92
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**589.06**	432.60
(c) Deferred tax liabilities (net)	33	**9,396.26**	7,316.37
Total non-current liabilities		**15,283.83**	17,650.58
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**78,788.87**	48,520.91
(ii) Lease liabilities	35(c)	**150.73**	282.11
(iii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		**444.83**	89.20
- total outstanding dues of creditors other than micro enterprises and small enterprises		**34,114.03**	77,770.95
(iv) Derivatives	21	**11.00**	1,130.00
(v) Other financial liabilities	22	**2,936.58**	6,309.40
(b) Other current liabilities	23	**8,257.48**	6,974.15
(c) Provisions	24	**12.54**	160.90
(d) Current tax liabilities (net)	25	**43.88**	0.74
Total current liabilities		**124,759.94**	141,238.36
TOTAL EQUITY AND LIABILITIES		**367,812.90**	345,383.33
Significant accounting policies	3		

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

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: 28 April 2023

Place: Kolkata
Date: 28 April 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

Amount in ₹ Lakhs

		Note	Year ended 31 March 2023	Year ended 31 March 2022
I.	Revenue from operations	26	417,184.13	279,131.77
II.	Other income	27	2,797.46	722.16
III.	**Total income (I+II)**		419,981.59	279,853.93
IV.	**Expenses**			
	Cost of materials consumed	28	328,453.74	238,453.82
	Changes in inventories of finished goods and work-in-progress	29	(3,013.87)	(13,967.65)
	Employee benefits expense	30	9,151.30	8,076.66
	Finance costs	31	6,606.90	3,561.86
	Depreciation and amortisation expense	4A,4B and 6	5,084.76	4,954.76
	Other expenses	32	42,673.79	30,962.89
	Total expenses		388,956.62	272,042.34
V.	**Profit before exceptional item and tax (III-IV)**		31,024.97	7,811.59
VI.	**Exceptional items**	36 and 4A	(3,000.00)	(2,465.06)
VII.	**Profit before tax (V-VI)**		28,024.97	5,346.53
VIII.	**Tax expenses**			
	Current tax	33	4,784.30	1,389.29
	Deferred tax	33	1,654.77	51.76
	Total tax expenses		6,439.07	1,441.05
IX.	**Profit for the year (VII-VIII)**		21,585.90	3,905.48
X.	**Other comprehensive income**			
	A. Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the net defined benefit plan		(3.04)	0.88
	(b) Net gain/ (loss) on investment in equity instruments accounted at fair value		1,905.45	4,726.82
	(c) Income-tax relating to items that will not be reclassified to profit or loss		(425.12)	(1,085.83)
	Net other comprehensive income not to be reclassified subsequently to profit or loss		1,477.29	3,641.87
	B. Items that will be reclassified subsequently to profit or loss			
	(a) Exchange differences in translating financial statements of foreign operations		(712.49)	323.09
	Net other comprehensive income to be reclassified subsequently to profit or loss		(712.49)	323.09
	Other comprehensive income for the year (net of income tax)		764.80	3,964.96
XI.	**Total comprehensive income for the year (IX+X)**		22,350.70	7,870.44
XII.	**Profit attributable to:**			
	Owners of the Company		21,597.73	4,094.65
	Non-controlling interests		(11.83)	(189.17)
	Profit after tax for the year		21,585.90	3,905.48
XIII.	**Other comprehensive income attributable to:**			
	Owners of the Company		765.05	3,976.45
	Non-controlling interests		(0.25)	(11.49)
	Other comprehensive income for the year		764.80	3,964.96
XIV.	**Total comprehensive income attributable to:**			
	Owners of the Company		22,362.78	8,071.10
	Non-controlling interests		(12.08)	(200.66)
	Total comprehensive income for the year		22,350.70	7,870.44
XV.	**Earnings per equity share**	34		
	[Face value of equity share ₹ **1** each (previous year ₹ 1 each)]			
	- Basic		5.13	0.98
	- Diluted		5.13	0.98
Significant accounting policies		3		

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

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: 28 April 2023

Place: Kolkata
Date: 28 April 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

A. Equity share capital

Amount in ₹ Lakhs

	Note	Number	Amount
Balance as at 1 April 2021		418,965,278	4,189.65
Changes in equity share capital during the year	17	-	-
Balance as at 31 March 2022		**418,965,278**	**4,189.65**
Changes in equity share capital during the year	17	**13,741,920**	**137.42**
Balance as at 31 March 2023		**432,707,198**	**4,327.07**

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 2021		1,280.50	45,600.10	18,955.61	351.63	108,642.53	(2,112.78)	2,383.62	-	175,101.21	(68.69)	175,032.52
Total comprehensive income for the year ended 31 March 2022												
Profit for the year 2021-2022		-	-	-	-	4,094.65	-	-	-	4,094.65	(189.17)	3,905.48
Remeasurement of net defined benefit plan		-	-	-	-	0.51	-	-	-	0.51	-	0.51
Net change in fair value of Equity investments		-	-	-	-	-	334.58	3,641.36	-	3,975.94	(11.49)	3,964.45
Total comprehensive income for the year		-	-	-	-	4,095.16	334.58	3,641.36	-	8,071.10	(200.66)	7,870.44
Dividends	48	-	-	-	-	(628.45)	-	-	-	(628.45)	-	(628.45)
Share based payments- Equity settled	39	-	-	-	30.23	-	-	-	-	30.23	-	30.23
Balance at 31 March 2022		1,280.50	45,600.10	18,955.61	381.86	112,109.24	(1,778.20)	6,024.98	-	182,574.09	(269.35)	182,304.74

Consolidated Statement of Changes in Equity
for the year ended 31 March 2023 (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 2022		1,280.50	45,600.10	18,955.61	381.86	112,109.24	(1,778.20)	6,024.98	-	182,574.09	(269.35)	182,304.74
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	48	-	-	-	-	(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	39	-	113.65	-	(113.65)	-	-	-	-	-	-	-
Share based payments- Equity settled	39	-	79.55	-	-	-	-	-	-	79.55	-	79.55
Balance at 31 March 2023		1,280.50	54,970.30	18,955.61	268.21	132,866.25	(2,490.44)	7,504.31	10,368.75	223,723.49	(281.43)	223,442.06

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023 (Contd.)

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 for further details of these plans.

(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 has 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 shall be 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.

Significant accounting policies 3

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: 28 April 2023

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: 28 April 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

Amount in ₹ Lakhs

	Year ended 31 March 2023		Year ended 31 March 2022	
A. Cash flows from operating activities				
Net profit before tax		**28,024.97**		5,346.53
Adjustments for:				
Depreciation and amortisation expense	**5,084.76**		4,954.76	
Share based payments - Equity settled	**-**		30.23	
Finance costs	**6,606.90**		3,561.86	
Interest income	**(1,596.99)**		(126.48)	
Net gain on sale of current investments carried at FVTPL	**(143.20)**		-	
Impairment of Property, plant and equipment	**-**		2,465.06	
Unrealised foreign exchange fluctuation losses, net	**332.31**		1,801.46	
Exchange differences in translating financial statements of foreign operations	**(717.56)**		(209.46)	
Loss (net) on sale of property, plant and equipment	**329.88**		7.55	
		9,896.10		12,484.98
Cash generated from operations before working capital changes		**37,921.07**		17,831.51
Movement in working capital:				
Decrease/ (Increase) in inventories	**22,729.01**		(43,210.44)	
Decrease/ (Increase) in trade receivables	**249.03**		(4,255.68)	
(Increase) in financial and other assets	**(7,325.93)**		(1,967.16)	
(Decrease)/ Increase in trade payables	**(43,399.32)**		61,618.95	
(Decrease)/ Increase in financial liabilities (net)	**(194.84)**		216.78	
Increase in other liabilities and provisions (net)	**158.38**		4,580.16	
		(27,783.67)		16,982.61
Cash generated from operations		**10,137.40**		34,814.12
Taxes paid		**(4,741.16)**		(1,726.33)
Net cash generated from operating activities		**5,396.24**		33,087.79
B. Cash flows from investing activities				
Purchase of property, plant and equipment	**(8,252.37)**		(2,316.01)	
Proceeds from sale of property, plant and equipment	**685.23**		7.27	
Purchase of intangible assets	**(62.83)**		-	
Interest income received	**295.19**		147.42	
Sale of current investments	**59,845.36**		-	
Sale of non-current investments	**46.40**		-	
Purchase of current investments	**(59,702.16)**		-	
Redemption of bank deposits (having maturity of more than 3 months)	**9,312.41**		8,665.80	
Investment in bank deposits (having maturity of more than 3 months)	**(41,833.48)**		(9,327.06)	
Net cash (used in) investing activities		**(39,666.25)**		(2,822.58)
C. Cash flows from financing activities				
Proceeds from allotment of equity share under employee stock options	**83.97**		-	
Proceeds from issue of warrants convertible into equity shares	**19,678.75**		-	
Proceeds from non-current borrowings	**-**		5,026.59	
Repayment of non-current borrowings	**(3,936.05)**		(4,301.71)	
Proceeds from/ (Repayment of) current borrowings (net)	**27,879.49**		(15,054.74)	
Interest paid	**(4,859.79)**		(3,119.92)	
Payment of lease liabilities (principal portion)	**(248.68)**		(269.11)	
Payment of lease liabilities (interest portion)	**(33.47)**		(45.43)	
Net proceeds/ (Outflow) on settlement of derivative contracts	**(14.05)**		194.31	
Dividend paid	**(838.68)**		(628.45)	

Consolidated Statement of Cash Flows

for the year ended 31 March 2023 (Contd.)

Amount in ₹ Lakhs

	Year ended 31 March 2023		Year ended 31 March 2022
Net cash generated from/ (used in) financing activities		**37,711.49**	(18,198.46)
Net increase in cash and cash equivalents (A+B+C)		**3,441.48**	12,066.75
Cash and cash equivalents at the beginning of the year (refer note 9)		**17,338.39**	5,271.66
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)		**0.46**	(0.02)
Cash and cash equivalents at the end of the year (refer note 9)		**20,780.33**	17,338.39

Notes:

1. Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows" specified under Section 133 of the Companies Act, 2013.

2. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.

3. Changes in liability arising from financing activities:

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**

Amount in ₹ Lakhs

	1 April 2021	Cash flow (net)	Foreign exchange movement	Lease additions	Other changes#	31 March 2022
Borrowings (refer note 19)	71,909.29	(14,329.86)	246.90	-	11.50	57,837.83
Derivative contracts	(48.69)	194.31	-	-	984.38	1,130.00
Lease Liabilities	1,012.05	(314.54)	35.54	62.55	45.43	841.03

#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

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: 28 April 2023

Place: Kolkata
Date: 28 April 2023

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

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 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".

2. Basis of preparation and measurement of Consolidated financial statements

(a) Basis of preparation

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, other relevant provisions and presentation requirements of Division II of Schedule III to the Act, as applicable.

The Consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company at their meeting held on 28 April 2023.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees ₹ which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Derivative financial instruments measured at fair value;

(ii) Certain financial assets and financial liabilities measured at fair value;

(iii) Employee's defined benefit plan as per actuarial valuation; and

(iv) Employee share-based payments measured at fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In determining 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.

(d) 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. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

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. See note 3(d) and 4A and 6 for details.

(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. See note 3(y) and 42 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuation using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 38 for details.

(iv) Employee share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes Merton model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 3(g)(ii) and 39.

(v) Recognition of current tax and deferred tax (including MAT credit entitlements)

Current taxes are recognised at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Section 115BAA 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"). See note 3(n) and 33 for details.

(vi) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

obligations are expected to result in outflow of resources, to the extent provided for. In respect of litigation against receivables, advances and other matters, the Group evaluates amount to be provided for, if any, on the basis of merit of the ongoing legal proceedings and independent legal opinion obtained from the lawyers. See note 24 and 35(a) for details.

(vii) Impairment of financial assets

Certain key assumptions used in estimating recoverable cash flows. The Group reviews it's carrying value of investment in subsidiaries carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it's carrying amount, the impairment loss is accounted for in the Standalone Statement of Profit and Loss. See note 7 for details.

(viii) Determination of Right of use (ROU) assets and liabilities

Certain key assumptions used in determination of ROU assets and liabilities, incremental borrowing rate and lease term. See note 4B and 35(c) for details.

(ix) 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. See note 8, 42 and 43 for details.

(e) Measurement of fair values

Number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. 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 values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 42.

(f) Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prewpared 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 2023 (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 2023 shareholding %	31 March 2022 shareholding %
AAT Global Limited	Hong Kong	100%	100%
Shandong Dawn Himadri Chemical Industry Ltd	China	94%	94%

(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 2023.

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. Significant accounting policies

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after the reporting date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

For the purpose of current and non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) (i) Foreign currency transactions

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.

Exchange differences are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise, except:

- exchange differences on qualifying cash flow hedges to the extent that the hedges are effective;
- exchange differences on long term foreign currency monetary items accounted for in accordance with exemption availed by the Group under Ind AS 101.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including fair value adjustments arising on acquisition, are translated into ₹ the functional currency of the Holding Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or any average rate if the average rate approximately the actual rate at the date of the transaction.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence is lost, the cumulative amount of exchange differences related to that foreign operation recognised in Other comprehensive income ("OCI") is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to Non-controlling interest ("NCI").

(c) Financial instruments

(i) Recognition and initial measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue of the financial asset/ financial liabilities.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through Other Comprehensive Income (FVOCI)– Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Consolidated Statement of Profit and Loss. This category generally applies to long-term deposits, loans, and long-term trade receivables.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

In accordance with Ind AS 101, the Group has irrevocably designated its investment in equity instruments (other than investment in subsidiary) as FVOCI on the date of transition to Ind AS.

Financial assets at fair value through Profit or Loss (FVTPL)

All financial assets which are not classified as measured at amortised cost or FVOCI as described above, are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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for the year ended 31 March 2023 (Contd.)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Consolidated Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through fair value through Profit or Loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. See note 3 (c) (v) for financial liabilities designated as hedging instruments.

Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on such instruments are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables (including other financial liabilities) maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Consolidated Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, cross currency swaps 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.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions and firm commitments arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group uses forward contracts, cross currency swaps and interest rates swaps to hedge its exposure to foreign currency risk and interest rate risk in forecast transactions and firm commitments.

These derivative contracts which qualify as cash flow hedges are recorded in accordance with the recognition and measurement principles set out in the Ind AS 109 *"Financial Instruments: Recognition and Measurement"*. The use of hedge instruments is governed by the Group's policies approved by the Board of Directors. The Group does not use these contracts for trading or speculative purposes.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income (OCI) and accumulated in the other equity under 'effective portion of cash flow hedges. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in Consolidated Statement of Profit and Loss.

All other hedged forecast transactions, the amount accumulated in other equity is reclassified to Consolidated Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect Consolidated Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other

Notes to the Consolidated Financial Statements

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equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Consolidated Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect Consolidated Statement of Profit and Loss. If the hedged future cash flows/ forecasted transactions are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to Consolidated Statement of Profit and Loss.

Derivatives that are not designated as hedge

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through Consolidated Statement of Profit and Loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and 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.

Revenue generated from items produced during testing / trail phase is considered as part of reduction in cost of PPE and is not recognised in the statement of profit or loss.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

An item of property, plant and equipment is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-current Assets".

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3 (b) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Capital work-in-progress

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/under development as at the balance sheet date. 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.

(iv) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their 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. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. 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)	Useful life as per Schedule II (in years)
Buildings	10-60	30
Plant and equipment	5-60	8-40
Office equipment	3-25	5
Vehicles	8-10	6-10
Furniture and fittings	10	8-10

Based on technical assessment done by experts 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).

(e) Other intangible assets

(i) Recognition and measurement

Other intangible assets includes Computer Software which are acquired by the Group and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loss.

Revenue expenditure on research and development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Group.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Amortisation

Amortisation in respect to all the intangible assets is provided on straight line method over the useful lives of assets based on evaluation. The useful life of such intangible assets of Computer Software is 3 to 5 years. The amortisation period for other intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at twelve months ECL unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 - "*Financial Instruments for recognition of impairment loss allowance*". The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in current periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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for the year ended 31 March 2023 (Contd.)

(ii) Employee share- based payment transactions

The Group recognises compensation expense relating to share-based payments in Consolidated Statement of Profit and Loss using fair value in accordance with Ind AS 102, "*Share Based Payment*".

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

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. The Group makes specified monthly contributions for (a) employee provident fund to Government administered provident fund scheme and (b) employee state insurance, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Holding Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested.

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for the year ended 31 March 2023 (Contd.)

(v) Compensated absences

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 the absences occur.

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.

(h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Constructive obligation is an obligation that derives from an entity's actions where:

i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

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 an obligation or a reliable estimate of the amount cannot be made.

The Group does not recognise a Contingent liability but discloses in the Consolidated financial statements.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out (FIFO) formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

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.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

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(j) Revenue recognition

The Group's revenue primarily from sale of Carbon materials and chemicals, and power (generation and distribution).

Revenue from sale of product is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the product.

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 recognised when control of goods is transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration and excluding taxes or duties collected on behalf of the Government.

Sale of Power

The Group 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. Delivery is deemed complete when all the risks and rewards associated with ownership have been transferred to the grid as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

Significant financing component: Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods will be one year or less.

(k) Government grants/subsidy

Government grants are recognised in the Consolidated Statement of Profit and Loss as other operating revenue on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate.

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Export incentives

Government grants in the form of import duty exemption on purchase of property, plant and equipment, to be used for export of goods, are recognised as an income as and when export obligations are met as specified in EPCG Scheme.

(l) Recognition of dividend income, interest income or expenses

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest rate (EIR) method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset

Notes to the Consolidated Financial Statements

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is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(m) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

(i) Right of use assets

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 less any lease incentives received. 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. The right of use assets are also subject to impairment [refer to note 3(f)].

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

Short-term lease and lease of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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for the year ended 31 March 2023 (Contd.)

(n) Income-tax

Income tax expense comprises of current tax and deferred tax charge or credit. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax assets are not recognised when there is lack of reasonable certainty.

The measurement of deferred tax 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

For items recognised in other comprehensive income or equity, deferred / current tax is also recognised in other comprehensive income or equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternate Tax (MAT)

In case of tax payable as Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Holding Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

tax liability. MAT Credits are in the form of unused tax credits that are carried forward by the Holding Company for a specified period of time, hence it is grouped with Deferred Tax Asset. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(o) Borrowing costs

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.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(q) Dividends

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

(r) Cash and bank balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, cheques in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than 3 months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other balances with bank- which includes balances and deposits with banks having original maturity of more than three months but less than 12 months of the reporting date.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period 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.

(t) Earnings per share

Basic earnings per share ('EPS') 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.

(u) Operating 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 Managing Director and Chief Executive Officer to make decisions about resources to be allocated to the segments and assess their performance. The Group has currently two reportable segments: (a) Carbon materials and chemicals; and (b) Power.

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

the obligation. The Group does not recognize a contingent liability but discloses its existence in the Consolidated financial statements.

(w) Exceptional items

When the items of income and expense within profit or loss are of such size, nature and incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items is disclosed separately as exceptional items. Such items are material by nature or amount to the year's Consolidated financial statements and require separate disclosure in accordance with Ind AS.

(x) Business combination

The Group accounts for common control transaction in accordance with the applicable method prescribed under Ind AS 103 "*Business Combinations*" for common control transactions and also as per the provisions of the Scheme approved by National Company Law Tribunal, where all the assets and liabilities of the Transferor Company is recorded at the carrying value as on the Appointed Date.

(y) Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Separable embedded derivative

The fair value of the separable embedded derivative is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on measurement date, expected term of the instrument, risk free rate (based on government bond), expected volatility.

(ii) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI. Investments in equity instruments are measured at FVOCI and adjusted net assets method has been used for fair valuations of investment in unquoted securities.

(iii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Derivative financial liabilities

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, cross currency swaps to hedge its foreign currency risks, interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value as at the reporting date.

(v) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. For finance leases the market rate of interest is determined with reference to similar lease agreements.

(vi) Employee share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility, expected life of the instrument (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

(z) Recent Indian Accounting Standards (Ind AS)

The 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1, *"Presentation of Financial Statements"*- Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

- Ind AS 8, "*Accounting policies, Change in Accounting Estimates and Errors*"- Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.

  - A company develops an accounting estimate to achieve the objective set out by an accounting policy.

  - Accounting estimates include:

    a) Selection of a measurement technique (estimation or valuation technique)

    b) Selecting the inputs to be used when applying the chosen measurement technique.

  The amendments will help entities to distinguish between accounting policies and accounting estimates.

- Ind AS12, *"Income Taxes"*- 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.

The Group has evaluated the effect of the above on the financial statements and the impact is not material.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

4A. Property, Plant and Equipment

See accounting policies in note 3(d) and 3(f) (ii)

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 2021	4,226.01	123.53	13,299.25	178,983.71	1,047.14	1,764.95	2,259.42	391.45	202,095.46
Additions during the year	1,400.60	-	1,792.96	10,309.22	183.85	284.81	645.42	-	14,616.86
Discard/ disposals during the year	-	-	-	-	-	(70.82)	-	-	(70.82)
Exchange differences on translation of foreign operations	-	-	335.76	296.34	2.22	6.39	9.43	-	650.14
Balance at 31 March 2022	5,626.61	123.53	15,427.97	189,589.27	1,233.21	1,985.33	2,914.27	391.45	217,291.64
Balance at 1 April 2022	**5,626.61**	**123.53**	**15,427.97**	**189,589.27**	**1,233.21**	**1,985.33**	**2,914.27**	**391.45**	**217,291.64**
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**	**190,359.19**	**1,276.41**	**1,724.40**	**2,695.47**	**391.45**	**217,978.57**
Accumulated depreciation and amortisation									
Balance at 1 April 2021	-	7.75	3,886.31	51,065.85	796.57	1,049.81	1,932.53	162.83	58,901.65
Depreciation/ amortisation for the year	-	1.55	1,596.25	4,890.57	50.87	139.51	115.96	75.92	6,870.63
Discard/ disposals during the year	-	-	-	-	-	(56.00)	-	-	(56.00)
Exchange differences on translation of foreign operations	-	-	76.54	77.63	1.92	6.05	8.75	-	170.89
Balance at 31 March 2022	-	9.30	5,559.10	56,034.05	849.36	1,139.37	2,057.24	238.75	65,887.17
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**
Net carrying amount									
At 31 March 2022	5,626.61	114.23	9,868.87	133,555.22	383.85	845.96	857.03	152.70	151,404.47
At 31 March 2023	**5,653.67**	**112.68**	**9,843.68**	**131,201.64**	**364.89**	**761.90**	**820.92**	**52.94**	**148,812.32**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

4A. Property, plant and equipment (Contd.)

Notes:

(a) As at 31 March 2023, Property, plant and equipment with net carrying amount of ₹ **137,715.69 lakhs** (31 March 2022: ₹ 140,176.22 lakhs) are subject to first charge to secure borrowings (refer note 19).

(b) Gross carrying amount includes Research and development assets (Building, Plant and equipment, Furniture and fixtures and Office equipment) of ₹ **2,043.30 lakhs** (31 March 2022: ₹ 1,874.31 lakhs) and net carrying amount of ₹ **1,127.33 lakhs** (31 March 2022: ₹ 1,033.96 lakhs). Additions to the Research and development assets during the year 2022-2023 is ₹ **168.99 lakhs** (2021-2022: ₹ 26.90 lakhs).

(c) For contractual commitment with respect to Property, plant and equipment, refer note 35(b).

(d) No indicator of impairment were identified during the current year, hence Property, plant and equipment including Capital work-in-Progress were not tested for impairment.

4B. Right of use assets

See accounting policies in note 3(f) (ii) and 3(m)

Amount in ₹ Lakhs

	Land	Buildings	Total
Gross carrying amount			
Balance at 1 April 2021	3,707.92	492.41	4,200.33
Additions during the year	-	63.42	63.42
Discard/ disposals during the year	-	(30.05)	(30.05)
Exchange differences on translation of foreign operations	75.88	-	75.88
Balance at 31 March 2022	3,783.80	525.78	4,309.58
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**
Accumulated amortisation			
Balance at 1 April 2021	654.95	94.69	749.64
Amortisation during the year	279.73	205.65	485.38
Discard/ disposals during the year	-	(30.05)	(30.05)
Exchange differences on translation of foreign operations	22.58	-	22.58
Balance at 31 March 2022	957.26	270.29	1,227.55
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**
Net carrying amount			
At 31 March 2022	2,826.54	255.49	3,082.03
At 31 March 2023	**2,544.92**	**91.40**	**2,636.32**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

5. Capital work-in-progress

See accounting policy in note 3(d)(iii)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Balance at the beginning of the year	**7,655.24**	15,961.03
Additions during the year	**4,753.83**	5,660.38
Capitalised during the year	**(3,055.96)**	(13,966.17)
Balance at the end of the year	**9,353.11**	7,655.24

6. Intangible assets

See accounting policies in note 3(e) and 3(f) (ii)

Reconciliation of carrying amount of Computer software

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Gross carrying amount		
Balance at the beginning of the year	**311.33**	311.33
Additions during the year	**62.83**	-
Balance at the end of the year	**374.16**	311.33
Accumulated amortisation		
Balance at the beginning of the year	**244.61**	180.80
Amortisation during the year	**63.82**	63.81
Balance at the end of the year	**308.43**	244.61
Net carrying amount	**65.73**	66.72

Intangible assets under development - Nil

No indicator of impairment were identified during the current year, hence intangible assets were not tested for impairment.

7. Investments

See accounting policies in note 3(c)(i) - (iv) and 3(f)(i)

A. Non-current investments

(All the investments are fully paid, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Investments carried at fair value through other comprehensive income (FVOCI)		
Equity instruments		
Quoted		
334,900 (31 March 2022: 334,900) equity shares of Himadri Credit & Finance Limited (face value - ₹10 each)	**606.17**	576.03
8,000 (31 March 2022: 8,000) equity shares of Transchem Limited (face value - ₹10 each)	**1.51**	1.76
	607.68	577.79
Unquoted		
17,000 (31 March 2022: 17,000) equity shares of Himadri e-Carbon Limited (face value - ₹10 each)	**2.06**	2.14
22 (31 March 2022: 2) equity shares of Modern Hi-Rise Private Limited (face value - ₹10 each)	**5.90**	3.43
Nil (31 March 2022: 1) equity share of Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited) (face value - ₹10 each)	**-**	0.03
	7.96	5.60

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

7. Investments (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Preference shares (unquoted)		
1,248,774 (31 March 2022: 1,248,774) 1% Non-cumulative optionally convertible preference shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each) (refer note a)	**12,575.16**	10,701.99
	12,575.16	10,701.99
Investments carried at fair value through profit or loss (FVTPL)		
Preference shares (unquoted)		
Nil (31 March 2022: 463,702) 1% Non-cumulative redeemable preference shares of Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited) (face value - ₹ 10 each)	**-**	46.37
	-	46.37
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (deposited with sales tax authorities)	**0.07**	0.07
	13,190.87	11,331.82
Aggregate book value of quoted investments	**607.68**	577.79
Aggregate market value of quoted investments	**607.68**	577.79
Aggregate value of unquoted investments (net)	**12,583.19**	10,754.03
Investment carried at amortised cost	**0.07**	0.07
Investment carried at fair value through profit or loss (FVTPL)	**-**	46.37
Investment carried at fair value through other comprehensive income (FVOCI)	**13,190.80**	11,285.38

(a) OCPS are convertible/ redeemable at any time before the expiry of 20 years from the date of allotment (i.e 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.

Information about the Group's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

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 2023	2022-2023	31 March 2022	2021-2022	1 April 2021
Fair value through other comprehensive income					
Equity shares					
Investment in Himadri Credit & Finance Limited	**606.17**	-	576.03	-	509.05
Investment in Transchem Limited	**1.51**	-	1.76	-	1.34
Investment in Modern Hi-Rise Private Limited	**5.90**	-	3.43	-	1.93
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	**-**	-	0.03	-	0.02

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

7. Investments (Contd.)

Amount in ₹ Lakhs

	Fair value as at 31 March 2023	Dividend income recognised during 2022-2023	Fair value as at 31 March 2022	Dividend income recognised during 2021-2022	Fair Value as at 1 April 2021
Investment in Himadri e-Carbon Limited	2.06	-	2.14	-	2.15
Preference shares					
Investment in Modern Hi-Rise Private Limited	12,575.16	-	10,701.99	-	6,044.07
Fair value through profit or loss (FVTPL)					
Preference shares					
Investment in Mohini Agro Private Limited (formerly known as Himadri Industries Private Limited)	-	-	46.37	-	46.37
	13,190.80	-	11,331.75	-	6,604.93

8. Trade receivables

See accounting policy in note 3(c) (i)-(iv) and (f) (i)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Trade receivable considered good - secured	1,493.16	1,783.37
Trade receivable considered good - unsecured	50,721.71	50,440.96
	52,214.87	52,224.33
Less: Loss allowance	(717.01)	(717.01)
	51,497.86	51,507.32
Non-current	1,008.49	1,003.87
Current	50,489.37	50,503.45
	51,497.86	51,507.32
(a) Movement in loss allowance		
Balance as at beginning of the year	717.01	717.01
Change in loss for allowance during the year	-	-
Trade receivables written off during the year	-	-
Balance as at the end of the year	717.01	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 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 Consolidated Financial Statements
for the year ended 31 March 2023 (Contd.)

8. Trade receivables (Contd.)

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 2022							
(i) Undisputed Trade receivables:							
- considered good	41,865.41	8,452.03	298.12	210.39	68.25	43.28	50,937.48
(ii) Disputed Trade receivables:							
- considered good	-	-	-	-	-	1,003.87	1,003.87
- credit impaired	-	-	-	9.31	14.00	259.67	282.98
Total	41,865.41	8,452.03	298.12	219.70	82.25	1,306.82	52,224.33

(c) For trade receivables given as security for borrowings, refer note 19.

(d) Non-current trade receivables represent an amount of ₹ **1,008.49 lakhs** (31 March 2022: ₹ 1,003.87 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 43.

9. Cash and cash equivalents

See accounting policy in note 3(r)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Cash on hand	**63.91**	65.59
Balances with banks		
- On current accounts	**19,477.44**	14,155.82
- On EEFC accounts	**426.48**	112.58
- On deposit account (with original maturities less than 3 months) [refer note below]	**812.50**	3,004.40
	20,780.33	17,338.39

Balances with banks on current accounts includes earmarked balances of ₹ **643.67 lakhs** (31 March 2022: ₹ 703.93 lakhs) lying in CSR account.

Bank deposits of ₹ **812.50 lakhs** (31 March 2022: ₹ 4.40 lakhs) have been pledged with the banks against various credit facilities availed by the Group.

10. Bank balances other than cash and cash equivalents

See accounting policy in note 3(r)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date [refer note (a) below]	**41,662.36**	9,132.78
Earmarked balances with banks		
- Earmarked balances with banks for unpaid dividend accounts	**37.18**	29.70
- Others deposits [refer note (b) below]	**0.27**	0.27
	41,699.81	9,162.75

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

10. Bank balances other than cash and cash equivalents (Contd.)

(a) Bank deposits of ₹ **41,158.81** lakhs (31 March 2022: ₹ 120.38 lakhs) have been pledged with various banks against various credit facilities availed by the Holding Company.

(b) Earmarked balances with banks of ₹ **0.27 lakhs** (31 March 2022: ₹ 0.27 lakhs) is held as security against various credit facilities availed by the Holding Company.

11. Loans

See accounting policy in note 3(c) (i) - (iv) and 3(f) (i)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Loan to employees	100.00	100.00
	100.00	100.00
Current		
Loan to employees	68.96	133.82
To related party		
Loan to employees (including interest receivable) (refer note 40)*	97.22	91.23
	166.18	225.05
	266.18	325.05
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured	266.18	325.05
	266.18	325.05

Information about the Group's exposure to credit and market risks are disclosed in note 43.

*Loan to employees include ₹ **97.22 lakhs** (31 March 2022: ₹ 91.23 lakhs) due from a Key Management Personnel (KMP) of the Holding Company. Maximum balance outstanding during the year is ₹ **97.22 lakhs** (31 March 2022: ₹ 91.23 lakhs)

12. Other financial assets

See accounting policy in note 3(c) (i) - (v) and 3(f) (i)

(Unsecured and considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Security and other deposits	2,176.44	1,912.89
Bank deposits due to mature after 12 months of the reporting date	0.46	8.97
Interest accrued on bank deposits	0.03	0.29
	2,176.93	1,922.15
Current		
Receivable from parties other than related parties		
Security and other deposits	535.16	535.16
Interest accrued on bank deposits	1,377.64	75.58
Insurance claim receivable	5.96	-
Export incentive receivable	0.39	19.64
Government grants receivable	557.06	557.06
Other receivable	-	69.85
	2,476.21	1,257.29
	4,653.14	3,179.44

Bank deposits of ₹ **0.46 lakhs** (31 March 2022: ₹ 8.97 lakhs) 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 43.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

13. Non-current tax assets (net)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Advance income tax	**737.48**	737.48
[net of provision for income tax ₹ **25,997.06 lakhs** (31 March 2022: ₹ 25,997.06 lakhs)]		
	737.48	737.48

14. Other non-current assets

(Unsecured, considered good)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Capital advances		
Other than related party	**338.56**	287.19
Deposits with government authorities (Custom, excise etc.)	**884.10**	860.30
Prepaid expenses	**-**	119.69
	1,222.66	1,267.18

15. Inventories

See accounting policy in note 3(i)

(Valued at the lower of cost and net realisable value)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Raw materials [including goods-in-transit ₹ **1,542.92 lakhs** (31 March 2022: ₹1,688.84 lakhs)]	**22,153.71**	48,148.77
Work-in-progress	**6,676.73**	9,125.22
Finished goods	**21,537.47**	16,075.11
Packing materials	**758.50**	713.69
Stores and spares	**3,295.23**	3,087.86
	54,421.64	77,150.65

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 2023	31 March 2022
Parties other than related parties		
Advances to suppliers		
Unsecured, considered good [refer note (b) below]	**16,334.04**	10,097.36
Unsecured, considered doubtful	**216.75**	216.75
	16,550.79	10,314.11
Less: Allowances for unsecured advances [refer note (a) below]	**(216.75)**	(216.75)
	16,334.04	10,097.36

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

16. Other current assets (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Others		
Balance with government authorities	1,601.37	783.61
Others (prepaid expenses and other receivables)	540.04	293.82
	18,475.45	11,174.79

(a) Movement in allowances for unsecured advances

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
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 2022: ₹ 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.

Other receivables includes prepaid expenses and advance for expenses.

17. Equity share capital

See accounting policy in note 3(p)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Authorised		
700,100,000 (31 March 2022: 700,100,000) equity shares of ₹ 1 each	7,001.00	7,001.00
Issued, subscribed and fully paid-up		
432,707,198 (31 March 2022: 418,965,278) equity shares of ₹ 1 each	4,327.07	4,189.65
	4,327.07	4,189.65

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

Amount in ₹ Lakhs

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
At the beginning of the year	418,965,278	4,189.65	418,965,278	4,189.65
Add: Equity shares issued on exercise of employee stock option (refer note 39)	441,920	4.42	-	-
Add: Equity shares issued against conversion of warrants (refer note H)	13,300,000	133.00	-	-
At the end of the year	432,707,198	4,327.07	418,965,278	4,189.65

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 2023 (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 2023		31 March 2022	
	Number	Amount	Number	Amount
Modern Hi-Rise Private Limited	**182,599,607**	**1,826.00**	182,599,607	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 2023		31 March 2022	
	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	**182,599,607**	**42.20%**	182,599,607	43.58%

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 2023					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited *	**182,599,607**	**-**	**182,599,607**	**42.20%**	**-**
Himadri Credit & Finance Limited *	**1,484,067**	**-**	**1,484,067**	**0.35%**	**-**
Anurag Choudhary	**-**	**13,300,000**	**13,300,000**	**3.07%**	**3.07%**
	184,083,674	**13,300,000**	**197,383,674**	**45.62%**	**3.07%**

	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 2022					
Equity shares of ₹ 1 each fully paid up held by:					
Modern Hi-Rise Private Limited	182,599,607	-	182,599,607	43.58%	-
Himadri Credit & Finance Limited	1,484,067	-	1,484,067	0.36%	-
Mr. Vijay Kumar Choudhary #	3,266,640	-	3,266,640	0.79%	-
Mr. Bankey Lal Choudhary #	1,484,280	-	1,484,280	0.35%	-
Mr. Tushar Choudhary #	1,484,280	-	1,484,280	0.35%	-
	190,318,874	**-**	**190,318,874**	**45.43%**	**-**

* 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 2023 (Contd.)

17. Equity share capital (Contd.)

The Board of Directors of the Holding Company at its meeting held on 8 July 2022 took a note that the Promoters of the Holding Company have inter-se entered into a Family Settlement Agreement ("FSA") pursuant to which Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Tushar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary and Ms. Swaty Choudhary ('Outgoing Promoters') have applied for reclassification from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI Listing Regulations ("Reclassification").

Thereafter, the shareholders of the Holding Company at the Extraordinary General Meeting held on 8 August 2022 has approved the reclassification. Further, the Holding Company has received approval from National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") on 24 February 2023 for re-classification of the outgoing promoters from 'Promoter/Promoter Group' to 'Public Category' in accordance with Regulation 31A of SEBI Listing Regulations. Accordingly no disclosure has been made for the current financial year in respect of shares held by outgoing promoters.

Post reclassification as on 31 March 2023, the Promoters shareholding stands at 45.62%.

F. Shares reserved for issue under options

See accounting policies in note 3(g)(ii)

Amount in ₹ Lakhs

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016): **1,077,729** (31 March 2022: 1,571,812) equity shares of ₹ 1 each (refer note 39)	**1,077,729**	**10.78**	1,571,812	15.72

Information of stock options granted to employees are disclosed in note 39 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 year, the Holding Company has issued and allotted 72,550,000 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) shall be 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, the Holding Company upon receipt of balance 75% of the issue price (i.e., ₹ 52.50 per warrant) for 13,300,000 warrants, has 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 has increased by 13,300,000 equity shares of face value of ₹ 1 each. For the remaining 59,250,000 warrants, the respective allottees have not yet exercised their option for conversion of the warrants into equity shares and accordingly, balance 75% money towards such remaining warrants is yet to be received.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (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 2022	Movement during the year	31 March 2023
Capital reserve	1,280.50	-	1,280.50	-	1,280.50
Securities premium	45,600.10	-	45,600.10	9,370.20	54,970.30
General reserve	18,955.61	-	18,955.61	-	18,955.61
Share option outstanding reserve	351.63	30.23	381.86	(113.65)	268.21
Money received against share warrants	-	-	-	10,368.75	10,368.75
Retained earnings	108,642.53	3,466.71	112,109.24	20,757.01	132,866.25
Items of other comprehensive income:					
- Currency translation reserve	(2,112.78)	334.58	(1,778.20)	(712.24)	(2,490.44)
- Equity instruments through Other Comprehensive income	2,383.62	3,641.36	6,024.98	1,479.33	7,504.31
	175,101.21	7,472.88	182,574.09	41,149.40	223,723.49

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 2021	(2,112.78)	2,383.62	270.84
Equity instruments through other comprehensive income - net change in fair value	-	4,726.82	4,726.82
Exchange differences in translating financial statements of foreign operations	334.58	-	334.58
Tax on above items	-	(1,085.46)	(1,085.46)
As at 31 March 2022	(1,778.20)	6,024.98	4,246.78
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**

19. Borrowings

See accounting policy in note 3(b) and (c)(i) - (iv)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2023	31 March 2022
Non-current borrowings				
Secured				
Term loans				
Rupee term loan (secured)	refer note [A(i)] below			
From banks			9,219.88	13,064.04
Loan against vehicles and equipments (secured)	7%-8.3%	2025-2028	127.65	188.70
			9,347.53	13,252.74

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

19. Borrowings (Contd.)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2023	31 March 2022
Less: Current maturities of non-current borrowings			**(4,516.79)**	(3,935.82)
			4,830.74	9,316.92

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Current borrowings		
Secured		
From banks (repayable on demand)		
Rupee loans	**17,009.69**	31,180.11
Foreign currency loans	**55,957.66**	1,904.98
	72,967.35	33,085.09
Current maturities of non-current borrowings	**4,516.79**	3,935.82
Unsecured		
From banks (repayable on demand)		
Rupee loans	**1,304.73**	11,500.00
	78,788.87	48,520.91

Information about the Group's exposure to fair value measurement, interest rate, currency and liquidity risks related to borrowings are disclosed in note 42 and 43.

A. Terms of repayment/ conversion/ redemption

Term loans

Amount in ₹ Lakhs

Name of the lender	Interest	Repayment schedule	31 March 2023	31 March 2022
(i) Rupee term loans				
HDFC Bank Limited **[₹ 4,875.00 lakhs** (31 March 2022: ₹ 8,125.00 lakhs)]	3 Month Repo Rate + 2.75%	Repayable at quarterly rest: 6 of ₹ 812.50	**4,859.07**	8,085.93
Kotak Mahindra Bank Limited **[₹ 4,375.00 lakhs** (31 March 2022: ₹ 5,000.00 lakhs)]	3 Month REPO Rate + 1.75%	Repayable at quarterly rest: 14 of ₹ 312.50	**4,360.81**	4,978.11

(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 from HDFC Bank Limited and Kotak Mahindra Bank Limited are secured by way of pari passu first charge on the movable fixed assets of the Holding Company 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 underlying asset financed.

(iii) Current borrowings from banks aggregating to ₹ **72,967.35** lakhs (31 March 2022: ₹ 33,085.09 lakhs) are secured by hypothecation of currents assets of the Holding Company both present and future on pari passu basis. Further, working capital loan from banks aggregating to ₹ **Nil** (31 March 2022: ₹ 758.66 lakhs) is also secured by subservient charge on moveable Property, plant and equipment of the Holding Company.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

20. Trade payables

See accounting policy in note 3(c) (i) - (iv)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Trade payable for goods and services		
- total outstanding dues of micro enterprises and small enterprises (refer note 47)	**444.83**	89.20
- total outstanding dues of creditors other than micro enterprises and small enterprises	**33,798.60**	34,816.10
(b) Acceptances	**315.43**	42,954.85
	34,558.86	77,860.15
Non-current	**-**	-
Current	**34,558.86**	77,860.15
	34,558.86	77,860.15

(c) 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 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**	**141.08**	**28,688.51**
Add: Accrued Liabilities	**-**	**-**	**-**	**-**	**5,554.92**
Add: Acceptances					**315.43**
					34,558.86

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 2022					
(i) MSME	89.20	-	-	-	89.20
(ii) Others	27,673.57	1,306.92	39.37	178.19	29,198.05
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
Total	27,762.77	1,306.92	39.37	178.19	29,287.25
Add: Accrued Liabilities	-	-	-	-	5,618.05
Add: Acceptances					42,954.85
					77,860.15

Information about the Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 43.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

21. Derivatives

See accounting policy in note 3(c)(v)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Mark to market on derivative contracts	11.00	1,130.00
	11.00	1,130.00
Non-current	-	-
Current	11.00	1,130.00
	11.00	1,130.00

Information about the Group's exposure to currency risks related to derivatives are disclosed in note 43.

22. Other financial liabilities

See accounting policy in note 3(c) (i) - (iv)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Security deposits	25.77	25.77
	25.77	25.77
Current		
Interest accrued but not due on borrowings	671.71	338.78
Unclaimed dividend	37.18	29.70
Liability for capital goods	525.29	4,043.68
Others (including Employee related liabilities and Security deposits)	1,702.40	1,897.24
	2,936.58	6,309.40

(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 43.

23. Other current liabilities

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Statutory dues (including provident fund, tax deducted at source, goods and services tax and others)	2,266.99	2,903.52
Contract Liabilities		
-Advance from customers	5,990.49	4,070.63
	8,257.48	6,974.15

24. Provisions

See accounting policies in note 3(g) and (h)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Non-current		
Net defined benefit liability - Gratuity (refer note 38)	380.78	354.18
Liability for compensated absences [refer note (a) below]	129.86	-
Provision for litigation [refer note (a) below]	78.42	78.42
	589.06	432.60
Current		
Liability for compensated absences [refer note (a) below]	12.54	160.90
	12.54	160.90

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

24. Provisions (Contd.)

(a) Movement of provisions (Non-current and current)

Amount in ₹ Lakhs

	Liability for compensated absences	Provision for litigation
Balance as at 1 April 2021	161.76	78.42
Add: Provisions made during the year 2021-2022	88.80	-
Less: Amount utilised/ reversed during the year 2021-2022	(89.66)	-
Balance as at 31 March 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**

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)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Income-tax liabilities	**43.88**	0.74
[net of advance tax ₹ **4,741.19 lakhs** (31 March 2022: ₹ Nil)]		
	43.88	0.74

26. Revenue from operations

See accounting policies in note 3(j) and (k)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	**417,182.60**	279,072.72
Other operating revenue		
- Export incentive	**1.53**	59.05
Total revenue from operations	**417,184.13**	279,131.77

(i) Sales are net of price adjustments settled during the year by the Group, discounts and Goods and Services tax (GST) etc.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

26. Revenue from operations (Contd.)

(ii) Revenue disaggregation is as follows:

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Disaggregation of goods		
- Carbon materials and chemicals	**415,226.34**	277,329.86
- Power	**1,956.26**	1,742.86
	417,182.60	279,072.72
(b) Disaggregation based on geography		
India	**325,385.41**	239,301.20
Outside India	**91,797.19**	39,771.52
	417,182.60	279,072.72
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	**420,466.32**	278,202.58
Add/(less): Adjustment for variable consideration	**(3,283.72)**	870.14
	417,182.60	279,072.72
(d) Information about major customers (refer note 43)		
(e) Contract balances		
Trade receivables (refer note 8)	**51,497.86**	51,507.32
	51,497.86	51,507.32

27. Other income

See accounting policies in note 3(l) and 3(b)(i)-(ii)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income under the effective interest method:		
- Interest on bank deposits	**1,591.55**	124.58
- Others	**5.44**	1.90
- Income from a related party (refer note 40):		
- Others	**5.99**	5.98
- Unwinding of discount on security deposits and others	**154.91**	142.51
Gain on sale proceeds of current investments measured at fair value through profit or loss	**143.20**	-
Insurance claims	**350.76**	100.29
Rental income (refer note 40)	**90.00**	90.00
Miscellaneous income	**455.61**	256.90
	2,797.46	722.16

28. Cost of materials consumed

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory of raw materials at the beginning of the year	**48,148.77**	18,166.27
Add: Purchases during the year	**302,458.68**	268,436.00
	350,607.45	286,602.27
Less: Inventory of raw materials at the end of the year	**(22,153.71)**	(48,148.77)
Add/(Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	**-**	0.32
Cost of materials consumed	**328,453.74**	238,453.82

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

29. Change in inventories of finished goods and work-in-progress

See accounting policy in note 3(i)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventories		
Finished goods	16,075.11	7,889.37
Work-in-progress	9,125.22	3,336.02
	25,200.33	11,225.39
Closing inventories		
Finished goods	21,537.47	16,075.11
Work-in-progress	6,676.73	9,125.22
	28,214.20	25,200.33
Add/(Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	-	7.29
Change in inventories of finished goods and work-in-progress	(3,013.87)	(13,967.65)

30. Employee benefits expense

See accounting policy in note 3(g)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	7,718.97	6,916.43
Contribution to provident and other funds	436.18	347.38
Defined benefit plan expenses - Gratuity (refer note 38)	80.94	74.80
Share based payments to employees - Equity settled (refer note 39)	-	30.23
Staff welfare expenses	915.21	707.82
	9,151.30	8,076.66

Salaries, wages and bonus includes ₹ **606.83 lakhs** (31 March 2022: ₹ 504.77 lakhs) relating to outsource manpower cost.

31. Finance costs

See accounting policy in note 3(o)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost	4,864.53	2,880.22
Exchange difference regarded as an adjustment to borrowing costs	1,349.87	224.25
Other borrowing costs	359.03	411.96
Interest cost on lease liability [refer note 35(c)]	33.47	45.43
	6,606.90	3,561.86

32. Other expenses

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	621.55	1,013.77
Power and fuel	1,596.03	1,686.05
Rent	547.74	342.46
Rates and taxes	229.94	129.48

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

32. Other expenses (Contd.)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Repairs to:		
- Building	74.69	71.72
- Plant and equipment	3,458.74	2,914.51
- Others	671.52	542.47
Payment to auditors'	98.86	89.47
Insurance	541.77	467.56
Packing expenses	3,434.16	2,542.15
Freight and forwarding expenses	20,003.28	14,056.07
Commission on sales	1,504.29	1,258.94
Net foreign exchange loss	1,980.14	681.08
Expenditure on corporate social responsibility	160.99	386.82
Miscellaneous expenses	7,750.09	4,780.34
	42,673.79	30,962.89

33. Income-tax

See accounting policy in note 3(n)

A. Reconciliation of effective tax rate

Amount in ₹ Lakhs

	Year ended 31 March 2023		Year ended 31 March 2022	
	Percentage	Amount	Percentage	Amount
Profit before tax		28,024.97		5,346.53
Statutory income-tax rate	34.94%	9,793.05	34.94%	1,868.29
Tax Effects of:				
Non - deductible expenses for tax purposes	0.79%	222.66	6.31%	337.10
Tax exempt income/ additional deduction as per income-tax	(11.85%)	(3,320.49)	(31.30%)	(1,673.60)
Impact of tax on loss components	(0.91%)	(256.15)	17.01%	909.26
	22.98%	6,439.07	26.95%	1,441.05
Amount recognised in profit or loss				
- Current tax		4,784.30		1,389.29
- Deferred tax		1,654.77		51.76
Total tax expenses		6,439.07		1,441.05

B. Movement in deferred tax assets and liabilities

Amount in ₹ Lakhs

Movement during the year ended 31 March 2022	Balance as on 1 April 2021	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2022
Deferred tax (assets)/liabilities:				
Property, plant and equipment	20,953.57	1,737.99	-	22,691.56
Trade receivables	(255.50)	(0.13)	-	(255.63)
Right of use assets	1,044.20	22.16	-	1,066.36
Loans	(915.46)	47.60	-	(867.86)
Other assets	(31.55)	(1.19)	-	(32.74)
Borrowings	22.40	(3.83)	-	18.57

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

33. Income-tax (Contd.)

Amount in ₹ Lakhs

Movement during the year ended 31 March 2022	Balance as on 1 April 2021	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2022
Other liabilities	(168.24)	46.24	-	(122.00)
Other financial liabilities	-	(392.64)	-	(392.64)
Share based payments- Equity-settled	(136.68)	(10.56)	-	(147.24)
Provisions	(146.05)	(5.31)	0.38	(150.98)
MAT credit entitlement	(15,500.62)	(1,388.57)	-	(16,889.19)
Gain/ loss on fair valuation of Investments in equity instruments	1,312.71	-	1,085.45	2,398.16
Net deferred tax liabilities	6,178.78	51.76	1,085.83	7,316.37

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)**
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**

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, no reversal of net deferred tax liability has been recognised during the current year and previous year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

34. Earnings per equity share (EPS)

See accounting policy in note 3(t)

Amount in ₹ Lakhs

		Year ended 31 March 2023	Year ended 31 March 2022
A.	**Basic earnings per equity share**		
	(i) Profit for the year, attributable to the equity share holders of the Group (before exceptional items)	**24,597.73**	6,559.71
	(ii) Profit for the year, attributable to the equity share holders of the Group (after exceptional items)	**21,597.73**	4,094.65
	(iii) Weighted average number of equity shares (basic) (number)	**420,906,342**	418,965,278
	Basic earnings per equity share (before exceptional items) [(i)/ (iii)]	**5.84**	1.57
	Basic earnings per equity share (after exceptional items) [(ii)/ (iii)]	**5.13**	0.98
B.	**Diluted earnings per equity share**		
	(i) Weighted average number of equity shares (basic) (number)	**420,906,342**	418,965,278
	(ii) Effect of dilutive potential equity shares on account of employee stock options (number)	**-**	-
	(iii) Weighted average number of equity shares (diluted) for the year (i+ii)	**420,906,342**	418,965,278
	Diluted earnings per equity share (before exceptional items) [(A) (i)/ (B) (iii)]	**5.84**	1.57
	Diluted earnings per equity share (after exceptional items) [(A) (ii)/ (B) (iii)]	**5.13**	0.98

35. Contingent liability and commitments

See accounting policy in note 3(v)

(*to the extent not provided for*)

(a) Contingent liabilities

Amount in ₹ Lakhs

	31 March 2023	31 March 2023
Claim against the Group not acknowledged as debts		
Sales tax/VAT matters in dispute/ under appeal	**5,030.85**	4,726.72
GST matters in dispute/ under appeal	**105.61**	-
Excise/ Service Tax matters in dispute/under appeal	**2,112.22**	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**	5,028.82
Entry tax in dispute/ under appeal - Chhattisgarh	**511.88**	500.08
Income tax in dispute/ under appeal	**463.24**	2,489.16
Others [refer note (iii) 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) The Holding Company had filed Writ petition on 7 January 2013 before the Hon'ble High Court of Calcutta and challenged the constitutional validity of Entry Tax levied by the Government of West Bengal. The Hon'ble High Court of Calcutta during the earlier year, passed an order on 24 June 2013 declaring The West Bengal tax on Entry of Goods into Local Areas Act, 2012 as unconstitutional against which the government filed an appeal which is still pending to be disposed off. In the opinion of the Holding Company, there is a strong merit of the case. Hence, the Holding Company has not made provision for entry tax liability in the books for the current year and for the earlier years.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

35. Contingent liability and commitments (Contd.)

(iii) 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 2023	31 March 2022
Estimated amount of contracts in capital account remaining to be executed and not provided for (net of capital advance)	**1,582.38**	5,699.10

(c) Leases (Ind AS 116)

See accounting policy in note 3(m)

Carrying value of right of use assets at the end of the reporting period by class (Refer note 4B):

Amount in ₹ Lakhs

	Year ended 31 March 2023			Year ended 31 March 2022		
	Land	Buildings	Amount	Land	Buildings	Amount
Balance at the beginning of the year	**2,826.54**	**255.49**	**3,082.03**	3,052.97	397.72	3,450.69
Addition during the year	**-**	**-**	**-**	-	63.42	63.42
Amortisation during the year	**(282.10)**	**(164.09)**	**(446.19)**	(279.73)	(205.65)	(485.38)
Exchange differences on translation of foreign operations	**0.48**	**-**	**0.48**	53.30	-	53.30
Balance at the end of the year	**2,544.92**	**91.40**	**2,636.32**	2,826.54	255.49	3,082.03

Movement in lease liabilities

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	**841.03**	1,012.05
Additions during the year	**-**	62.55
Finance cost accrued during the year (refer note 31)	**33.47**	45.43
Payment of lease liabilities during the year (including interest)	**(282.15)**	(314.54)
Exchange differences on translation of foreign operations	**0.38**	35.54
Balance at the end of the year	**592.73**	841.03
Lease liabilities - Non-current	**442.00**	558.92
Lease liabilities - Current	**150.73**	282.11

Maturity analysis of lease liabilities

Amount in ₹ Lakhs

Maturity analysis – contractual undiscounted cash flows	31 March 2023	31 March 2022
Less than one year	**150.73**	282.11
One to five years	**466.58**	531.61
More than five years	**65.94**	151.26
Total undiscounted lease liabilities at the end of the year	**683.25**	964.98

Amount recognised in Consolidated Statement of Profit and Loss

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	**33.47**	45.43
Amortisation during the year	**446.19**	485.38
Expenses relating to short-term leases and low value assets	**547.74**	342.46

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

35. Contingent liability and commitments (Contd.)

Amount recognised in the Consolidated Statement of Cash Flows

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses recognised during the year (refer note 31)	**33.47**	45.43
Lease payments reflected in Consolidated Statement of Cash Flows	**248.68**	269.11

36. Exceptional items 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.

37. Research and development expenses

See accounting policy in note 3(d) and 3(e)

Research and development expenses aggregating to ₹ **3,071.43 lakhs** (31 March 2022: ₹ 585.03 lakhs) in the nature of revenue expenditure and addition of ₹ **168.99 lakhs** (31 March 2022: ₹ 26.90 lakhs) in the nature of capital expenditure during the year have been included under the relevant account heads.

38. Employee benefits

See accounting policy in note 3(g)

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 ₹ **324.30 lakhs** (31 March 2022: ₹ 289.36 lakhs). Out of these, ₹ **305.78 lakhs** (31 March 2022: ₹ 264.81 lakhs) pertains to provident fund plan and ₹ **18.52 lakhs** (31 March 2022: ₹ 24.55 lakhs) pertains to ESI.

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.

The following tables analyse present value of defined benefit obligations, expense recognised in Consolidated Statement of Profit and Loss, actuarial assumptions and other information.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

38. Employee benefits (Contd.)

(i) Reconciliation of present value of defined benefit obligation

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Balance at the beginning of the year	690.02	614.04
(b) Current service cost	80.94	74.80
(c) Interest cost	48.19	40.64
(d) Actuarial (gains)/ losses recognised in other comprehensive income	(4.89)	(6.72)
(e) Benefits paid	(41.37)	(32.74)
Balance at the end of the year	772.89	690.02

(ii) Reconciliation of fair value of plan assets

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Balance at the beginning of the year	335.84	274.17
(b) Interest income	25.57	20.25
(c) Actual return on plan asset less interest on plan asset	(7.93)	(5.84)
(d) Contributions by the employer	80.00	80.00
(e) Benefits paid	(41.37)	(32.74)
Balance at the end of the year	392.11	335.84

(iii) Net liability recognised in the Consolidated Balance Sheet

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) Present value of defined benefit obligation	(772.89)	(690.02)
(b) Fair value of plan assets	392.11	335.84
Net liability recognised in the Consolidated Balance Sheet	(380.78)	(354.18)

(iv) Expense recognised in Consolidated Statement of Profit or Loss

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Current service cost	80.94	74.80
(b) Interest cost	48.19	40.64
(c) Expected return on plan assets	(25.57)	(20.25)
Amount charged to Consolidated Statement of Profit or Loss	103.56	95.19

(v) Remeasurements recognised in Consolidated Other Comprehensive Income

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	(8.58)	(31.04)
- experience adjustment	3.69	24.32
(b) Actual return on plan asset less interest on plan asset	7.93	5.84
Amount recognised in Consolidated Other Comprehensive Income	3.04	(0.88)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

38. Employee benefits (Contd.)

(vi) The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Impact on defined benefit obligation on discount rate plus **100 basis points**	**(78.19)**	(68.77)
Impact on defined benefit obligation on discount rate minus **100 basis points**	**92.90**	73.23
Impact on defined benefit obligation on salary growth rate plus **100 basis points**	**84.31**	81.96
Impact on defined benefit obligation on salary growth rate minus **100 basis points**	**(72.91)**	(63.56)

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 2023	31 March 2022
Discount rate	**7.30%**	7.20%
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 2023	31 March 2022
Within next 12 months	**48.81**	75.61
1-2 year	**38.18**	30.16
2-3 year	**52.69**	34.89

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

38. Employee benefits (Contd.)

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
3-4 year	**48.01**	47.04
4-5 year	**72.46**	41.85
Thereafter	**471.57**	387.10

	31 March 2023	31 March 2022
(ix) Weighted average duration of defined benefit obligation	**12 years**	11 years

(x) The Holding Company expects to pay ₹ **380.78 lakhs** in contribution to its defined benefit plans during the year 2023-2024.

(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.

39. Share based payments

See accounting policy in note 3(g)(ii)

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 4,000,000 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	1,304,600	19
ESOP 2016 Plan (Tranche II)			2018-2019	8 May 2018	2,695,000	140

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

39. Share based payments (Contd.)

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 2023	31 March 2022	**31 March 2023**	31 March 2022
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.

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share option under the share option plan (see A above) are as follows.

	Weighted average exercise price per option (in ₹)	**Number of options**	Weighted average exercise price per option (in ₹)	Number of options
	31 March 2023	**31 March 2023**	31 March 2022	31 March 2022
Outstanding at 1 April	**95.00**	**1,571,812**	96.04	1,658,343
Granted during the year	**-**	**-**	-	-
Forfeited during the year	**79.77**	**52,163**	114.93	86,531
Exercised during the year	**19.00**	**441,920**	-	-
Outstanding at 31 March	**126.89**	**1,077,729**	95.00	1,571,812
Exercisable at 31 March	**126.89**	**1,077,729**	86.61	1,325,031

A weighted average remaining contractual life of **2.90 years** (31 March 2022: 3.91 years).

The weighted average share price at the date of exercise for share options exercised during the year 2022-2023 was **₹ 60.69** (2021-2022: ₹ Nil).

Weighted average fair value of the options granted during the year 2022-2023 was **₹ Nil** (2021-2022: ₹ Nil).

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023 (Contd.)

39. Share based payments (Contd.)

D. Expense recognised in Consolidated Statement of Profit and Loss

During the year ended 31 March 2023, the Holding Company has charged ₹ **Nil** (31 March 2022: ₹ 30.23 lakhs) as share based payment equity-settled expenses, refer note 30.

E. Details of the liabilities arising the share based payments to employees - Equity settled were as follows:

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
Total carrying amount	**268.21**	381.86

40. 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
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)

b) Non-executive Directors

Name of the related parties
Mr. Sakti Kumar Banerjee, Non-Executive Independent Director
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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

40. Related party disclosure (Contd.)

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

iii) Entities with significant influence over the Holding Company

BC India Investments (upto 25 February 2021)

Modern Hi-Rise Private Limited

iv) Firm in which director is a partner

Aquilaw (upto 8 July 2022)

Transaction Square LLP (w.e.f. 22 June 2021)

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 2023	Year ended 31 March 2022
Tuaman Engineering Limited	Engineering, procurement and construction of project (EPC)	**451.23**	3,985.11
	Payment for EPC	**4,825.01**	-
	Rental income	**90.00**	90.00
Modern Hi-Rise Private Limited	Rent paid	**0.14**	0.14
Sri Agro Himghar Limited	Rent paid	**0.06**	0.06
Aquilaw	Legal expenses	**-**	162.15
Transaction Square LLP	Consultancy expenses	**305.97**	9.30
Himadri Foundation	Donation/Expenditure on corporate social responsibility	**541.47**	261.34
BC India Investments	Dividend paid	**-**	53.52
Modern Hi-Rise Private Limited	Dividend paid	**365.20**	273.90
Himadri Credit & Finance Limited	Dividend paid	**2.97**	2.23

C. Disclosure of transactions with Key Management Personnel

Key management personnels (KMP) remuneration comprised of the following:

Amount in ₹ Lakhs

Nature of transaction	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	**1,023.41**	1,373.37
Share based payments to employees - Equity settled	**21.14**	-
Other long-term benefits	**6.21**	4.73
Total remuneration paid to key management personnel	**1,050.76**	1,378.10
Sitting fees paid	**38.25**	52.05
Non Compete Fees paid	**3,000.00**	-
Interest income on loan	**5.99**	5.98
Sale of Investment	**0.08**	-
Received on issue of share warrants convertible into equity shares	**11,194.75**	-
Received on conversion of share warrants into equity shares	**6,982.50**	-
Dividend paid	**12.60**	9.36

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

40. Related party disclosure (Contd.)

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 2023	31 March 2022
Tuaman Engineering Limited	(Trade Payable)/ Capital advances	-	(3,657.41)
Mr. Kamlesh Kumar Agarwal	Loan given (including interest receivable)	97.22	91.23

41. 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 segments	Operations
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 2023	Reportable segments			Total
	Carbon materials and chemicals	Power	Elimination	
Segment revenue:				
- External revenues	415,227.87	1,956.26	-	417,184.13
- Inter-segment revenue	-	7,935.75	7,935.75	-
Total segment revenue	415,227.87	9,892.01	7,935.75	417,184.13
Segment results*	28,393.34	8,421.21	-	36,814.55

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

41. Operating segments (Contd.)

Amount in ₹ Lakhs

Year ended 31 March 2023	Reportable segments			Total
	Carbon materials and chemicals	Power	Elimination	
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	277,014.26	11,102.93	-	288,117.19
Unallocable corporate assets	-	-	-	79,695.71
Total segment assets	277,014.26	11,102.93	-	367,812.90
Segment liabilities	45,758.65	505.48	-	46,264.13
Unallocable corporate liabilities	-	-	-	93,779.64
Total segment liabilities	45,758.65	505.48	-	140,043.77

* Segment results represents earnings before other income, finance cost, foreign exchange gain/(loss) (net) and tax

Amount in ₹ Lakhs

Year ended 31 March 2022	Reportable segments			Total
	Carbon materials and chemicals	Power	Elimination	
Segment revenue:				
- External revenues	2,77,388.91	1,742.86	-	2,79,131.77
- Inter-segment revenue	-	8,335.27	8,335.27	-
Total segment revenue	2,77,388.91	10,078.13	8,335.27	2,79,131.77
Segment results*	2,276.38	9,055.99	-	11,332.37
Reconciliation of segment result with profit before tax				
Other income	-	-	-	722.16
Finance costs	-	-	-	(3,561.86)
Foreign exchange gain/(loss) (net)	-	-	-	(681.08)
Exceptional items	-	-	-	(2,465.06)
Profit before tax				5,346.53
Depreciation and amortisation expense	4,777.98	176.78	-	4,954.76
Segment assets	2,92,993.90	11,714.61	-	3,04,708.51
Unallocable corporate assets	-	-	-	40,674.82
Total segment assets	2,92,993.90	11,714.61	-	3,45,383.33
Segment liabilities	91,912.86	322.66	-	92,235.52
Unallocable corporate liabilities	-	-	-	66,653.42
Total segment liabilities	91,912.86	322.66	-	1,58,888.94

* 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 2023 (Contd.)

41. Operating segments (Contd.)

Secondary segment information (geographical segment)

Amount in ₹ Lakhs

	Within India		Outside India		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
External revenue by location of customers	325,386.94	239,722.18	91,797.19	39,409.59	417,184.13	279,131.77
Carrying amount of segment assets by location of assets	349,493.83	332,871.46	18,319.07	12,511.87	367,812.90	345,383.33
Cost incurred on acquisition of property, plant and equipment and other intangible assets	4,805.20	5,760.56	-	-	4,805.20	5,760.56

Major customer

Revenue from one customer of the Group's Carbon material and chemical segment is ₹ **67,009.05 lakhs** (31 March 2022: ₹ 41,423.14 lakhs) which is more than 16 percent of the Group's total revenue.

42. Fair value measurement

See accounting policy in note 3(y)

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. Accounting classification and fair value

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 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	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

42. Fair value measurement (Contd.)

Amount in ₹ Lakhs

As on 31 March 2022	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	-	46.37	10,701.99	10,748.36	-	10,701.99	46.37
Investment in equity instruments (unquoted)	7	-	-	5.60	5.60	-	3.43	2.17
Investment in equity instruments (quoted)	7	-	-	577.79	577.79	1.76	-	576.03
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	51,507.32	-	-	51,507.32	-	-	-
Cash and cash equivalents	9	17,338.39	-	-	17,338.39	-	-	-
Bank balances other than cash and cash equivalents	10	9,162.75	-	-	9,162.75	-	-	-
Loans	11	325.05	-	-	325.05	-	-	-
Other financial assets	12	3,179.44	-	-	3,179.44	-	-	-
Financial liabilities:								
Non convertible debentures	19	-	-	-	-	-	-	-
Borrowings	19	57,837.83	-	-	57,837.83	-	-	-
Trade payables	20	77,860.15	-	-	77,860.15	-	-	-
Derivatives	21	-	1,130.00	-	1,130.00	-	1,130.00	-
Lease liabilities	22	841.03	-	-	841.03	-	-	-
Other financial liabilities	22	6,335.17	-	-	6,335.17	-	-	-

The Group assessed that fair value of trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, loans, trade payable and other financial assets and liabilities except derivative financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments. The Group's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such borrowings approximate fair value.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

42. Fair value measurement (Contd.)

(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 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 2023 and 31 March 2022.

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 2023	31 March 2022
Balance as at beginning of the year	**624.57**	557.59
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**30.06**	66.98
Change in value due to sale of investment in equity instruments measured at FVTPL (realised)	**(46.40)**	-
Balance as at end of the year	**608.23**	624.57

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 2022.

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 2023 (Contd.)

43. 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

(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 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 2023	Year ended 31 March 2022
Revenue from a top customer	16%	15%
Revenue from top five customers	44%	42%

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 2023	Year ended 31 March 2022
Balance at the beginning of the year	717.01	717.01
Add: Provided during the year	-	-
Less: Utilised during the year	-	-
Balance at the end of the year	**717.01**	717.01

Ageing analysis of trade receivables is disclosed in note 8

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

(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.

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 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

Amount in ₹ Lakhs

31 March 2022	Carrying amount	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	57,837.83	49,326.20	4,972.70	3,068.98	1,969.42	-	59,337.30
Trade payables (including acceptances)	77,860.15	77,860.15	-	-	-	-	77,860.15
Derivatives	1,130.00	1,130.00	-	-	-	-	1,130.00
Other financial liabilities	6,335.17	6,309.40	-	-	-	25.77	6,335.17
Lease liabilities including lease interest	841.03	282.11	150.65	147.65	233.31	151.26	964.98

(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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

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.

Exposure to currency risk

The Group's exposure to foreign currency as at the end of the reporting period are as follows:

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 contracts/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)

31 March 2022	In original currency (USD in lakhs)	In local currency (₹ in lakhs)
Financial Assets		
Trade receivables	59.42	4,504.46
Cash and cash equivalents	1.49	112.58
	60.91	4,617.04
Financial Liabilities		
Borrowings	25.13	1,904.98
Trade payables	356.63	27,034.77
Other financial liabilities	5.11	387.40
Less: Forward currency call options	(700.00)	(53,064.99)
	(313.13)	(23,737.84)
Net exposure in respect of recognised financial assets and financial liabilities	374.04	28,354.88

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

	(Profit) or loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (5% Movement)	**(839.56)**	**839.56**	**(546.19)**	**546.19**
31 March 2022				
USD (5% Movement)	1,417.74	(1,417.74)	922.33	(922.33)

(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 non-current borrowings with floating rates, the risk of variation in the interest rates in 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 2023	31 March 2022
Fixed rate instruments		
Financial assets	**42,741.50**	12,471.20
Financial liabilities	**(56,085.31)**	(2,093.68)
	(13,343.81)	10,377.52
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(27,534.30)**	(55,744.15)
	(27,534.30)	(55,744.15)

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 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**
31 March 2022				
Variable rate instruments (1% Movement)	(557.44)	557.44	(362.65)	362.65
Cash flow sensitivity (net)	(557.44)	557.44	(362.65)	362.65

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

43. Financial risk management (Contd.)

(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 2023. 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 2023		31 March 2022	
			Amount in foreign currency in lakhs	Amount in ₹ in lakhs	Amount in foreign currency in lakhs	Amount in ₹ in lakhs
Forward contracts [**7** (previous year Nil)]	USD/INR	Buy	**293.00**	**24,089.55**	-	-
Foreign Currency Option contracts [**1** (previous year 1)]	USD/INR	Options	**150.00**	**12,332.54**	700.00	53,064.99

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

	31 March 2023	31 March 2022
Not later than one month	**(1.50)**	(6.36)
Later than one month and not later than three months	**(9.50)**	(1,123.64)
	(11.00)	(1,130.00)

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Amount in ₹ Lakhs

	31 March 2023		31 March 2022	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	**-**	**(11.00)**	-	(1,130.00)
Net amount presented in Consolidated Balance Sheet	**-**	**(11.00)**	-	(1,130.00)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

44. 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	97.28%	221,560.10	96.27%	20,780.85	193.16%	1,477.29	99.58%	22,258.14
Subsidiaries:								
Foreign								
1. AAT Global Limited	(3.89%)	(8,850.26)	1.36%	294.08	0.00%	-	1.32%	294.08
2. Shandong Dawn Himadri Chemical Industry Limited	(1.94%)	(4,411.17)	(0.86%)	(185.30)	0.00%	-	(0.83%)	(185.30)
Non-controlling interests in all subsidiaries	(0.12%)	(281.43)	(0.05%)	(11.83)	(0.03%)	(0.25)	(0.05%)	(12.08)
Intercompany eliminations on consolidation	8.67%	19,751.89	3.28%	708.10	0.00%	-	3.17%	708.10
Exchange differences in translating financial statements of foreign operations	0.00%	-	0.00%	-	(93.13%)	(712.24)	(3.19%)	(712.24)
At 31 March 2023	**100.00%**	**227,769.13**	**100.00%**	**21,585.90**	**100.00%**	**764.80**	**100.00%**	**22,350.70**

45. 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

	Note	31 March 2023	31 March 2022
Borrowings	A	**83,619.61**	57,837.83
Liquid investments	B	**20,780.33**	17,338.39
Total	C = A-B	**62,839.28**	40,499.44
Equity	D	**227,769.13**	1,86,494.39
Debt to Equity	E = A / D	**0.37**	0.31
Debt to Equity (net)	F = C / D	**0.28**	0.22

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) Liquid investments include cash and cash equivalents, mutual funds (refer note 9)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

46. 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.

47. 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 2023 and 31 March 2022 are as under

Amount in ₹ Lakhs

	31 March 2023	31 March 2022
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year:		
- Principal	**444.83**	89.20
- Interest	**-**	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	**-**	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	**-**	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues 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.	**-**	-

48. Distribution made and proposed dividend on equity shares by the Holding Company

See accounting policy in note 3(q)

Amount in ₹ Lakhs

	Year ended 31 March 2023	Year ended 31 March 2022
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended on 31 March 2022: **₹ 0.20 per share** (31 March 2021: ₹ 0.15 per share)	**838.68**	628.45
Total dividend paid	**838.68**	628.45
Proposed dividend on equity shares not recognised as liability		
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 proposed for the year	**1,081.95**	838.68

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.

49. 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 2023 (Contd.)

50. Other Statutory 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 there under.

(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 have 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:

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 2023	Number of shares outstanding 31 March 2022	31 March 2023	31 March 2022
Frohar Trading Private Limited	Shares held by struck off Company	NA	1,700	1,700	-	-
Trishul Vintrade Private Limited	Shares held by struck off Company	NA	590	590	-	-
Nipu Commercial Limited	Shares held by struck off Company	NA	650	650	-	-
Satidham Industries Private Limited	Shares held by struck off Company	NA	-	1,000	-	-

(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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023 (Contd.)

50. Other Statutory information (Contd.)

(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 Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(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.

51. Previous year figures have been regrouped / reclassified/ rearranged wherever necessary to correspond with current year classification / disclosure.

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: 28 April 2023

Place: Kolkata
Date: 28 April 2023

Notes

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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. Santosh Kumar Agrawala
(DIN: 00364962)

Mr. Sakti Kumar Banerjee
(DIN: 00631772)

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
-Assistant Vice President, HR

BANKERS

Axis Bank Limited
Bank of Baroda
Citi Bank, N.A.
DBS Bank India Limited
The Federal Bank 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) 2219 6797/ 4815
E-mail:contact@skcinfo.com/ skcdilip@gmail.com
Web Site: www.skcinfo.com

CORPORATE IDENTITY NUMBER (CIN):

L27106WB1987PLC042756

REGISTERED OFFICE

Fortuna Tower
23A, Netaji Subhas Road
8th Floor, Kolkata - 700 001
Tel Fax: +91 (033) 2210 4261/62
E-mail: info@himadri.com
Web Site: www.himadri.com

CORPORATE OFFICE

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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

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Email: info@himadri.com | Website: www.himadri.com