



**BIRLA  
CORPORATION  
LIMITED**



## **TRUE SUCCESS RESTS ON HEART & STRENGTH**

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ANNUAL REPORT AND ACCOUNTS 2019-20



## ANNUAL REPORT AND ACCOUNTS 2019-20



Madhav Prasadji Birla  
(1918-1990)

002



Priyamvadaji Birla  
(1928-2004)

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**Rajendraji S. Lodha**  
(1942-2008)

004



**Shri Harsh V. Lodha**  
Chairman



**Shri Pracheta Majumdar**  
Wholetime Director &  
Chief Executive Officer



**Shri Vikram Swarup**



**Shri Anand Bordia**



**Shri Brij Behari Tandon**



**Shri Dhruva Narayan Ghosh**



**Dr. Deepak Nayyar**



**Smt. Shailaja Chandra**



**Shri Dilip Ganesh Karnik**

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----- BOARD OF DIRECTORS -----

Shri Harsh V. Lodha (DIN 00394094)  
Chairman

Shri Pracheta Majumdar (DIN 00179118)  
Wholetime Director &  
Chief Executive Officer  
Shri Vikram Swarup (DIN 00163543)  
Shri Anand Bordia (DIN 00679165)

Shri Brij Behari Tandon (DIN 00740511)  
Shri Dhruba Narayan Ghosh (DIN 00012608)  
Dr. Deepak Nayyar (DIN 00348529)  
Smt. Shailaja Chandra (DIN 03320688)  
Shri Dilip Ganesh Karnik (DIN 06419513)

----- SENIOR MANAGEMENT TEAM -----

Shri Sandip Ranjan Ghose  
Chief Operating Officer

Shri Asim Chattopadhyay  
Executive President  
Operation

Shri Aditya Saraogi  
Chief Financial Officer

Shri Rajesh Kakkar  
Unit Head  
Chandaria

Shri Bhaskar Bhattacharya  
Unit Head  
Satna

Shri Uttam Kumar Roy  
Unit Head  
Maihar

Shri Girish Sharma  
Company Secretary

Smt. Susmita Bhattacharya  
Head-Corporate (HR)

Shri Chisa Ram Verma  
President  
Birla Jute Mills

**STATUTORY AUDITORS**

V. Sankar Aiyar & Co.  
Chartered Accountants  
New Delhi - 110 008

**CORPORATE OFFICE**

1, Shakespeare Sarani (2nd Floor)  
Kolkata - 700 071  
Phone : (033) 6603 3300/01/02

**REGISTRAR & SHARE  
TRANSFER AGENT**

MCS Share Transfer Agent Limited  
383, Lake Gardens, 1st Floor  
Kolkata - 700 045

**REGISTERED OFFICE**

Birla Building (3rd & 4th Floors)  
9/1, R. N. Mukherjee Road  
Kolkata - 700 001  
Phone : (033) 6616 6729/37/38  
E-mail : investorsgrievance@birlacorp.com  
Website : www.birlacorporation.com  
CIN : L01132WB1919PLC003334

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## HEART & STRENGTH

As we complete another year of remarkable achievements by all companies in the group, our conviction in 'Heart and Strength' gets even more entrenched in all aspects of our operations. It is a belief instilled in us by the vision of our founders Syt. Madhav Prasadji Birla and Smt. Priyamvadaji Birla. Remaining true to this vision, over the years, we have grown, advanced and developed the group in various dimensions. We have led the charge in building leading enterprises, educational institutions and healthcare facilities built on the foundations of integrity, sustainability, compassion and ethics. As a group we constantly strive to attain newer heights of operational excellence and commercial success, while following sustainable policies and practices that have a positive impact on the environment and the lives of all stakeholders.

Harsh V. Lodha  
(Chairman)

# VISION

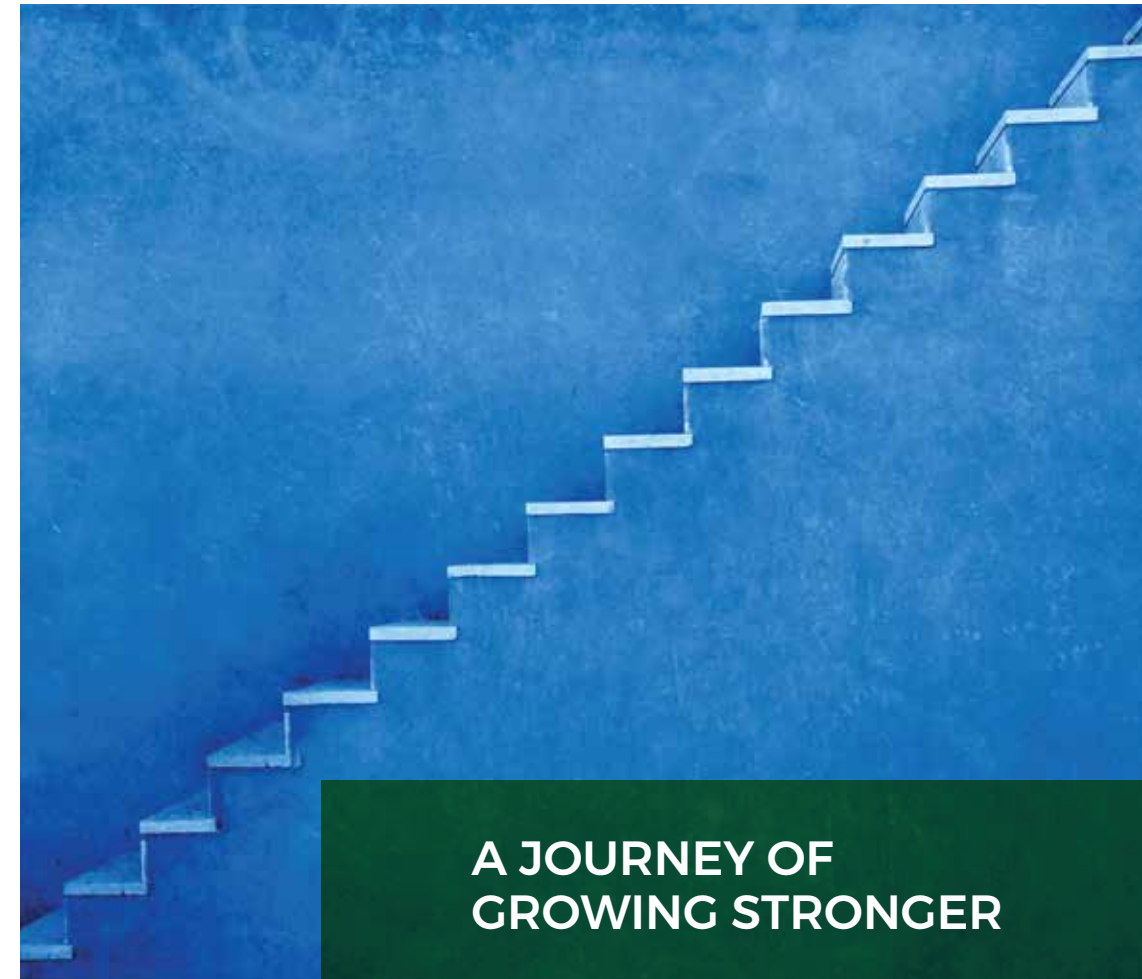
To be admired  
for our Performance,  
Ethics and Culture.

# MISSION

To be the  
best in class  
in every sector  
we operate.

# VALUES

- Integrity
- Professionalism
- Value Creation
- Social Commitment



## A JOURNEY OF GROWING STRONGER

2019-20 has been a year of unprecedented growth across all our divisions through seamless integration and better efficiency of manufacturing capabilities. While growth has been a constant, consistent efforts have been made to reach out and impact the lives of the people who reside around our factories and plants.



# CEMENT

GROWING IN STRENGTH

SATNA

CHANDERIA

The Chanderia plant reached its highest ever production of the premium brand Perfect Plus cement. It also achieved the highest ever clinker TPD from CCW-2 kiln after the project completion of the first expansion phase.

The plant attained its highest ever clinker production and daily production from the BVC kiln.

To further integrate the automated weighbridge with SAP for all inward and outward movement of material, an Automated Truck Parking with Plant Entry & Weighbridge System was installed at the plant.

Farmers of the surrounding areas have gained from the Livelihood Promotional Program, Improved Agricultural Practices, Livestock Development & Wadi (Orchard) fruits based farming and increased their agricultural income.

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BIRLA CORPORATION LIMITED

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BIRLA CORPORATION LIMITED



## MAIHAR



The efficient operating parameters of power and fuel consumption at the Maihar plant were rated as one of the best in the industry. Also, a 12.25MW Waste Heat Recovery System and 12MW solar plant were commissioned at the plant.

A MP Birla Cement mobile medical clinic, along with a doctor and pharmacist visited adjoining villages offering clinical examination and distribution of medicines. To further the cause of education, girls studying in class 10 of these villages were given home solar panels.



## KUNDANGANJ

The Kundanganj plant broke all its previous records with the highest ever cement production and dispatch in a year. It also successfully set up a railway siding and automated loading facility for finished products.

The plant won the gold award under Apex India Environment Excellence award forum for outstanding achievement in Environment and Best CSR Impact award by UBS forum for various skill trainings program (Mason, Motor Driving, Stitching, Beautician etc.)

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## DURGAPUR

## BUTIBORI

Safety measures at the RCCPL-Butibori plant never take a backseat. The Certificate of Zero Accident Year (2019-20) issued by Dy. Director of Industrial Health & Safety bears testament to that fact.

In collaboration with the Government Hospital, Takalghat, a Filariasis disease camp was organised for the residents of 35 villages near Butibori.



With the highest ever slag % utilisation in DCW PSC (yearly average) and fly ash % utilisation in DHTC PPC (yearly average), the Durgapur plant reached its highest ever cement production and dispatch in a year.

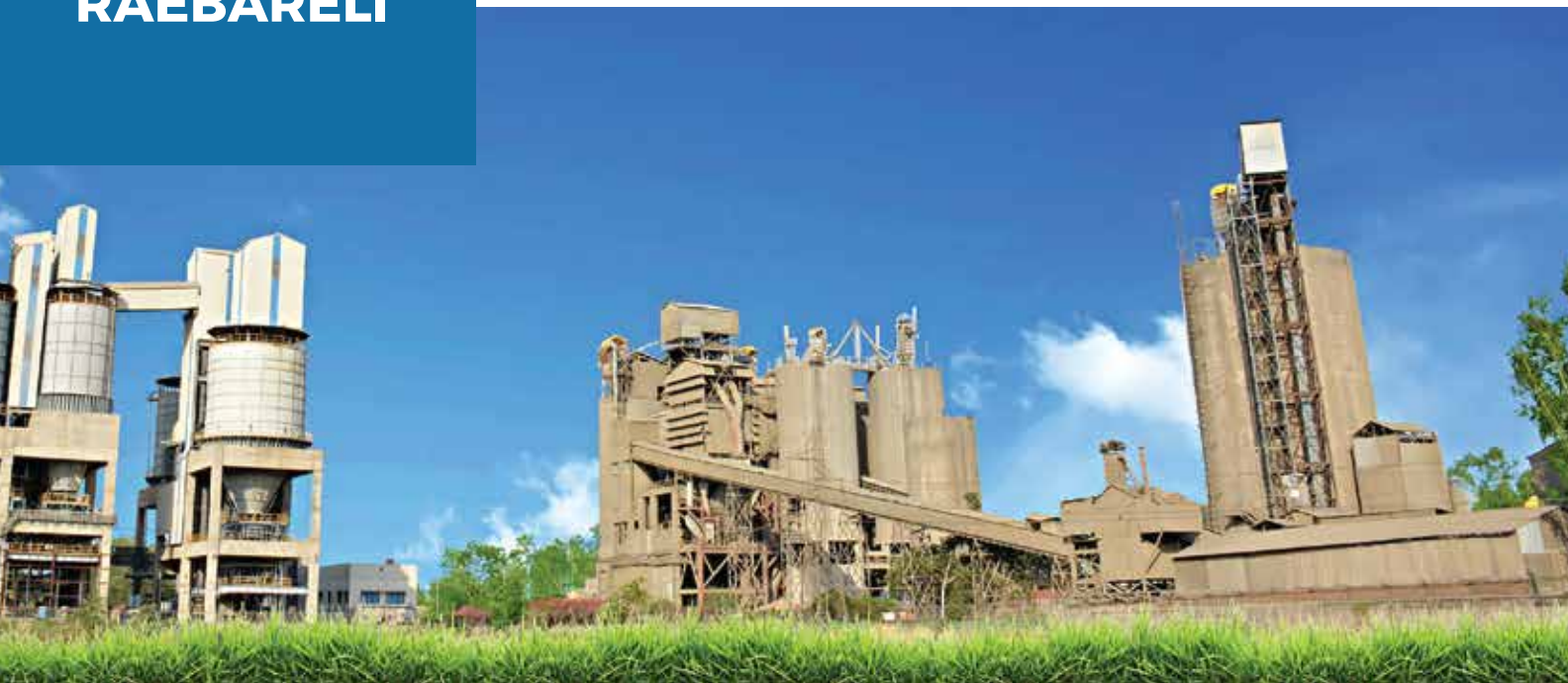
As part of the CSR initiatives, Free Eye Screening and Surgery Camps were held regularly for people from rural areas to have easy access to these facilities.

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## RAEBARELI



The Raebareli plant reached its highest ever fly ash consumption in a year at its RCW and RHTC units.

Better control of processes led to water consumption reaching an all-time low at the plant. The water saved was used for industrial cooling and domestic purposes.

To support underprivileged families in neighbouring areas in the Corona virus pandemic, essentials were distributed to them.

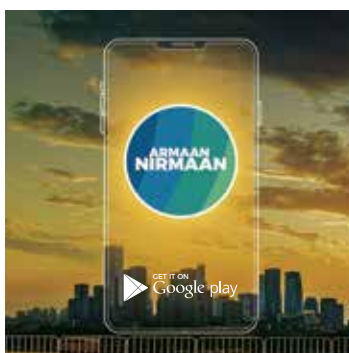
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## MUKUTBAN

The Mukutban project has seen rapid progress in the past year with 64% completion achieved. It is being executed with the highest safety standards with the accomplishment of 9.87 million safe man hours.

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EXPANDING MARKETS,  
SECURING GROWTH.

A comprehensive marketing communication plan was executed successfully in different markets to further the premium strategy of MP Birla Cement.

Build Water Smart, an industry first initiative, was introduced to promote water conservation. It raised awareness on how during concreting our premium range of blended cements need less water than Ordinary Portland Cement.

Armaan Nirmaan, our influencer management program, is now even stronger with two lakh masons, head masons and contractors.

Perna Season 3 helped us recognise the accomplishments of families of our dealer partners in academics, sports, music, dance and fine arts.



ALL-ROUND GROWTH

The Power of One helped various BCL and RCCPL teams operate as 'one' team. Seamless integration and organisational synergies led to greater opportunities and success.

An improved brand architecture following the 3P model (Price, Premium, Profit), created a special place in recording more than a 40% share of premium grade product sales across India.

Supply chain efficiencies are long-term game changers where outcomes are visible. The initiation of various compliance measures led to overall savings in total delivered cost of cement.



# FINANCE

## GROWING IN THE RIGHT DIRECTION

The year saw the financial closure of Mukutban project with a long term loan on competitive terms. We also successfully pre-paid and refinanced loans to reduce cost of funding.

# MP BIRLA HOSPITAL & RESEARCH CENTRE



# JUTE

## WEAVING SUCCESS

The significant increase of our jute exports bears testimony to our commitment to quality.

We successfully partnered with a major international retail chain to supply shopping bags to their numerous stores across the globe.

## A LIFELINE GROWS STRONGER

The first blood bank of Chittorgarh was inaugurated on 19th November, 2019 at MP Birla Hospital & Research Centre, Chittorgarh.  
The first Arthroscopic ACL Reconstruction in Chittorgarh was done at MP Birla Hospital & Research Centre, Chittorgarh.

NOTICE

To the Members

**NOTICE** is hereby given that the One Hundredth Annual General Meeting of the Members of the Company will be held on Tuesday, the 25th day of August, 2020 at 10.30 A.M. (IST) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:-

ORDINARY BUSINESS:

- To receive, consider and adopt:
  - the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Auditors thereon.
- To declare dividend on Ordinary Shares of the Company for the financial year ended 31st March, 2020.
- To appoint a Director in place of Shri Harsh V. Lodha (DIN: 00394094), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED that pursuant to Regulation 17(6)(ca) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for payment of remuneration/compensation by way of profit related commission or otherwise as permissible (excluding Goods and Services Tax, if any, thereon) of an amount not exceeding 0.75% (seventy five basis points) of Net Profits of the Company computed in the manner as laid down in Section 198 of the Act, to Shri Harsh V. Lodha (DIN: 00394094), Non-Executive Chairman of the Company, for the financial year 2020-2021 as determined by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and such remuneration/compensation may exceed fifty percent of the total annual remuneration/compensation payable to all Non-Executive Directors of the Company.”

“RESOLVED FURTHER that the remuneration/compensation by way of profit related commission or otherwise (excluding Goods and Services Tax, if any thereon) payable to Shri Harsh V. Lodha, Non-Executive Chairman of the Company, shall be in addition to the sitting fees and other reimbursement of expenses payable to him for participation in the Board, Committee and other meetings.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”
- To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 4,00,000/- (Rupees four lakh only) plus applicable taxes and reimbursement of actual travelling and out of pocket expenses, to be paid to M/s. Shome & Banerjee (Firm Registration No. 000001), Cost Auditors of the Company, for the Financial Year 2020-2021 as approved by the Board of Directors of the Company, at its Meeting held on 22nd May, 2020, be and is hereby ratified and confirmed.”



“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Registered Office:  
Birla Building,  
9/1, R.N. Mukherjee Road,  
Kolkata - 700 001  
CIN: L01132WB1919PLC003334  
Email: [investorsgrievance@birlacorp.com](mailto:investorsgrievance@birlacorp.com)  
Website: [www.birlacorporation.com](http://www.birlacorporation.com)

By Order of the Board  
  
Girish Sharma  
Jt. President (Indirect Taxes)  
& Company Secretary

Dated: 6th July, 2020  
Place: Kolkata

#### Notes:

- In view of the outbreak and continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”), permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The venue of the Meeting shall be deemed to be the place from where the Chairman of the Company shall attend and conduct the Meeting.
- A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice. Since the AGM will be held through VC / OAVM, the Attendance Slip and Route Map of the AGM are also not annexed to this Notice.**
- Institutional/Corporate Members (i.e. other than individuals, HUF, NRI etc.) intending to authorize their representatives for the purpose of voting through remote e-Voting, participation in the AGM through VC/OAVM and e-Voting at the AGM are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) to the Scrutinizer by email to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- The Statement pursuant to Section 102(1) of the Act, in respect of Item Nos. 4 and 5 which sets out details relating to Special Business at the Meeting and considered unavoidable by the Board, is annexed hereto and forms part of the Notice. The relevant details of the Director seeking re-appointment and/or fixation of remuneration of Director as required under Regulations 26(4) and 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings is also annexed as **Annexure- A** to the Notice.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report for the financial year 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant(s). The Notice of AGM along with the Annual Report for the financial year 2019-2020 will also be available on the Company’s website at [www.birlacorporation.com](http://www.birlacorporation.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- At the Ninety-Seventh Annual General Meeting held on 31st July, 2017, the members had approved the appointment of Messrs. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.109208W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Hundred and Second Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by Members at every Annual General Meeting. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no

resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 31st July, 2017.

- The Register of Members and the Share Transfer Books of the Company will remain closed from 19th August, 2020 to 25th August, 2020 (both days inclusive).
- The dividend on the Ordinary Shares, if approved at the AGM, will be paid subject to deduction of tax at source, to the Members whose names appear in the Register of Members/list of Beneficial Owners as at the end of business hours on Tuesday, 18th August, 2020, i.e. the date prior to the commencement of book closure.
- Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates in the Income Tax Act, 1961 (“IT Act”). To enable us to determine the appropriate TDS rates as applicable, Members are requested to complete and/or update their Residential Status, Permanent Account Number (PAN) with their depositories (in case of shares held in demat mode) or with the Company/Registrar & Share Transfer Agent (RTA) (in case of shares held in physical mode) by sending the documents through email at [investorsgrievance@birlacorp.com](mailto:investorsgrievance@birlacorp.com) on or before Monday, 10th August, 2020. No communication on the tax determination/ deduction shall be entertained post 10th August, 2020. For the detailed process, the information is available on the Company’s website at <https://www.birlacorporation.com/notice.html>.
- The Company will arrange to email the soft copy of TDS certificate to the Members at their registered email ID in due course, post payment of the said Dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometaxindiaefiling.gov.in>.
- The Company vide its separate email communication dated 15th July, 2020 had informed the Members regarding this change in the IT Act as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate.
- Pursuant to the Listing Regulations, all companies mandatorily have to use the bank account details furnished by the depositories for payment of dividends. Dividend will be credited to the Members’ Bank Account through NACH/NEFT wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company’s records, at the earliest once the normalcy is restored.
- Members holding shares in physical form are requested to notify to the Company’s RTA, M/s. MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata -700045, quoting their folio number, any change in their registered address along with a copy of any one of the address proof i.e. Voter Identity Card, Aadhaar Card, Electric/Telephone Bill, Driving Licence, Passport or Bank Statement and any change in Bank mandate along with original cancelled cheque leaf/attested bank passbook showing name of the Account Holder. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their respective Depository Participant.
- The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-2012 and interim dividend declared upto the financial year 2012-2013 on respective due dates to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. The details of the unpaid/unclaimed amounts lying with the Company as on 31st March, 2020 are available on the website of the Company at [www.birlacorporation.com](http://www.birlacorporation.com). Members who have not encashed their Dividend for the financial year 2012-2013 or any subsequent Dividend declared by the Company, are advised to write to the Company immediately.
- Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time (IEPF Rules), all Shares in respect of which Dividend has not been paid or claimed by the Members for seven (7) consecutive years or more would be transferred to the demat account of IEPF Authority. In terms of the aforesaid provisions, during the financial year 2019-2020, the Company has transferred all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 3rd August, 2019 and 15th December, 2019. Details of shares transferred to the IEPF Authority are uploaded on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
- The Members whose dividend/ shares has been transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>. In case the Members have any query on the subject matter and the IEPF Rules, they may contact the Company/RTA.

17. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to Dematerialize their holdings as it will not be possible to transfer shares held in physical mode.
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrars, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
19. As per the provisions of the Act, the facility for making/varying/ canceling nominations is available to individuals, holding shares in the Company. Nominations can be made in Form SH.13 and any variation/cancellation thereof can be made by giving notice in Form SH.14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the RTA/Company at mcssta@rediffmail.com and investorsgrievance@birlacorp.com respectively.
20. The Securities and Exchange Board of India (SEBI) has mandated submission of PAN by every participant in the securities market. Members holding shares in dematerialized form are therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA/Company.
21. To support “Green Initiatives”, Members who have not yet registered their email address are requested to register the same with their Depository Participant(s) where shares are held in dematerialized form and with the RTA/Company where the shares are held in physical form. Members may follow the process detailed below for registration of email ID to obtain the Notice of AGM, Annual Report, user ID/password for e-Voting:
  - a. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the RTA/Company at mcssta@rediffmail.com and investorsgrievance@birlacorp.com respectively and along with the copy of the signed request letter mentioning the name, folio no., address of the Member, self-attested copy of the PAN card and self-attested copy of any document (eg.: Driving License, Bank Statement, Election Identity Card, Passport, Aadhaar Card) in support of the address of the Member.
  - b. Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participants.

In case of any queries/difficulties in registering the email address, Members may write to investorsgrievance@birlacorp.com.
22. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and at the AGM) are given below:

**A. Instructions for Members for attending the AGM through VC/OAVM:**

- a) Members will be able to attend the AGM through VC/OAVM through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using their remote e-Voting credentials and selecting the EVEN for the Company's AGM. The link for VC/OAVM will be available in shareholders 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b) Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and shall be available for Members on first-come-first-served-basis.
- c) Members may join the Meeting through their desktops/Laptops/ Smartphones, etc. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Please note that Members connecting from Mobile Devices or Tablets or through Laptops 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 glitches.
- d) Members may submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number/folio number, PAN and mobile number to reach the Company's email address at agm@birlacorp.com on or before 5.00 p.m. (IST) on Saturday, 22nd August, 2020. Such questions by the Members shall be taken up during the Meeting and suitably dealt with

by the Company. The Management will decide, at its due discretion, whether and how it will answer the questions. It can summarize the questions and select, in the interest of the other shareholders, only meaningful questions.

- e) Members who may like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number, PAN and mobile number at agm@birlacorp.com between 9.00 a.m. (IST) on Thursday, 20th August, 2020 and 5.00 p.m. (IST) on Saturday, 22nd August, 2020. Only those Members who register themselves as speaker will be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time at the AGM.
- f) Members may note that facility of joining the AGM through VC/OAVM provided by NSDL allows participation of at least 1000 members on first-come-first-served-basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first-come-first-served-basis.
- g) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- h) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility.

**B. Instructions for Members for Remote e-Voting:**

- a) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the Listing Regulations read with the MCA Circulars and SEBI Circular dated 12th May, 2020, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be considered at the AGM by electronic means. The facility of casting the vote by the members using an electronic voting system from a place other than venue of the Meeting (“remote e-Voting”) will be provided by National Securities Depository Limited (NSDL). Facility to cast vote through e-Voting system will also be provided by NSDL to Members participating in the AGM.
- b) The remote e-Voting period commences on Saturday, 22nd August, 2020 at 9.00 a.m. (IST) and ends on Monday, 24th August, 2020 at 5.00 p.m. (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 18th August, 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- c) Members desiring to vote through remote e-Voting may refer to the following steps:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

**A. Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.



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

4. Your User ID details are given below:

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

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your ‘initial password’?
  - 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’.
  - If your email ID is not registered, please follow the steps mentioned in Note No. 21 above.

6. If you are unable to retrieve or have not received the ‘Initial password’ or have forgotten your password:

- 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](http://www.evoting.nsdl.com).
- Click on **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the One-Time Password (OTP) 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.

**B. Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- Select “EVEN” of “Birla Corporation Limited”.
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**C. Instructions for Members for e-Voting on the day of the AGM:**

- Members may follow the same procedure for e-Voting at the AGM as mentioned above for remote e-Voting.
- Only those Members who will be present in the AGM through VC/OAVM facility and have not cast 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.
- The Members who have cast 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.
- For details of the person who may be contacted for any assistance with the use of technology, before or during the AGM, please refer Note no. 23 (b) below.

**23. General Guidelines for shareholders**

- 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](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries/grievances pertaining to e-Voting (before or at the AGM), you may refer the Frequently Asked Questions (FAQs) for Members and remote e-Voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., at the designated email IDs: [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos.: +91-22-24994360 or +91-22-24994545 who will address the grievances on e-Voting.
- You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- 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 of 18th August, 2020. Any person who is not a member as on the said cut-off date should treat this Notice for information purpose only.
- Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Tuesday, 18th August, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).

However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- f. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system at the meeting.
- g. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- h. Shri Anil Murarka (Membership No. F3150, C.P No. 1857), LLB, Company Secretary in Wholetime Practice has been appointed as the Scrutinizer to scrutinize the voting and remote e-Voting process in a fair and transparent manner.
- i. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and submit the Report to the Chairman or a person authorized by him in writing, who shall countersign the same.
- j. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.birlacorporation.com](http://www.birlacorporation.com) and on the website of NSDL <https://www.evoting.nsdl.com>. The Company shall simultaneously forward the results to the National stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
24. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice, if any, will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [agm@birlacorp.com](mailto:agm@birlacorp.com).

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

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

### Item No. 4

Pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the approval of the members of the Company by way of a special resolution is required to be obtained every year for payment of annual remuneration/compensation by way of profit related commission or otherwise as permissible under the Companies Act, 2013 to a single Non-Executive Director exceeding fifty percent of the total annual remuneration/compensation payable to all Non-Executive Directors and giving details of remuneration thereof.

Shri Harsh V. Lodha has been leading the Company as Chairman for several years. He has provided vision and leadership which has helped the Company achieve high standards of corporate governance, brand visibility and overall growth and efficiency. His in-depth knowledge in areas of operations, finance, corporate management including general management functions provides strategic guidance to the Company. Under the directions and guidance of the Board, Shri Lodha spends considerable time in reviewing the performance and operations of the Company as well as in formulating the strategy of the Company. Under his leadership, the Company has achieved considerable success and has been consistently posting healthy growth in terms of capacity, revenues as well as profitability. Considering the active and vital role played by Shri Harsh V. Lodha as Non-Executive Chairman of the Company, the Board, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 22nd May, 2020, recommended for passing of a Special Resolution by the Members of the Company for payment of remuneration/ compensation by way of profit related commission or otherwise (excluding Goods and Services Tax, if any, thereon) of an amount not exceeding 0.75% (seventy five basis points) of Net Profits of the Company, to Shri Harsh V. Lodha for the financial year 2020-2021, which may exceed fifty percent of the total annual remuneration payable to all Non-Executive Directors of the Company.

The said remuneration/compensation by way of profit related commission or otherwise (excluding Goods and Services Tax, if any, thereon) payable to Shri Harsh V. Lodha shall be in addition to the sitting fees and reimbursement of expenses for attending Board/ Committee meetings.

Save and except Shri Harsh V. Lodha and his relatives, none of the other Directors/Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in the Resolution as set out at Item No. 4 of the Notice.

The Board of Directors, therefore, recommends the Resolution as set out at Item No. 4 to be passed as a Special Resolution by the Members.

### Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 22nd May, 2020, has considered and approved the appointment of M/s. Shome & Banerjee (Firm Registration No. 000001) as the Cost Auditors of the Company for the Financial Year 2020-2021 for the following products at a total remuneration of ₹ 4,00,000/- (Rupees four lakh only) per annum plus tax as applicable and reimbursement of travelling and incidental expenses:

1. Cement – ₹ 2,50,000/- (Rupees two lakh fifty thousand only) per annum.
2. Jute Goods - ₹ 1,25,000/- (Rupees one lakh twenty five thousand only) per annum.
3. Steel - ₹ 25,000/- (Rupees twenty five thousand only) per annum.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2020-2021.



None of the Directors/Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of the Notice.

The Board of Directors, therefore, recommends the Resolution as set out at Item No. 5 to be passed as Ordinary Resolution by the Members.

Registered Office:  
Birla Building,  
9/1, R.N. Mukherjee Road,  
Kolkata - 700 001  
CIN: L01132WB1919PLC003334  
Email: investorsgrievance@birlacorp.com  
Website: www.birlacorporation.com

Dated: 6th July, 2020  
Place: Kolkata

By Order of the Board  
  
Girish Sharma  
Jt. President (Indirect Taxes)  
& Company Secretary

ANNEXURE-A

ANNEXURE TO ITEM NO. 3 AND 4 OF THE NOTICE

Details of Director seeking re-appointment and/or fixation of remuneration of Director at the forthcoming Annual General Meeting [in pursuance to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

(As on 31st March, 2020)

Name of the Director	Shri Harsh V. Lodha (DIN: 00394094)
Date of Birth and Age	13.02.1967, (53 years)
Nationality	Indian
Date of first appointment on the Board of Directors of the Company	23.04.1996
Qualifications	Chartered Accountant
Experience (including nature of expertise in specific functional areas)/ Brief Resume	Wide experience in Corporate Management including Finance and General Management functions
Number of shares held in the Company	1260*
List of directorships held in other companies	1. Alfred Herbert (India) Ltd. 2. Birla Cable Ltd. 3. Hindustan Gum & Chemicals Ltd. 4. J.K. Fenner (India) Ltd. 5. Punjab Produce Holdings Ltd. 6. Universal Cables Ltd. 7. Vindhya Telelinks Ltd. 8. Baroda Agents & Trading Co. Pvt. Ltd. 9. Birla Furukawa Fibre Optics Pvt. Ltd. 10. East India Investment Co. Pvt. Ltd. 11. Gwalior Webbing Co. Pvt. Ltd. 12. Oneworld Resources Pvt. Ltd. 13. RCCPL Private Limited (formerly Reliance Cement Co. Pvt. Ltd.) 14. Swiss India Financial Services Co. Pvt. Ltd. 15. The Punjab Produce & Trading Co. Pvt. Ltd.

## ANNEXURE TO ITEM NO. 3 AND 4 OF THE NOTICE (Contd.)

<b>Chairman/Member of the Committees of the Boards of the Companies in which he is Director</b>	<b>Chairman</b> <i>Stakeholders Relationship Committee-</i> Birla Corporation Limited  <i>Corporate Social Responsibility Committee-</i> Birla Corporation Limited Hindustan Gum & Chemicals Limited RCCPL Private Limited The Punjab Produce & Trading Co. Pvt. Limited Universal Cables Limited
	<b>Member</b> <i>Corporate Social Responsibility Committee-</i> Gwalior Webbing Co. Pvt. Limited  <i>Committee of Directors-</i> Birla Corporation Limited RCCPL Private Limited  <i>Nomination and Remuneration Committee-</i> Birla Corporation Limited RCCPL Private Limited
<b>Relationship with other Directors, Manager and Key Managerial Personnel of the Company</b>	None
<b>Number of meetings of the Board attended during the year 2019-2020</b>	Shri Harsh V. Lodha has attended all the five Board Meetings held during the year.
<b>Number of ESOPs granted</b>	Nil
<b>Terms and conditions of Re-appointment</b>	Liable to retire by rotation
<b>Details of Remuneration sought to be paid</b>	Shri Harsh V. Lodha shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and shall also be entitled to commission, if any.
<b>Remuneration last drawn (including sitting fees, if any)</b>	The details of the Remuneration paid to Shri Harsh V. Lodha during the financial year 2019-2020 is provided in the Report on Corporate Governance.

NOTE: \* Shares held jointly with other shareholder.

## CONSOLIDATED FINANCIAL HIGHLIGHTS

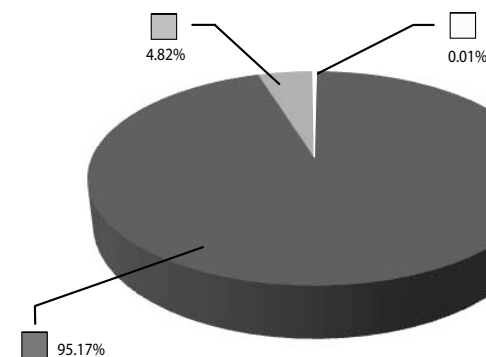
(₹ in Crores)

	As per IND AS					As per Indian GAAP				
	2019 - 20	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>OPERATING RESULTS</b>										
<b>Revenue from Operations/Turnover</b>	<b>6915.69</b>	<b>6548.73</b>	<b>5943.11</b>	<b>4981.22</b>	<b>3761.59</b>	<b>3692.17</b>	<b>3477.92</b>	<b>2994.34</b>	<b>2596.82</b>	<b>2415.39</b>
Surplus before Depreciation, Finance Cost & Tax Expenses <b>(EBITDA)</b>	<b>1421.10</b>	1027.08	882.12	769.40	463.47	457.55	382.03	521.15	479.65	556.15
Finance Cost	<b>387.67</b>	370.52	377.64	276.79	82.26	78.37	85.60	64.86	52.64	52.63
<b>Surplus after Finance Cost but before Depreciation &amp; Amortisation &amp; Exceptional Items</b>	<b>1033.43</b>	<b>656.56</b>	<b>504.48</b>	<b>492.61</b>	<b>381.21</b>	<b>379.18</b>	<b>296.43</b>	<b>456.29</b>	<b>427.01</b>	<b>503.52</b>
Depreciation and Amortisation	<b>351.91</b>	339.12	332.16	255.50	148.76	153.46	133.06	104.91	80.58	65.41
Exceptional Items	-	-	12.48	6.82	31.49	12.84	10.93	-	-	-
Income /Deferred Tax/ Income Tax Refund (Net)	<b>176.34</b>	61.74	5.89	10.82	33.23	37.44	22.61	81.09	106.99	117.90
<b>Net Profit</b>	<b>505.18</b>	255.70	153.95	219.47	167.73	175.44	129.82	270.28	239.44	320.21
Dividend Payout	<b>69.62<sup>#</sup></b>	60.34	60.24	55.61	55.61	55.61	54.06	62.92	53.70	53.77
Dividend Percentage	<b>75.00</b>	65.00	65.00	60.00	60.00	60.00	60.00	70.00	60.00	60.00
<b>Retained Earning during the year</b>	<b>435.56</b>	<b>195.36</b>	<b>93.71</b>	<b>163.86</b>	<b>112.12</b>	<b>119.83</b>	<b>75.76</b>	<b>207.36</b>	<b>185.74</b>	<b>266.44</b>
<b>ASSETS &amp; LIABILITIES</b>										
Fixed Assets :										
Gross Block	<b>10345.24</b>	9252.17	8867.18	7572.26	2245.88	3284.54	3090.27	2921.80	2723.51	2255.45
<b>Net Block</b>	<b>8929.45</b>	8178.35	8131.07	7168.32	2097.35	2050.38	2012.23	1967.16	1868.28	1473.43
Other Assets	<b>3246.02</b>	3153.26	2943.87	2529.50	3131.97	2940.88	2858.82	2562.18	2194.71	2219.01
<b>Total Assets</b>	<b>12175.47</b>	<b>11331.61</b>	<b>11074.94</b>	<b>9697.82</b>	<b>5229.32</b>	<b>4991.26</b>	<b>4871.05</b>	<b>4529.34</b>	<b>4062.99</b>	<b>3692.44</b>
Represented by :										
Share Capital	<b>77.01</b>	77.01	77.01	77.01	77.01	77.01	77.01	77.01	77.01	77.01
Other Equity /Reserves & Surplus	<b>4729.12<sup>*</sup></b>	4418.21 <sup>*</sup>	4202.81 <sup>*</sup>	3227.98	2848.31	2547.10	2452.07	2375.97	2168.82	1983.08
<b>Net Worth</b>	<b>4806.13</b>	<b>4495.22</b>	<b>4279.82</b>	<b>3304.99</b>	<b>2925.32</b>	<b>2624.11</b>	<b>2529.08</b>	<b>2452.98</b>	<b>2245.83</b>	<b>2060.09</b>
Borrowings	<b>4281.95</b>	4049.20	4130.46	4254.94	1281.25	1302.18	1401.30	1226.05	1135.40	1015.79
Other Liabilities & Provisions	<b>3087.39</b>	2787.19	2664.66	2137.89	1022.75	1064.97	940.67	850.31	681.76	616.56
<b>Total Equity &amp; Liabilities</b>	<b>12175.47</b>	<b>11331.61</b>	<b>11074.94</b>	<b>9697.82</b>	<b>5229.32</b>	<b>4991.26</b>	<b>4871.05</b>	<b>4529.34</b>	<b>4062.99</b>	<b>3692.44</b>
<b>Key Indicators</b>										
Earning per Ordinary Share ( ₹ )	<b>65.60</b>	33.21	19.99	28.50	21.78	22.78	16.86	35.10	31.09	41.58
Cash Earning per Ordinary Share ( ₹ ) ( annualised )	<b>134.20</b>	85.26	63.89	63.09	45.41	47.57	37.08	59.25	55.45	65.39
Net Worth per Ordinary Share ( ₹ )	<b>624.13</b>	583.75	555.78	429.19	379.89	340.77	328.43	318.55	291.65	267.53
Debt Equity Ratio ( on long-term loans )	<b>1.08:1</b>	1.13:1	1.21:1	1.26:1	0.42:1	0.44:1	0.49:1	0.39:1	0.34:1	0.30:1
Current Ratio	<b>1.28</b>	1.40	1.54	1.59	2.86	3.65	2.58	2.22	2.51	2.10

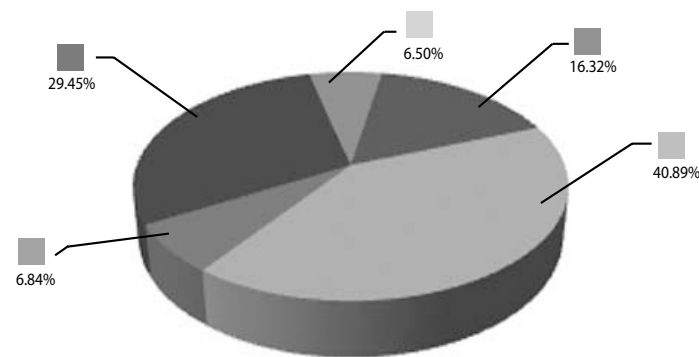
\* Including Revaluation Surplus

# Dividend Paid in the FY 2020-21



**Statement of Revenue from Operations by Activities**
**2019-20**
**(₹ in Crores)**


<span style="display:inline-block; width:10px; height:10px; background-color:gray; border:1px solid black;"></span> Cement	: 6581.39 (95.17%)
<span style="display:inline-block; width:10px; height:10px; background-color:lightgray; border:1px solid black;"></span> Jute	: 333.26 (4.82%)
<span style="display:inline-block; width:10px; height:10px; background-color:white; border:1px solid black;"></span> Others	: 1.04 (0.01%)

**Revenue Distribution**
**2019-20**
**(₹ in Crores)**


<span style="display:inline-block; width:10px; height:10px; background-color:gray; border:1px solid black;"></span> Raw Materials	: 974.17 (16.32%)
<span style="display:inline-block; width:10px; height:10px; background-color:lightgray; border:1px solid black;"></span> Manufacturing Expenses	: 2,440.08 (40.89%)
<span style="display:inline-block; width:10px; height:10px; background-color:gray; border:1px solid black;"></span> Employees Benefits Expenses	: 407.88 (6.84%)
<span style="display:inline-block; width:10px; height:10px; background-color:gray; border:1px solid black;"></span> Selling, Administration & Other Expenses	: 1,757.59 (29.45%)
<span style="display:inline-block; width:10px; height:10px; background-color:lightgray; border:1px solid black;"></span> Finance Costs	: 387.67 (6.50%)

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS**
**To the Members**

The Directors have the pleasure in presenting the 100th Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company and its Subsidiaries for the year ended 31st March, 2020. The Management Discussion and Analysis has also been incorporated into this Report.

**FINANCIAL PERFORMANCE**

The Company's financial performance (standalone and consolidated) for the year ended 31st March, 2020 and its comparison with the previous year is summarised below:

**(₹ in Crore)**

PARTICULARS	STANDALONE		CONSOLIDATED	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue from Operations (Gross)	4746.60	4423.58	6915.69	6548.73
Total Revenue	4829.08	4504.66	7000.82	6627.20
Profit before Finance Costs, Tax, Depreciation, Amortization, Minority Interest and Exceptional items	757.53	486.60	1421.10	1027.08
Finance Costs	185.23	178.06	387.67	370.52
Profit before Tax, Depreciation, Amortization, Minority Interest and Exceptional items	572.30	308.54	1033.43	656.56
Depreciation and Amortization Expense	151.18	148.53	351.91	339.12
Exceptional items	-	-	-	-
Tax Expense (Net)	105.28	22.23	176.34	61.74
Profit for the year	<b>315.84</b>	<b>137.78</b>	<b>505.18</b>	<b>255.70</b>
Profit for the year attributable to non-controlling interest	-	-	-	0.01
Profit for the year attributable to owner of the Parent	315.84	137.78	505.18	255.69
Re-measurement of the defined benefit plans (net of tax expenses)	(6.56)	0.50	(6.98)	0.47
Finance Lease adjustment due to Ind AS 116 (net of tax expenses)	(0.52)	-	(0.97)	-
<b>Total Surplus during the year</b>	<b>308.76</b>	<b>138.28</b>	<b>497.23</b>	<b>256.16</b>
Surplus as per the last Financial Statements*	353.48	346.96	513.89	389.49
<b>Appropriations:</b>				
Debenture Redemption Reserve	17.67	21.42	17.67	21.42
Dividend paid on Ordinary Shares	57.75	50.05	57.75	50.05
Corporate Dividend Tax on Dividend	11.87	10.29	11.87	10.29
General Reserve	-	50.00	-	50.00
<b>Net Surplus</b>	<b>574.95</b>	<b>353.48</b>	<b>923.83</b>	<b>513.89</b>

\* After adjustment of re-measurement of the defined benefit plans (net of tax expenses)

**FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS**

During the financial year 2019-2020, the Company achieved consolidated revenue of ₹7,001 crore, an increase of 5.6% as compared to ₹6,627 crore in the previous year. The Company recorded its highest ever consolidated EBIDTA and cash profit in financial year 2019-2020 at ₹1,421 crore and ₹1,033 crore, respectively, registering a growth of 38% in EBIDTA and 57% in cash profit over the previous year. Consolidated Net Profit for the year 2019-2020 at ₹505 crore was 98% higher than the previous year.

## DIVIDEND

The Directors are pleased to recommend a dividend of ₹7.50 per share (i.e. 75%) on 7,70,05,347 Ordinary Shares for the year ended 31st March, 2020 aggregating to ₹57.75 crores as compared to ₹69.63 crores (including Corporate Dividend Tax of ₹11.87 crores) in the previous year. The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is annexed hereto and marked as **"Annexure – A"** forming part of the Directors' Report and is also uploaded on the Company's website at <http://www.birlacorporation.com/investors/policies/dividend-distribution-policy.pdf>.

Dividend is subject to approval of Members at the ensuing Annual General Meeting (AGM). In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Members. The Company shall, accordingly, make the payment of the Dividend after deduction of tax at source as per the rules as may be applicable, at prescribed rates as per the Income Tax Act, 1961.

## TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profit for the financial year 2019-2020 in the profit and loss account.

## SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2020 stood at ₹77.01 crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2020, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

## FINANCIAL STATEMENTS

The Company has prepared its financial statements as per IND AS requirement for the financial year 2019-2020. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect, in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2020.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by following applicable IND AS issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

## MATERIAL CHANGES AND COMMITMENTS

Material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-2020 and the date of this Report is given below:

## Impact of COVID-19 on financial performance

In view of the COVID-19 pandemic, lockdown was imposed across the country by the central/state government on various dates between 22nd March, 2020 and 25th March, 2020 which affected the manufacturing and sales operations of the Company and its subsidiaries. The lockdown was further extended from time to time which interrupted the production, supply chain disruption etc. However, the operations of the Company and its subsidiaries have commenced in a phase manner since April/ May 2020 conforming to the guidelines of the regulatory authorities and having regard to social distancing norms, safety, health and wellbeing of the workers and employees at various locations/units of the Company to prevent the spread of COVID-19. The Company has considered external and internal information for developing various assumption for assessing the fair value of assets and liabilities, the impact whereof may differ from the estimates taken as on the date of this Report.

## KEY FINANCIAL RATIOS

The key financial ratios of the Company showing financial performance for the financial year ended 31st March, 2020, are given herein below:

Sl. No.	Financial Ratios	2019-2020	2018-2019
1.	Debtors Turnover	25.39	24.99
2.	Inventory Turnover	40.56	47.29
3.	Interest Coverage ratio*	4.09	2.73
4.	Current Ratio	1.49	1.62
5.	Debt Equity Ratio	0.46	0.54
6.	Operating Profit Margin (%)*	14.22 %	9.17%
7.	Net Profit Margin (%)*	6.65 %	3.11%
8.	Return on Net Worth *	8.96 %	4.05%

\*Interest Coverage Ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth are higher for the year ended 31st March, 2020 due to higher EBITDA.

## CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2019-2020.

## CEMENT DIVISION

### (a) INDUSTRY STRUCTURE AND DEVELOPMENTS:

Demand for cement in India witnessed a robust growth of around 13 per cent in fiscal 2018-2019. At least 338 million tons (mt) of cement was consumed during 2018-2019, up from 299 mt in the previous year. At the beginning of 2019-2020, it was expected that demand for cement would continue to grow at a compounded annual rate of at least 4 per cent over the next few years, balancing out capacity addition. But fiscal 2019-2020 failed to live up to its expectations.

The year started with unavoidable disruptions in the economy due to the General Election. Cement demand was impacted as construction activities slowed down. Most cement companies reported low capacity utilisation in the first few quarters. But even with the country voting for a stable government at the Centre, things did not look up as the economy went into an unanticipated tailspin.

Estimates for growth of India's Gross Domestic Product (GDP) at 6.8 per cent at the beginning of fiscal 2019-2020 were revised downward at least twice during the year by multiple agencies — to 5 per cent and to 4.1 per cent eventually — even before the country went into a lockdown in the wake of the COVID-19 pandemic towards the end of March.

India's cement consumption in fiscal 2019-2020 is estimated to have contracted by at least 2 per cent from the previous year to 331 mt. At the same time, India continued to add production capacity, which, coupled with weak demand, impacted capacity utilisation in a big way.

It was estimated at the beginning of fiscal 2019-2020 that India would expand its cement production capacity at an annual compounded rate of 3.8 per cent to reach 410 mt by fiscal 2023-2024. Plans for capacity addition will likely be altered due to the COVID-19 pandemic and its impact on India's cement demand.

### (b) REVIEW OF OPERATIONS AND PERFORMANCE:

During fiscal 2019-2020, the Company managed to beat competition on several parameters — most notably, in sales growth and capacity utilisation. On a consolidated basis, the Company managed to sustain a sales growth by volume of around 6 per cent through the first 11 months of fiscal 2019-2020 despite weak demand, resulting in a full-year capacity utilisation of 91 per cent — one of the highest in the industry. Capacity utilisation during fiscal 2019-2020 on a consolidated basis was up two percentage points over the previous year.

In absolute terms, the Company's sales for the full-year on a consolidated basis was flat compared to the previous year, at 13.4 mt. In line with the trend witnessed across the industry, the Company lost sales volume in March 2020 due to the lockdown. In the fourth quarter, the Company's sales by volume dropped 13 per cent year-on-year.

### Production of the Company (BCL Standalone):

The details of production of clinker and cement of the Company are as follows:-

Particulars	2019-2020 (Lakh Ts.)	2018-2019 (Lakh Ts.)	Change %
Clinker production	52.62	51.82	1.54
Cement production	89.96	88.72	1.40

### Production of RCCPL Private Limited (RCCPL) (formerly known as Reliance Cement Company Private Limited), wholly owned subsidiary of the Company:

The details of production of clinker and cement of RCCPL are as follows:-

Particulars	2019-2020 (Lakh Ts.)	2018-2019 (Lakh Ts.)	Change %
Clinker production	32.46	34.19	(5.06)
Cement production	51.06	49.42	3.32

### Sales:

During the year under review, the Company has registered a decrease of 0.85% in cement sales on standalone basis and 0.06% on consolidated basis. In absolute terms, the sale of cement on standalone basis has decreased to 88.35 lakh tons compared to 89.10 lakh tons in the previous year.

RCCPL has sold 49.86 lakh tons of cement during the year.

### Power Plant:

The details of power generated at various plants are as under:

Particulars	2019-2020 (Lakh Units)	2018-2019 (Lakh Units)	Change %
Thermal Power Plant	3820.37	3313.74	15.29
WHRS	1210.39	1224.62	(1.16)
Solar Power	52.31	25.45	105.54

### Cost and Profitability:

On a consolidated basis, the Company achieved its highest ever EBITDA and cash profit during fiscal 2019-2020, up 38 per cent and 57 per cent respectively, over the previous year.

In fiscal 2019-2020, sales of premium cement by volume grew 8 per cent year-on-year and its share within the trade segment rose four percentage points to 41 per cent, indicating that the Company's sustained investments into its brands and distribution assets together with its continuous drive to offer high quality products to the customers are paying off. High-yielding blended cement accounted for 93 per cent of sales by volume as against 89 per cent in the previous year — a payback for the Company's strategy of focusing on brand-conscious individual home-builders.

Also, increase in sale in blended cement implies higher absorption of fly ash, which reduces clinker consumption, and, in turn, boosts profitability.

Despite muted market conditions, the Company was able to raise price realisation during the year by as much as 5.70 per cent to ₹4,811 per ton through judicious adjustment of geographic focus and product mix aimed at increasing the share of premium and blended cement within its brand portfolio aided by high quality of the products.



Amid weak prices in the eastern region and Madhya Pradesh, the Company consolidated its share in key markets by continuing to focus on premium and blended cements. Sales of the premium slag brand, MP Birla Cement Unique (sold in eastern India markets), grew 18 per cent year-on-year. Among new launches, the super-premium Ultimate Ultra brand with water-repellent properties has made its mark in Madhya Pradesh. Samrat Advanced, a premium variant of the Company's heritage MP Birla Cement Samrat brand, gained significant grounds in key markets of eastern Uttar Pradesh.

Despite operational headwinds, the Company continued to rationalise costs under two key heads: power and fuel, and logistics. During the year, the Company managed to reduce its power and fuel costs on account of several initiatives, which include scaling up of captive coal production from Sial Ghogri captive coal mine, power generation from newly installed solar power units and Waste Heat Recovery System.

During the year, the Company concluded the installation of the 11-megawatt Waste Heat Recovery System at Maihar and solar power plants with aggregate generation capacity of 12 megawatt at Maihar, Satna and Chanderia.

Alongside, your Company concluded during the year the construction of the railway siding facility at Kundanganj in Uttar Pradesh, where RCCPL has a grinding unit. This facility, which is now fully operational, helped bring down freight cost. The Company also benefited from rationalisation in road freight. Over and above increase in realisation, these cost rationalisation initiatives led to higher earnings for the year.

The financial benefits of the projects concluded in fiscal 2019-2020 will be fully realised in the years ahead, even as the Company continues to focus on cost rationalisation to cope with new challenges. In view of the uncertainty in the economy in the wake of the COVID-19 pandemic, the Company will take steps to conserve cash and has kept planned capacity expansion project at Kundanganj on hold.

#### Marketing Initiatives:

The Company has in fiscal 2019-2020 emerged as a significant player in its key markets, benefiting from its clearly differentiated brand offerings in each region and its sustained focus on scaling up sales of its premium brands such as Perfect Plus, which grew from strength to strength. For the full year, premium brands accounted for 41 per cent of sales by volume within the trade segment, up eight percentage points over the previous year. Sales of Ultimate Ultra could be ramped up and the brand has now established itself as one of the most premium in Madhya Pradesh.

Continuing to invest in its Cement-Se-Ghar-Tak strategy of supporting and earning the trust of individual home-builders, the Company has created service teams to provide on-ground support to consumers. To boost the capability and reach of

these teams, the Company has fielded young, energetic experts who can reach remote areas on their own motorcycles.

After establishing its brand architecture in fiscal 2018-2019, the Company continued to invest in its brand platform with clearly segregated offering of premium and popular products. Above the line advertising through high visibility television properties such as the General Election, cricket tournaments and popular Hindi news and general entertainment channels has improved top-of-the-mind awareness about MP Birla Cement brands.

Even as the Company focused on its flagship brand Perfect Plus in its marketing initiatives during the year, it drove sustained localised campaign for its regional champions such as Unique, Samrat, Samrat Advanced, Ultimate and Chetak brands.

Wall putty and construction chemicals launched during the year under the Perfect Plus franchise in select markets have been received well and have even started to make a modest contribution to the Company's profitability. The Company plans to scale up the business and expand profitability by adding new products to the range and by optimising the supply chain.

#### Mining operations at Chanderia:

The Mining Operations (through blasting) at the Chanderia plant had been suspended since August, 2011 owing to the Order of Jodhpur High Court (Rajasthan), which was challenged by the Company before the Hon'ble Supreme Court. As a partial relief, the Supreme Court had allowed mining operations beyond two kms from the Chittorgarh Fort by using heavy earth moving machinery. The Hon'ble Supreme Court had further directed the Central Building Research Institute (CBRI) to submit a report after comprehensive study of all relevant aspects and facets relating to full-scale mining operations and its impact, if any, on the Chittorgarh Fort. The report of CBRI has concluded that vibrations and air pressures induced by the mine of Birla Cement Works and adjoining mines are well within safe limits as per national and international standards and there is no damage to the Fort due to the mining operations. The Company has filed an Interim Application seeking Interim Relief for blasting at the existing working pit. The matter is in the final stage of hearing.

The Principal Bench of the National Green Tribunal (NGT) on 8th March, 2019 had ordered to stop all mining activities which are being carried out within the municipal limits of Chittorgarh City and within 10 km of Bassi Wildlife Sanctuary or within the eco-sensitive zone of Bassi Wildlife Sanctuary, if finally notified. The Company has taken effective steps to ensure that no mining activity takes place in the area falling within the restrictions prescribed in NGT's Order.

The Company does not anticipate any material impact of the said Order on the current operations as it has sufficient reserves in areas outside the limits covered by the Order. The matter is pending for hearing.

#### (c) RISK AND CONCERNS:

The Company has been slowly scaling up production at all its units, but revival and sustenance of demand remains the key red herring. At the time of writing this report, fresh cases of COVID-19 were still on the rise, and workers remained displaced from construction sites.

Across the world, commercial properties as an asset class are the worst affected within the real estate sector. At almost all existing properties, tenants are behind on rents, and new projects are expected to be delayed. People's income has been impacted and it is feared that demand for cement even among individual home builders may remain subdued for some time.

Much depends on infrastructure spending by the government and revival of low-cost housing projects. The Centre has announced a multi-pronged booster package to strengthen the Indian economy, but tax revenues are under severe pressure. It is, however, still expected that government spending on infrastructure will kick off the first phase of recovery.

The extent of the impact of the pandemic on demand will depend on how fast the lockdowns are lifted and normalcy returns. For some quarters, it is apprehended that cement makers may have to cope with lower than normal capacity utilisation, which may impact profitability. As a measure of caution, the Company will for now focus on conserving cash and consolidating its position in key markets.

#### (d) THREATS AND OPPORTUNITIES:

The COVID-19 pandemic has turned the world upside down with little visibility into the future. The Indian economy is projected to contract in fiscal 2020-2021 in line with other major economies. In the given scenario, cement demand in India is bound to be impacted, the extent of which will depend on the ease of lockdown and return of normalcy.

However, the Company is better geared to cope with the challenges because of its focus on northern and central India markets, which are more consolidated than the rest of the country and the capacity utilisation levels are higher than the pan-India levels.

#### (e) OUTLOOK:

Due to the global slowdown in demand, commodity prices have corrected sharply and are expected to remain soft in fiscal 2020-2021. This should reduce variable costs such as pet coke, diesel, fly ash and slag. But the benefits of reduced variable costs will likely be neutralised by poor absorption of fixed costs due to low capacity utilisation.

The Company's gross term loans at the end of fiscal 2019-2020 stood at ₹4,226 crore as against ₹4,049 crore a year earlier. Net debt at the end of March stood at less than ₹3,500 crore, which

is approximately 2.5 times the Company's EBITDA in 2019-2020. This includes bank loans of ₹543 crore taken for the under-construction cement plant at Mukutban in Maharashtra.

The Company has chosen not to take the moratorium on loan servicing offered by the Reserve Bank of India in the wake of the COVID-19 pandemic. In view of the challenges, the Company is taking several initiatives such as deferring capital expenditure to protect profitability, guard financial metrics and conserve liquidity. These measures have been taken despite securing financial closure for all outstanding projects.

The Company is going ahead with the construction of a 3.9 mt cement plant at Mukutban in Maharashtra with the aim of commissioning it by June 2021. Till the end of fiscal 2019-2020, the Company has spent ₹1,085 crore on the under-construction factory.

The Company will conclude in fiscal 2020-2021 its project to expand the kiln capacity of its Chanderia unit by around 400,000 tons. Of the total outlay of ₹150 crore for the project, the Company has spent around ₹70 crore till the end of March.

However, it has been decided to put on hold the project to expand the Kundanganj unit, which was estimated to cost ₹285 crore. The decision was taken to restrict debt and conserve liquidity. The project will be taken up on normalisation of business environment.

### JUTE DIVISION

#### (a) INDUSTRY STRUCTURE AND DEVELOPMENTS:

The jute industry is concentrated in eastern India and plays a key role in the state economy of West Bengal. It supports at least 4 million people, including factory workers, farmers and those dependent on it indirectly. The industry is heavily dependent on government orders for procurement of food grains under the Jute Packaging Materials Act. The industry's dependence on government orders has increased over the years: government orders currently account for about 70 per cent of installed production capacity.

#### (b) PERFORMANCE:

The division has reported an EBITDA of ₹23.37 crore in fiscal 2019-2020 as against ₹20.20 crore in the previous year, registering a growth of 15.70 per cent. Production during the year at 35,718 metric tons (37,308 metric tons in the previous year) was impacted by the lockdown at the end of the March. Eight working days were lost which translates into a production loss of around 959 metric tons.

The Company's constant thrust on value-added products has led to a 33 per cent growth in exports in fiscal 2019-2020. Revenue from exports during the year was at ₹39.08 crore compared with ₹29.44 crore in the previous year. Growth in exports has helped cope with cost pressure and improve the division's profitability.

**Production & Dispatch**

Particulars	2019-2020	2018-2019	Change %
Production of Jute Goods (MT)	35718	37308	-4.26
Dispatches of Jute Goods (MT)			
a) Domestic	31421	35136	-10.57
b) Export	3650	2955	23.52

**Sales**

Particulars	2019-2020 (₹ in Lakh)	2018-2019 (₹ in Lakh)
<b>Net Sales</b>		
a) Domestic	29068.05	29747.11
b) Export	3907.64	2944.13
FOB Value	3814.46	2892.73

**(c) OPPORTUNITIES AND THREATS:**

Due to the lockdown starting in March, the volume of raw jute being carried over to the next year will be substantially higher than in fiscal 2019-2020.

Jute sowing typically starts in mid-March and goes on till the end of April. Sowing in India this year has been above normal, estimated at 110 per cent, due to the abundant supply of farm workers. With expectations of a normal monsoon, the crop in 2020 is expected to be good.

In Bangladesh, however, sowing has been poor because of disruption in the supply of seeds from India. The crop in Bangladesh may contract by as much as 20 per cent in 2020. As a result, Bangladesh will likely face a shortage of raw jute whereas in India, raw jute prices will remain weak. Both should augur well for Indian jute mills.

With growing awareness about the benefits of using a natural fibre as packaging material, demand for jute goods is expected to improve in the years ahead. Significant export opportunities are presenting themselves as jute gets more extensively used in shopping bags, floor covering and geotextile products.

**(d) RISKS AND CONCERN:**

Indian jute mills face a huge challenge from Bangladesh where production costs are much lower and subsidized. Cheaper supplies from Bangladesh are a major stumbling block for Indian jute mills looking to scale up exports. Even in the domestic market, Indian jute mills are losing ground to duty-free exports from Bangladesh.

At the same time, availability of labour in Indian jute mills is increasingly becoming a major threat to productivity. Jute mills in West Bengal were heavily dependent on migrant workers from neighbouring states, but they are in short supply. Because

of availability of alternative employment closer to their homes, workers from neighbouring states have stopped coming to West Bengal.

Being a labour intensive industry, shortage of labour has started to impact capacity utilisation at Indian jute mills.

**(e) OUTLOOK:**

To cope with operational headwinds such as competition from Bangladesh, shortage of labour and sustained increase in the price of raw jute, the Company has taken several initiatives to improve efficiency. Investments have been made into plants and machinery to reduce dependence on manpower and to diversify product range beyond traditional packaging material.

At the same time, the Company is looking to reduce its dependence on government orders and is actively scouting for export opportunity for value-added products such as shopping bags, floor covering and furnishing material among others.

But at the same time, it is feared that the industry could continue to lose its traditional market within India because of the widening gap between jute and synthetic packaging materials.

**VINDHYACHAL STEEL FOUNDRY**

Vindhyachal Steel Foundry produces iron & steel castings primarily for internal consumption. The total production of castings during the year has been 493 Ts. as against 591 Ts. in the previous year. The total sale of castings during the year was 526 Ts. (including 465 Ts. within the company) as against 552 Ts. (including 402 Ts. within the company) in the previous year.

**ALLOCATION OF COAL MINES**

During the year, the Government of India, Ministry of Coal had approved allocation of 2 (two) Coal Mines to the Company as under:

Sl. No.	Name of Coal Mine	State	Extractable Reserves (MT)	Grade	PRC (MTPA)	Final Price (₹ per tonne)
1	Bikram	Madhya Pradesh	9.44	G-8	0.36	154
2	Brahampuri	Madhya Pradesh	12.343	G-6	0.36	156

Once operational, the above Coal Mines are expected to provide fuel security and cost optimization to the Company.

**CAPITAL EXPENDITURE**

The details of various Capital Expenditure and Projects of the Company and its material Subsidiary during the financial year 2019-2020 are as follows:

**Birla Corporation Limited**
**Projects Completed:**

- Installation of 3 MW Solar Power Plant at Chanderia unit and 1 MW Solar Power Plant at Satna unit.

**Project under implementation:**

- Expansion project of New Chanderia Cement Works (NCCW) plant at Chanderia to increase capacity clinker production capacity from 3600 TPD to 5500 TPD.

**RCCPL Private Limited (Wholly Owned Material Subsidiary Company)**
**Projects Completed:**

- Commissioned 12.25 MW Waste Heat Recovery System at Maihar unit.
- Commissioned 7.7 MW Captive Solar Power Plant at Maihar unit.

**Projects under implementation:**

- Second phase expansion of existing capacity of grinding cement plant at Kundanganj unit by installing a third line with a capacity of 1.20 million tons per annum with cement mill, packing plant, wagon loading and permanent connectivity with railway etc. at an estimated cost of ₹285 crores was approved.

However, it has been decided to keep it in hold for the time being to restrict debt and conserve liquidity due to uncertainty created by COVID-19 pandemic.

- Setting up of a 3.90 million ton Greenfield Integrated Cement Plant at Mukutban (Maharashtra) with 40 MW Captive Power Plant and 10.60 MW Waste Heat Recovery System at an estimated cost of ₹2,450 crore is in advance stage of implementation.

However, Commissioning of the project is likely to be delayed due to lockdown and uncertainty created by COVID-19 and is expected to be commissioned in the year 2021-2022.

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 and Rules framed thereunder, is annexed hereto and marked as “Annexure – B” forming part of the Directors’ Report and is also uploaded on the Company’s website at <https://www.birlacorporation.com/annual-return.html>.

**COMPOSITION, NUMBER AND DATES OF MEETINGS OF THE BOARD AND COMMITTEES**

The details of the composition, number and dates of meetings of the Board and Committees held during the financial year 2019-2020 are provided in the Report on Corporate Governance forming part of this Annual Report. The number of meetings attended by each Director during the financial year 2019-2020 are also provided in the Report on Corporate Governance. The Independent Directors of the Company have held a separate meeting during the financial year 2019-2020 details of which are also provided in the Report on Corporate Governance.

**DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

- in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- the accounting policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2019-2020 and of the profit for the year ended 31st March, 2020;
- proper and sufficient care has been taken 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;
- the annual accounts for the year ended 31st March, 2020, have been prepared on a going concern basis;
- proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the Notes forming part of the Standalone Financial Statements.

**CREDIT RATING**

CRISIL has reaffirmed its ratings on short term debt including Commercial Paper (CP) to the extent of ₹300 crores as “A1+” and for the Long term Non-Convertible Debentures of the Company of ₹130 Crores has reaffirmed its rating as “AA” with revision in the Outlook to Stable from Negative.

ICRA has also re-affirmed its rating of “AA” for Long Term Non-Convertible Debentures of the Company of ₹400 Crores. It has also revised the Outlook to Stable from Negative.

Further, CARE has reaffirmed its rating on Long Term Facilities as “CARE AA” (Outlook Stable) and “CARE A1+” (Outlook Stable) for the Company’s Short Term/Long Term Bank facilities aggregating to ₹2245.16 crores. The rating Committee of CARE has reaffirmed as “CARE AA” (Outlook Stable) for the outstanding Non-Convertible Debentures of ₹530 Crores.



## FINANCE

The Company efficiently manages its surplus funds by investing in highly rated debt securities, fixed deposits and debt schemes of mutual funds considering safety, liquidity and return. It monitors the borrowings on a continuous basis for opportunities to refinance or prepay its loans in order to reduce borrowing costs and foreign exchange exposure.

The Company has timely repaid its outstanding Non-Convertible Debentures along with interest on 30th March, 2020 for ₹150 crores. Further it has prepaid its External Commercial Borrowing (ECB) instalment of USD 10 Mns. on 30th March, 2020 which was due in the financial year 2021-2022.

## CORPORATE GOVERNANCE

The Company is committed to maintain the good standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ('SEBI'). The Company has complied with the Corporate Governance Code as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Report on Corporate Governance, along with certificate from the auditors confirming the compliance of conditions of Corporate Governance, is annexed and forms part of the Annual Report.

## RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties during the financial year 2019-2020 were on an arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further, during the year under review, there are no materially significant related party transactions which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted, along with a statement giving details of all related party transactions, are placed before the Audit Committee.

The policy on Related Party Transactions, as approved by the Board, is uploaded on the Company's website and may be accessed at the link <http://www.birlacorporation.com/investors/policies/related-party-transactions-policy.pdf>.

The details of the transactions with related parties pursuant to IND AS during financial year 2019-2020 are provided in the accompanying financial statements.

Transaction with person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the

Company have been disclosed in the accompanying financial statements.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in "Annexure – C", which is annexed hereto and forms part of the Directors' Report.

## RISK MANAGEMENT

Risk Management is the process of identification, assessment, and prioritisation of risks followed by coordinated efforts to minimise, monitor and mitigate/control the probability and /or impact of unfortunate events or to maximise the realisation of opportunities. In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Board has constituted a Risk Management Committee and 1 (one) Meeting of the Committee was held during the year.

The Company has adopted a comprehensive Risk Management Policy which is reviewed by the Risk Management Committee and the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as raw materials and fuel, quality, market, safety, litigation, logistics, community relations, intellectual property, project execution, financial, human resources, fraud, environment, information technology and statutory compliance.

## AWARDS & RECOGNITIONS

The details of various awards and recognitions received by various units of the Company during the financial year 2019-2020 are as follows:

- ❖ Satna Unit of the Company won CSR Platinum Award 2019.
- ❖ Durgapur Unit received one Gold award and two Silver awards at Quality Circle, Durgapur Chapter Convention.
- ❖ Chanderia Unit received the following Awards:
  - 2nd Award For fly ash utilization during "fly ash utilization conference 2020" by Mission Energy Foundation in February, 2020.
  - Rajasthan Energy Conservation Award-2019 under cement category for excellent efforts in energy conservation by Government Energy Department, Jaipur in December, 2019.
  - Power Plant Performance Award under category LIFE TIME ACHIEVEMENT AWARD for prolong continuous efforts in NTPP and WHRS presented by M/s. Mission Energy at Delhi on 28th June, 2019.

- BHAMASHAH Award – 2019 for effective contribution in the field of education under CSR Presented by District Administration, Chittorgarh.
- Birla Cement Works, Chanderia has received the award with "Shiksha Shree" for the support provided to Govt. Education under CSR.

## OCCUPATIONAL HEALTH & SAFETY

Employees of the Company play an important role in operations and growth, and are considered the most valuable assets. Their personal and professional development along with health and safety are among the top priorities of the organization.

The Company complies with all statutory provisions as required under the Factories Act. Competent persons carry out compulsory testing/examination of lifting tools, pressure vessels, cranes, safety belts etc. as per statutory requirement. For effective accident prevention, we routinely investigate and analyse all serious and fatal accidents, and obtain recommendations/remedial measures to prevent similar accidents. Near-miss situation/incident with no injury is accorded serious consideration for planning of preventive measures. With a view to strengthen the safety competencies and to raise safety standards, the Company has been working with a reputed Risk Consulting Group to make the workplace more safe and secure.

As a part of safety measures, we are ensuring almost 100 per cent use of Personal Protective Gear by educating workers the need to use them. Various periodical health check-ups are conducted from time to time to monitor health hazards, if any.

Safety posters, slogans are widely displayed inside our factories — at shop floors, canteen and plant gates — to continuously remind everyone about safe working practices and environment so as to inculcate a culture of safety among workers. Safety day/week celebration is organized every year with a view to improving consciousness amongst workers.

## CORPORATE SOCIAL RESPONSIBILITY

In line with the provisions of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for the development of programmes and projects for the benefit of weaker sections of society and the same has been approved by the CSR Committee and the Board of Directors of the Company.

The Corporate Social Responsibility (CSR) policy of the Company provides a road map for its CSR activities. The purpose of CSR Policy is to devise an appropriate strategy and focus its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company continues the strategy of discharging part of its CSR responsibilities related to social service through various trusts/societies, in addition to its own initiatives and donations made to other non-government organizations.

The CSR Policy has been uploaded on the Company's website and may be accessed at the link <http://www.birlacorporation.com/investors/policies/csr-policy.pdf>

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a Report on CSR activities and initiatives taken during the year in the prescribed format is given in "Annexure – D", which is annexed hereto and forms part of the Directors' Report.

The Company is actively associated with various social and philanthropic activities undertaken on its own as well as by different Trusts and Societies. As a constructive partner in the communities in which it operates, the Company has been taking concrete action to realize its social responsibility objective. The Company has been playing a pro-active role in the socio-economic growth and has contributed to all spheres ranging from health, education, empowerment of women, rural infrastructure development, environment conservation etc. In the past ten decades, the Company has supported innumerable social initiatives in India, touching the lives of lakhs of people positively by supporting environmental and health-care projects and social, cultural and educational programs.

### Health, Educational and Social Initiatives:

The Company provides active assistance, finance as well as managerial, to various hospitals and educational and philanthropic institutions set up by trust and societies.

The Company has provided financial as well as administrative support for setting up a hospital in Chittorgarh namely Birla Hospital and Research centre, where the Company has two cement plants.

This is a State-of-the-Art multi-speciality hospital, which has diagnostic and treatment facilities for Emergency, General Medicines, Cardiology, Orthopaedics, Gynaecology, Childcare (NICU & SCBU), General Surgery, Urology, Nephrology, Neurology, Ophthalmology, Radiology including CT scan & Colour Dopplers, Dental, ENT, Dermatology, Pharmacy and Physiotherapy amongst others. The hospital has in-house modern medical & pathological laboratories. The hospital also has Modular Operation Theatres and advanced Intensive Cardiac Care Unit, Intensive Care Unit and Intensive Therapy Unit. Blood Bank is operational now and the Hospital has also been registered with Employees State Insurance. Currently, in the "In-Patient Department" approximately 115 beds are operational and best medical services are provided to patients at a nominal cost.

The hospital has been registered under **Bhamashah Swasthya Bima Yojana**, thereby enabling poor people to get the benefit of the services provided by the hospital. The initiative has helped people in and around Chittorgarh to avoid travelling to nearby cities like Ahmedabad and Udaipur to get themselves treated. The 200,000 sq. ft hospital has capacity to hold up to 200 beds. The hospital building consists of basement, ground and four floors. The separate housing wing is made up of ground and four floors, which are used as residence by doctors, nurses and paramedical staff.

This apart, the CSR activities undertaken include:

01] **Health Care Activities:**

The Company provides various health care facilities like free medical check-up, free medicines and treatments for needy people. Organised medical check-up camps, free eye camps, speciality Health camps. Apart from this the Company conducted adolescent health awareness camp and provided baby kits to new born babies to improve maternal and child health. The company also donated gowns for mothers and infants under “Kangaroo Mother Care Scheme” launched by the UP Government with a view to give proper and better care to mother and infants.

02] **Educational Initiatives:**

In addition to financial and institutional support provided the schools located close to the Company’s plant, the company organised various competitions involving students. School dresses, bags and stationaries copies are also provided free to underprivileged students. Foods and sweets were distributed in villages near our plants on Independence Day and Republic Day. Under “Swachh Bharat” mission Company renovated toilets for girls and boys and provided water tank for drinking water. For better computer skills of students the Company provided teachers to impart basic training in computers.

03] **Empowerment of Women:**

Empowerment of women is one of the Company’s long term initiatives. With the aim of imparting women the skills to get jobs, the Company has taken various initiatives (sewing & stitching, embroidery works) to promote skill development. The Company also supports schemes that generates employments for women in villages surrounding its factories and mining areas. Necessary training and support are provided to Self-Help Groups (SHG) under various projects to make them self-reliant.

04] **Livestock Development and Improved Agriculture Practices:**

Livestock development program provides an opportunity for farmers to improve their livestock based livelihoods by improving productivity of the progeny through breed improvement and dissemination of improved animal husbandry practices. The programme provided extensive services, including breeding, fodder propagation and training of farmers to different villages. Our Sustainable Agriculture programme attempts to de-risk farmers from erratic weather events through the promotion of climate-smart agriculture premised on dissemination of relevant package of practices, adoption of appropriate mechanisation and provision of institutional services.

05] **Horticulture Development:**

The Company has developed orchards in its mining lease areas, where beneficiaries have started accruing income on regular basis.

06] **Promotion on rural sports:**

Program encourages rural sports and activities by financial supporting state-level competition in which rural youths participate.

07] **Other Social Initiatives:**

The Company has undertaken various other programs including social welfare activities and rural development projects such as providing drinking water facilities, strengthening village infrastructure in the plant’s neighbourhood villages. The Company has made contribution towards various art and cultural programmes and has helped with the upkeep of *Sitamata Wildlife Sanctuary*. Various awareness program has also been organised on Road & driver safety and the importance of voting in elections. Promoted Social forestry in the common and private land in the neighbourhood villages. The Company also contributed to the renovation of important historical and religious sites.

08] **Village Adoption Programme:**

During the year, the Company has initiated a programme named ‘Village Adoption Programme’ with the objective to develop that particular village as model where the community will have access to all necessary infrastructures including health and water related facilities, a school with all facilities including infrastructure as well as quality education for children, support for progressive farmers and livelihood sources for landless and poor families. The Company is prioritizing Village adoption where the team with an experienced NGO and in co-operation with Village authorities are surveying to carry out the development activities.

09] **Environmental Sustainability:**

The Company is well aware of its responsibility towards sustainable development and environment. Various initiatives have been taken for Clean Development Mechanism (CDM) and pollution prevention.

Eco-friendly plantations have been created in and around the plants. Equipment for pollution control is kept under regular inspection and emission levels are monitored to ensure that the same remain within statutory limits. Concerns for environment and sustainable development are integral to the Company’s business decisions.

Interventions such as Bag Dust Collectors and water spray system in dust generation areas have significantly reduced pollution. SO<sub>2</sub> & NO<sub>x</sub> gas analyzer in kiln stack has been installed for close monitoring. Sheds have been constructed for maintaining good housekeeping inside plants. Measures have also been taken for conservation of limestone reserves. Water tankers, pumps, rain guns and water spray system have been provided for pressurized spraying to control dust pollution around mining areas and connecting roads.

The Company is using Alternative Fuel and Raw Material Feeding System (AFRS) for higher use of alternative fuel on continuous basis at its clinker manufacturing units. This move ensures availability of alternative fuel throughout the year and has resulted in reduction of fuel costs and also helped in reducing the carbon footprint.

The Waste Heat Recovery System at Satna and Chanderia plants of the Company uses the hot gases coming out of the pre-heater and clinker cooler to generate substantial power, thereby reducing Greenhouse Gases (GHG) emissions. Grinding aid is introduced in all the units to improve consumption of fly ash and slag. Further, to protect the environment, the Company has consumed substantial quantity of fly ash during 2019-2020 at various cement plants. This has resulted in reduction of clinker usage, which in turn reduced GHG emissions at our plants, without compromising on the quality and the strength of our cement.

With a view to promote renewable energy and also to produce energy through cleaner and greener sources the Company has installed Solar Power Plants at its Satna and Chanderia Cement Plants.

A Waste Heat Recovery System and Solar Power Plant were installed at Maihar plant of RCCPL Private Limited, Wholly Owned Subsidiary Company.

## BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as required under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form an integral part of this Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement by Rotation:

Shri Harsh V. Lodha (DIN: 00394094) Director, who retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

### Appointment:

Shri Pracheta Majumdar (DIN: 00179118) was appointed as the Chief Executive Officer of the Company w.e.f. 2nd August, 2019. Consequently, Shri Majumdar has been re-designated as Wholtime Director & Chief Executive Officer of the Company w.e.f. 2nd August, 2019.

During the year under review, in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members was accorded by way of postal ballot on 11th June, 2019 for continuation of Directorship of Smt. Shailaja Chandra (DIN: 03320688) as an Independent Director of the Company till the expiration of her first term i.e. upto 4th February, 2020, on attaining the age of seventy five years.

Further, at the last Annual General Meeting of the Company held on 13th August, 2019, Smt. Shailaja Chandra (DIN: 03320688) was re-

appointed as an Independent Director of the Company for a second term of five consecutive years w.e.f. 5th February, 2020. The Board is of the opinion that Smt. Shailaja Chandra, Independent Director possesses requisite qualification, experience, expertise and holds high standards of integrity.

### Cessation:

Shri Bachh Raj Nahar (DIN: 00049895) ceased to be the Managing Director of the Company w.e.f. 3rd August, 2019 in view of completion of his tenure. He also ceased to be the Director of the Company w.e.f. 13th August, 2019 due to retirement. The Board placed on record its appreciation for the valuable contribution and guidance provided by Shri Nahar during his tenure as Executive Director of the Company.

The following are the Key Managerial Personnel of the Company:

1. Shri Pracheta Majumdar: Wholtime Director & Chief Executive Officer.
2. Shri Aditya Saraogi: Chief Financial Officer.
3. Shri Girish Sharma: Company Secretary.

## DECLARATION BY INDEPENDENT DIRECTORS

Shri Vikram Swarup, Shri Anand Bordia, Shri Brij Behari Tandon, Shri Dhruva Narayan Ghosh, Dr. Deepak Nayyar and Smt. Shailaja Chandra are Independent Directors on the Board of the Company. The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, declaration has been received from all the Independent Directors confirming compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs (“MCA”) Notification dated October 22, 2019, regarding the requirement relating to enrollment in the Data Bank created by MCA for Independent Directors. In terms of the amended Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Director(s) unless otherwise exempted in terms of the prescribed Rules shall undertake online proficiency self-assessment test in due course within a period of 1 (one) year from the date of inclusion of their names in the Databank.

## COMPANY’S POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, had formulated a Nomination and Remuneration Policy in terms of



Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, the Nomination and Remuneration Policy was revised by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, to further streamline the process of appointment and removal of Key Managerial Personnel and Senior Management Personnel and payment of remuneration to them.

The Nomination and Remuneration Policy of the Company, inter alia, includes the aims and objectives, principles of remuneration, guidelines for remuneration to Executive Directors and Non-Executive Directors, fixed and variable components in the remuneration package, criteria for identification of the Board members and appointment of senior management.

The criteria for identification of the Board Members, including those for determining qualification, positive attributes, independence etc. is summarily given hereunder:

- A Director should possess high level of personal and professional ethics, integrity and values. He/she should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- A Director must be willing to devote sufficient time and energy in carrying out his/her duties and responsibilities effectively. He/she must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- Independent Directors shall be a person of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.
- In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements. Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions of the Act and the Listing Regulations for the time being in force.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

The Nomination and Remuneration policy as approved by the Board is uploaded on the Company's website and may be accessed at the link <https://www.birlacorporation.com/investors/nomination-and-remuneration-policy.pdf>.

#### BOARD EVALUATION

The Nomination and Remuneration Committee pursuant to the powers delegated to it by the Board, has carried out an annual

evaluation of the performance of the Board, the Directors individually as well as the evaluation of the functioning of various Committees. The Independent Directors of the Company has also reviewed the performance of the Chairman, Non-Independent Directors and Board as a Whole. Further, the Board has carried out the performance evaluation of Independent Directors of the Company.

#### CRITERIA FOR EVALUATION OF DIRECTORS

For the purpose of proper evaluation, the Directors of the Company have been divided into 3 (three) categories i.e. Independent Directors, Non-Independent Non-Executive Directors and Executive Directors.

The criteria for evaluation include factors such as engagement, strategic planning, vision and direction for growth and development, team spirit and consensus building, effective leadership, domain knowledge, ensuring best practices in governance, financial management and operations, evolving short term and long term goals for the company and roadmap for achieving them, management qualities, team work abilities, result/achievements, understanding and awareness, leadership qualities, motivation/commitment/diligence, integrity/ethics/values and openness/receptivity.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, considerable efforts have been made by the Management for improving the operational efficiency of RCCPL Private Limited (formerly Reliance Cement Co. Pvt. Ltd.), wholly owned material subsidiary of the Company, which has led to significant improvement in all parameters across the board. The operations of RCCPL Private Limited have stabilized and it is achieving operating parameters that are among the best in the industry.

As on 31st March, 2020, the Company has 7 (seven) subsidiary companies namely RCCPL Private Limited, Lok Cement Limited, Talavadi Cements Limited, Birla Jute Supply Company Limited, Budge Budge Floorcoverings Limited, Birla Cement (Assam) Limited and M.P. Birla Group Services Private Limited. 2 (Two) subsidiary companies, namely Thiruvaiyaru Industries Limited and Birla Corporation Cement Manufacturing PLC, Ethiopia, are under the process of voluntary winding up. In view of the aforesaid, these subsidiaries have not been considered in preparing the Consolidated Financial Statements.

No Company has become or ceased to be the Company's Subsidiaries, Joint Venture or Associate Company during the financial year 2019-2020.

The "Policy on 'Material' Subsidiary" is available on the Company's website and may be accessed at the link <https://www.birlacorporation.com/investors/policies/policy-on-material-subsiary.pdf>.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures in Form AOC-1 forms part of the consolidated financial statement and hence not repeated here for the sake of brevity. Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the Annual Financial Statements of each of the Subsidiaries are available on the Company's website at [www.birlacorporation.com](http://www.birlacorporation.com).

#### DEPOSITS

During the year under review, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

#### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance with statutes, corporate policies and procedures.

Internal Audit is conducted periodically across all locations by Chartered Accountant/(audit) firms who verify and report on the efficiency and effectiveness of internal controls. The adequacy of internal control systems are reviewed by the Audit Committee of the Board periodically.

#### INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a robust and comprehensive Internal Financial Control system commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources.

The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed.

The policies and procedures adopted by the Company ensures orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors, accuracy in the record-keeping and timely preparation of reliable financial information.

The Internal Auditors and the Management Audit Department continuously monitor the efficacy of Internal Financial Control

system with the objective of providing to the Audit Committee and the Board of Directors an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management measures with regard to the Internal Financial Control System.

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The policy provides for adequate safeguard against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

During the year, the Vigil Mechanism/Whistle Blower Policy was amended by the Board of Directors based on the recommendation of the Audit Committee to incorporate reporting of instances of leak or suspected leak of Unpublished Price Sensitive Information in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on the website of the Company.

#### DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as "Annexure – E" which is annexed hereto and forms part of the Directors' Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement comprising the names of top 10 (ten) employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration exceeding the prescribed limit, forms an integral part of Directors' Report.

The above Annexure is not being sent along with this Annual Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at [agm@birlacorp.com](mailto:agm@birlacorp.com). The aforesaid Annexure is also available for electronic inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the Annual General Meeting. Members seeking to inspect such documents can send an email at [agm@birlacorp.com](mailto:agm@birlacorp.com).

#### Commission to Non-Executive Directors:

In view of the adverse business environment prevalent in the country, the Board decided to give a token amount of ₹1 as Commission to the Non-Executive Directors for the financial year 2019-2020.

## HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Employees are the core strength of the Company. Therefore, at all times, we focus on creating the right workplace environment that provides opportunities for our employees to improve their performance. Robust and up to date Human Resource (HR) Policies are in place for proper evaluation of performances, which is the key to building future leaders.

HR functions in the organization have witnessed a paradigm shift and evolved to bring together modern day practices with proper use of technology and automation. This has had a profound impact on the morale and motivation of the employees who are the prime-movers. The Company has succeeded in fostering a relationship with its employees which will help transform the organization.

There is a well-calibrated mechanism to reward meritocracy. Learning and development initiatives for our employees are geared to enable all-round performance, both as individuals and as teams.

Encouraging cordial working relation and maintaining good industrial relations have been the philosophy and endeavour of the HR Department. On the whole, industrial relation scenario has been good. Statutory compliances related to labour laws have been followed with due emphasis.

The Company had 7412 permanent employees on its rolls at the close of business hours on 31st March, 2020. Industrial relations continued to remain cordial throughout the year at all the units. Suspension of Operation continues at Soorah Jute Mills, Auto Trim Division, Birlapur, and at Birla Vinoleum, Birlapur.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

In order to provide women employees with a safe working environment at workplace and also in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated a Policy on 'Prevention of Sexual Harassment of Women at the Workplace'. The said Policy has been uploaded on the internal portal of the Company for information of all employees.

The Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee comprises of three employees and one outside member. One of the Senior female employee of the Company is the Presiding Officer of the said Committee.

No complaint pertaining to sexual harassment of women employees from any of the Company's locations was received during the financial year ended 31st March, 2020.

## MAINTENANCE OF COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company.

## AUDITORS & AUDITORS' REPORT

### Statutory Auditors:

M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.109208W), were appointed as the Statutory Auditors of the Company at the 97th Annual General Meeting held on 31st July, 2017 for a term of five consecutive years commencing from the conclusion of the 97th Annual General Meeting till the conclusion of the 102nd Annual General Meeting of the Company to be held in the year 2022.

The notes on accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any comments.

### Cost Auditors:

The Board of Directors on the recommendation of the Audit Committee had appointed M/s. Shome & Banerjee, (Firm Registration No.000001), Cost Accountant, as the Cost Auditors of the Company for the financial year 2020-2021 for auditing the cost records relating to cement, jute goods and steel products manufactured by the Company. The remuneration proposed to be paid to the Cost Auditors is subject to ratification by the Members of the Company at the ensuing Annual General Meeting.

M/s. Shome & Banerjee has confirmed that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) and all other applicable provisions of the Companies Act, 2013 and their appointment meets the requirements of Section 141(3)(g) of the Companies Act, 2013. They have further confirmed their independent status and arm's length relationship with the Company.

The Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

### Secretarial Auditors:

The Board of Directors on the recommendation of the Audit Committee had appointed M/s Mamta Binani & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith and marked as **"Annexure - F"**. The Report is self-explanatory and do not call for any comments.

Further, the Board on the recommendation of the Audit Committee has appointed M/s Mamta Binani & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year 2020-2021.

There are no audit qualifications, adverse remarks or disclaimer in the respective reports of the Statutory Auditors and Secretarial Auditors for the year under review.

None of the Auditors of the Company has reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India.

## CAUTIONARY STATEMENT

*Statements in this Report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials and*

*fuels cost & availability, transportation costs, changes in Government regulations and tax structure, economic developments within India and in the countries with which the Company has business contacts and other factors such as litigation and industrial relations.*

## APPRECIATION

We wish to place on record our appreciation for the continued support and co-operation received by the Company from the Government of India, State Governments, Financial Institutions, Banks, Dealers, Customers and last but not the least, from our Members.

For and on behalf of the Board of Directors

**Harsh V. Lodha**  
Chairman  
(DIN: 00394094)

**Pracheta Majumdar**  
Wholtime Director &  
Chief Executive Officer  
(DIN: 00179118)

Place: Kolkata

Dated, the 22nd day of May, 2020



## ANNEXURE TO DIRECTORS’ REPORT

### ANNEXURE – A

## **DIVIDEND DISTRIBUTION POLICY**

### **PREAMBLE, OBJECTIVE AND SCOPE**

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

To comply with the above requirement and with an endeavor to maintain a consistent approach to dividend pay-out plans, the Board of Directors (‘Board’) of Birla Corporation Limited (‘the Company’) adopts this Dividend Distribution Policy (‘Policy’).

The objective of this Policy is to:

- (i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;
- (ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and
- (iii) provide for the manner of utilization of retained earnings.

### **EFFECTIVE DATE**

The Policy shall become effective from the date of its adoption by the Board i.e. 8th February, 2017.

### **PARAMETERS/FACTORS AFFECTING DIVIDEND DECLARATION:**

The Board of Directors of the Company shall, inter alia, consider the following Parameters for recommendation / declaration of Dividend:

#### **External Factors:**

- ▶ **Macroeconomic conditions:** In the event of uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances;
- ▶ **Statutory requirements:** Statutory requirements, regulatory conditions or restrictions as applicable including tax laws, the Companies Act, 2013 and SEBI regulations etc;
- ▶ **Agreements with Lending Institutions:** The Board may consider protective covenants in a bond indenture or loan agreement that may include leverage limits & restrictions on payment of cash dividends in order to preserve the Company’s ability to service its debt;
- ▶ **Capital Markets:** In favourable market scenarios, the Board may consider liberal pay-out. However, it may resort to a conservative dividend pay-out in case of unfavourable market conditions.
- ▶ **Taxation Policy:** The tax policy of the country may also influence the dividend policy of the Company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends.
- ▶ Any other factor as may be deemed fit by the Board.

#### **Internal Factors:**

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- ▶ Financial performance including profits earned (standalone), available distributable reserves etc;
- ▶ Impact of dividend payout on Company’s return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect e.g. Interest coverage, DSCR (Debt Service Coverage Ratio) Debt: EBITDA and Debt: Equity, including maintaining a targeted rating – domestically and internationally;
- ▶ Alternate usage of cash viz. acquisition/Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to generate significantly higher returns for shareholders;

### **ANNEXURE TO DIRECTORS’ REPORT** (Contd.)

- ▶ Leverage profile, liabilities and liquidity position of the Company;
- ▶ Fund requirement for contingencies and unforeseen events with financial implications;
- ▶ Past Dividend trend including Interim dividend paid, if any; and
- ▶ Any other factor as deemed fit by the Board.

### **CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND**

The circumstances under which shareholders may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not limited to, the following:

- ▶ The Company is in higher need of funds for acquisition/ diversification/ expansion/ investment opportunities/ deleveraging or capital expenditures;
- ▶ The Company has incurred losses or in the stage of inadequacy of profits;
- ▶ Significantly higher working capital requirements adversely impacting free cash flow;
- ▶ Due to operation of any law in force;

The Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses as may be statutorily required under various legislations applicable to the Company.

In addition to the above, the Board of Directors of the Company may also consider declaration of any special dividend, on special occasions, as and when they may deem fit, subject to the provisions of the Companies Act, 2013 and rules made thereunder and other relevant requirements, if any.

Further, the Board may also take into consideration such other circumstances as it may in its absolute discretion think fit.

### **UTILIZATION OF RETAINED EARNING**

The Board may retain its earnings in order to make optimum utilisation of the available resources and enhance the shareholder’s value. The retained earnings of the Company can be used for acquisitions, expansions, diversifications or for meeting the working capital requirements, other liabilities of the Company or for any other object covered in Memorandum of Association or may be retained for its business purpose in accordance with the applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder, if any, the Listing Regulations, other applicable legislations governing dividends and the Memorandum and Articles of Association of the Company, as in force and as amended from time to time.

The decision of distributing dividend or utilisation of the retained earnings shall be taken after having due regard to the parameters laid down in this Policy.

### **PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE**

Presently, the issued share capital of the Company comprises of only one class of Shares i.e. equity shares. In the event of the Company issuing any other class(es) of shares, it shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

### **DISCLOSURE**

The Company shall disclose the Policy on the Company’s website and a web link thereto shall be provided in the Annual Report.

### **REVIEW & AMENDMENT**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

## ANNEXURE – B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2020

of

BIRLA CORPORATION LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L01132WB1919PLC003334
ii)	Registration Date	:	25th day of August, 1919
iii)	Name of the Company	:	BIRLA CORPORATION LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	:	Birla Building, 9/1, R.N. Mukherjee Road, Kolkata – 700 001 Phone: (033) 6616 6729/ 6737/ 6738 Fax: (033) 2248- 7988 / 2872 E-mail: coordinator@birlacorp.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	:	MCS Share Transfer Agent Ltd. 383, Lake Gardens, 1st Floor, Kolkata - 700045 Phone : (033) 4072- 4051/ 4052 Fax : (033) 4072 – 4050 E-mail : mcssta@rediffmail.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Cement	2394	92% Approx.

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	RCCPL Private Limited (formerly Reliance Cement Company Private Ltd.) 'Industry House', 159, Churchgate Reclamation, Mumbai - 400 020	U26940MH2007PTC173458	SUBSIDIARY	100.00	2(87)
2	Lok Cement Limited 'Industry House', 159, Churchgate Reclamation, Mumbai - 400 020	U26922MH1995PLC085677	SUBSIDIARY	100.00	2(87)
3	Talavadi Cements Limited Birla Building, 9/1, R.N. Mukherjee Road, Kolkata - 700 001	U72900WB1995PLC099355	SUBSIDIARY	98.01	2(87)
4	Birla Jute Supply Company Limited Birla Building, 9/1, R.N. Mukherjee Road, Kolkata - 700 001	U01113WB1950PLC093522	SUBSIDIARY	100.00	2(87)
5	Budge Budge Floorcoverings Limited Birla Building, 9/1, R.N. Mukherjee Road, Kolkata - 700 001	U36994WB1996PLC076677	SUBSIDIARY	100.00	2(87)
6	Birla Cement (Assam) Ltd. 104A, Dr. B.K. Kakoti Road, Opp. Royal View Building, Ulubari Guwahati - 781 007 (Assam)	U26940AS2008PLC008652	SUBSIDIARY	100.00	2(87)
7	M.P. Birla Group Services Pvt. Ltd. Birla Building, 9/1, R.N. Mukherjee Road, Kolkata - 700 001	U74999WB2008PTC125257	SUBSIDIARY	100.00	2(87)



## ANNEXURE TO DIRECTORS' REPORT (Contd.)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year ( as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	0	1260	1260	0.00	0	1260	1260	0.00	0.00
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	37379183	0	37379183	48.54	37379183	0	37379183	48.54	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other ....Society	11053248	500	11053748	14.36	11053748	0	11053748	14.36	0.00
<b>Sub-total (A) (1):-</b>	<b>48432431</b>	<b>1760</b>	<b>48434191</b>	<b>62.90</b>	<b>48432931</b>	<b>1260</b>	<b>48434191</b>	<b>62.90</b>	<b>0.00</b>
<b>2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>48432431</b>	<b>1760</b>	<b>48434191</b>	<b>62.90</b>	<b>48432931</b>	<b>1260</b>	<b>48434191</b>	<b>62.90</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	9249185	1100	9250285	12.01	8868612	2140	8870752	11.52	-0.49
(b) Banks / FI	12593	15300	27893	0.03	89551	15300	104851	0.13	0.10
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(f) Insurance Companies	3032164	500	3032664	3.94	2814569	500	2815069	3.66	-0.28
(g) FIs	1606881	0	1606881	2.09	3207799	0	3207799	4.17	2.08
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (B)(1):-</b>	<b>13900823</b>	<b>16900</b>	<b>13917723</b>	<b>18.07</b>	<b>14980531</b>	<b>17940</b>	<b>14998471</b>	<b>19.48</b>	<b>1.41</b>

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year ( as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	4361656	3117	4364773	5.67	2885945	3017	2888962	3.75	-1.92
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	6733261	327553	7060814	9.17	6745876	300073	7045949	9.15	-0.02
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1946079	0	1946079	2.53	2266396	0	2266396	2.94	0.41
(c) Others (specify)									
(i ) Non Resident Individuals	390141	4834	394975	0.51	455734	4714	460448	0.60	0.09
(ii) Trust, Foundations & Society	654178	0	654178	0.85	668608	0	668608	0.87	0.02
(iii) NBFCs	11258	0	11258	0.01	11000	0	11000	0.01	0.00
(iv) IEPF	211913	0	211913	0.28	220628	0	220628	0.29	0.01
(v) Co-operatives Society	2500	0	2500	0.00	3751	0	3751	0.00	0.00
(vi) Unclaimed Share Suspense A/c.	6943	0	6943	0.01	6943	0	6943	0.01	0.00
<b>Sub-total (B)(2):-</b>	<b>14317929</b>	<b>335504</b>	<b>14653433</b>	<b>19.03</b>	<b>13264881</b>	<b>307804</b>	<b>13572685</b>	<b>17.62</b>	<b>-1.41</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>28218752</b>	<b>352404</b>	<b>28571156</b>	<b>37.10</b>	<b>28245412</b>	<b>325744</b>	<b>28571156</b>	<b>37.10</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C )</b>	<b>76651183</b>	<b>354164</b>	<b>77005347</b>	<b>100.00</b>	<b>76678343</b>	<b>327004</b>	<b>77005347</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	August Agents Ltd.	6015912	7.81	0.00	6015912	7.81	0.00	0.00
2	Baroda Agents & Trading Co. Pvt. Ltd.	914355	1.19	0.00	914355	1.19	0.00	0.00
3	Belle Vue Clinic	175148	0.23	0.00	175148	0.23	0.00	0.00
4	Birla Cable Ltd.	280	0.00	0.00	280	0.00	0.00	0.00
5	Birla Financial Corporation Ltd.	280	0.00	0.00	280	0.00	0.00	0.00

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
6	East India Investment Co. Pvt. Ltd.	73475	0.10	0.00	73475	0.10	0.00	0.00
7	Eastern India Educational Institution	3361200	4.36	0.00	3361200	4.36	0.00	0.00
8	Express Dairy Company Limited	280	0.00	0.00	280	0.00	0.00	0.00
9	Gwalior Webbing Co. Pvt. Ltd.	1775200	2.31	0.00	1775200	2.31	0.00	0.00
10	Hindustan Gum & Chemicals Ltd.	270000	0.35	0.00	270000	0.35	0.00	0.00
11	Hindustan Medical Institution	7159460	9.30	0.00	7159460	9.30	0.00	0.00
12	Insilco Agents Ltd.	6004080	7.80	0.00	6004080	7.80	0.00	0.00
13	Laneseda Agents Ltd.	5994680	7.78	0.00	5994680	7.78	0.00	0.00
14	M.P. Birla Foundation Educational Society	100100	0.13	0.00	100100	0.13	0.00	0.00
15	M.P. Birla Institute of Fundamental Research	100	0.00	0.00	100	0.00	0.00	0.00
16	Mazbat Tea Estate Ltd.	1467689	1.91	0.00	1467689	1.91	0.00	0.00
17	Punjab Produce Holdings Ltd.	3665407	4.76	0.00	3665407	4.76	0.00	0.00
18	Shreyas Medical Society	117740	0.15	0.00	117740	0.15	0.00	0.00
19	Estate of Late Smt Priyamvada Devi Birla represented by Justice Mohit Shantilal Shah, Shri Amal Chandra Chakrabortti and Shri Mahendra Kumar Sharma in their capacity as Administrators pendente lite	1260	0.00	0.00	1260	0.00	0.00	0.00
20	South Point Foundation	140000	0.18	0.00	140000	0.18	0.00	0.00
21	The Punjab Produce & Trading Co. Pvt. Ltd.	4520572	5.87	0.00	4520572	5.87	0.00	0.00
22	Universal Cables Ltd.	296730	0.39	0.00	296730	0.39	0.00	0.00
23	Vindhya Telelinks Ltd.	6380243	8.29	0.00	6380243	8.29	0.00	0.00
	<b>TOTAL</b>	<b>48434191</b>	<b>62.90</b>	<b>0.00</b>	<b>48434191</b>	<b>62.90</b>	<b>0.00</b>	<b>0.00</b>

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	48434191	62.90	48434191	62.90
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year	-	-	48434191	62.90

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning (01.04.2019)/ end of the year (31.03.2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Reliance Capital Trustee Company Limited	5415705	7.03	01.04.2019			5415705	7.03
				05.04.2019	70133	Transfer	5485838	7.12
				19.04.2019	42400	Transfer	5528238	7.18
				26.04.2019	41000	Transfer	5569238	7.23
				03.05.2019	25000	Transfer	5594238	7.26
				10.05.2019	116020	Transfer	5710258	7.42
				24.05.2019	70873	Transfer	5781131	7.51
				14.06.2019	14324	Transfer	5795455	7.53
				21.06.2019	-2869	Transfer	5792586	7.52
				30.06.2019	-94231	Transfer	5698355	7.40
				12.07.2019	145294	Transfer	5843649	7.59
				19.07.2019	76177	Transfer	5919826	7.69
				02.08.2019	15747	Transfer	5935573	7.71
				09.08.2019	68400	Transfer	6003973	7.80
				16.08.2019	25000	Transfer	6028973	7.83
				30.08.2019	20000	Transfer	6048973	7.86
				06.09.2019	25000	Transfer	6073973	7.89
				20.09.2019	20000	Transfer	6093973	7.91
				11.10.2019	-482138	Transfer	5611835	7.29
				18.10.2019	-439	Transfer	5611396	7.29
				25.10.2019	36000	Transfer	5647396	7.33
				08.11.2019	-50000	Transfer	5597396	7.27
				15.11.2019	-174660	Transfer	5422736	7.04



## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Sl. No.	Name	Shareholding at the beginning (01.04.2019)/ end of the year (31.03.2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				29.11.2019	25000	Transfer	5447736	7.07
				06.12.2019	-27649	Transfer	5420087	7.04
				13.12.2019	51300	Transfer	5471387	7.11
				20.12.2019	6776	Transfer	5478163	7.11
				27.12.2019	-7351	Transfer	5470812	7.10
				31.12.2019	50000	Transfer	5520812	7.17
				03.01.2020	45863	Transfer	5566675	7.23
				17.01.2020	-22707	Transfer	5543968	7.20
				24.01.2020	-413770	Transfer	5130198	6.66
				31.01.2020	-475230	Transfer	4654968	6.04
				07.02.2020	-197950	Transfer	4457018	5.79
				14.02.2020	-248021	Transfer	4208997	5.47
				21.02.2020	-38130	Transfer	4170867	5.42
				28.02.2020	-29412	Transfer	4141455	5.38
				06.03.2020	-83398	Transfer	4058057	5.27
				13.03.2020	-7984	Transfer	4050073	5.26
				20.03.2020	5650	Transfer	4055723	5.27
		4104723	5.33	31.03.2020	49000	Transfer	4104723	5.33
2	Life Insurance Corporation of India	2708172	3.52	01.04.2019			2708172	3.52
				06.12.2019	-27173	Transfer	2680999	3.48
				13.12.2019	-9886	Transfer	2671113	3.47
				20.12.2019	-7154	Transfer	2663959	3.46
				27.12.2019	-1105	Transfer	2662854	3.46
				31.12.2019	-59309	Transfer	2603545	3.38
				03.01.2020	-34787	Transfer	2568758	3.34
				10.01.2020	-66698	Transfer	2502060	3.25
				17.01.2020	-151422	Transfer	2350638	3.05
				24.01.2020	-82584	Transfer	2268054	2.95
		2268054	2.95	31.03.2020			2268054	2.95
3	L and T Mutual Fund Trustee Ltd.	1634095	2.12	01.04.2019			1634095	2.12
				05.04.2019	-98778	Transfer	1535317	1.99
				19.04.2019	-5896	Transfer	1529421	1.99
				26.04.2019	-91561	Transfer	1437860	1.87
				03.05.2019	-86940	Transfer	1350920	1.75
				10.05.2019	-102875	Transfer	1248045	1.62
				02.08.2019	-80200	Transfer	1167845	1.52
		1167845	1.52	31.03.2020			1167845	1.52
4	Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	832771	1.08	01.04.2019			832771	1.08
				19.04.2019	5034	Transfer	837805	1.09
				26.04.2019	1851	Transfer	839656	1.09
				03.05.2019	-3073	Transfer	836583	1.09
				24.05.2019	1296	Transfer	837879	1.09
				07.06.2019	2222	Transfer	840101	1.09

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Sl. No.	Name	Shareholding at the beginning (01.04.2019)/ end of the year (31.03.2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				14.06.2019	1122	Transfer	841223	1.09
				21.06.2019	-433	Transfer	840790	1.09
				30.06.2019	344	Transfer	841134	1.09
				12.07.2019	-63408	Transfer	777726	1.01
				02.08.2019	385	Transfer	778111	1.01
				09.08.2019	566	Transfer	778677	1.01
				30.08.2019	-9363	Transfer	769314	1.00
				11.10.2019	-143	Transfer	769171	1.00
				15.11.2019	-567	Transfer	768604	1.00
				22.11.2019	-4342	Transfer	764262	0.99
				07.02.2020	101462	Transfer	865724	1.12
				14.02.2020	1614	Transfer	867338	1.13
				06.03.2020	565	Transfer	867903	1.13
				13.03.2020	1196	Transfer	869099	1.13
				20.03.2020	2408	Transfer	871507	1.13
		871507	1.13	31.03.2020			871507	1.13
5	Birla Education Trust	650961	0.85	01.04.2019		No movement during the year	650961	0.85
		650961	0.85	31.03.2020			650961	0.85
6	Brijmohan Sagarmal Capital Services Private Ltd. *	589500	0.77	01.04.2019			589500	0.77
				05.04.2019	-143500	Transfer	446000	0.58
				19.04.2019	-128000	Transfer	318000	0.41
				26.04.2019	-23000	Transfer	295000	0.38
				03.05.2019	5000	Transfer	300000	0.39
				10.05.2019	-3500	Transfer	296500	0.39
				24.05.2019	-45000	Transfer	251500	0.33
				31.05.2019	-16500	Transfer	235000	0.31
				30.06.2019	125000	Transfer	360000	0.47
				05.07.2019	-100000	Transfer	260000	0.34
				12.07.2019	-11000	Transfer	249000	0.32
				19.07.2019	-4246	Transfer	244754	0.32
				02.08.2019	17729	Transfer	262483	0.34
				09.08.2019	92517	Transfer	355000	0.46
				16.08.2019	-7605	Transfer	347395	0.45
				23.08.2019	-102486	Transfer	244909	0.32
				30.08.2019	-46584	Transfer	198325	0.26
				06.09.2019	-14299	Transfer	184026	0.24
				13.09.2019	35974	Transfer	220000	0.29
				20.09.2019	9000	Transfer	229000	0.30
				30.09.2019	-66500	Transfer	162500	0.21
				01.11.2019	-17500	Transfer	145000	0.19
				08.11.2019	-23000	Transfer	122000	0.16
				15.11.2019	-7000	Transfer	115000	0.15
				22.11.2019	-7500	Transfer	107500	0.14

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Sl. No.	Name	Shareholding at the beginning (01.04.2019)/ end of the year (31.03.2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				29.11.2019	-1500	Transfer	106000	0.14
				06.12.2019	-1000	Transfer	105000	0.14
				13.12.2019	44500	Transfer	149500	0.19
				20.12.2019	-45000	Transfer	104500	0.14
				03.01.2020	-1650	Transfer	102850	0.13
				10.01.2020	-18350	Transfer	84500	0.11
				17.01.2020	-9500	Transfer	75000	0.10
				24.01.2020	-5000	Transfer	70000	0.09
				31.01.2020	-10000	Transfer	60000	0.08
				14.02.2020	-1000	Transfer	59000	0.08
				06.03.2020	-24689	Transfer	34311	0.04
				13.03.2020	-7100	Transfer	27211	0.04
				27.03.2020	-15000	Transfer	12211	0.02
		12211	0.02	31.03.2020			12211	0.02
7	Motilal Oswal Focused Growth Opportunities Fund	555500	0.72	01.04.2019			555500	0.72
				24.01.2020	-3477	Transfer	552023	0.72
				20.03.2020	-1099	Transfer	550924	0.72
		550924	0.72	31.03.2020			550924	0.72
8	Motilal Oswal Focused Multicap Opportunities Fund *	508736	0.66	01.04.2019		No movement during the year	508736	0.66
		508736	0.66	31.03.2020			508736	0.66
9	Aditya Birla Sun Life Trustee Private Limited	501117	0.65	01.04.2019			501117	0.65
				30.08.2019	-78000	Transfer	423117	0.55
				30.09.2019	23400	Transfer	446517	0.58
				11.10.2019	37860	Transfer	484377	0.63
				29.11.2019	14685	Transfer	499062	0.65
				07.02.2020	-9942	Transfer	489120	0.64
				14.02.2020	189854	Transfer	678974	0.88
		678974	0.88	31.03.2020			678974	0.88
10	Motilal Gopilal Oswal *	476000	0.62	01.04.2019		No movement during the year	476000	0.62
		476000	0.62	31.03.2020			476000	0.62
11	Raamdeo Ramgopal Agrawal *	476000	0.62	01.04.2019		No movement during the year	476000	0.62
		476000	0.62	31.03.2020			476000	0.62
12	Motilal Oswal (under various Scheme)#	262078	0.34	01.04.2019			262078	0.34
				26.04.2019	-102092	Transfer	159986	0.21
				03.05.2019	-159986	Transfer	0	0.00
				13.09.2019	1083	Transfer	1083	0.00
				27.09.2019	-7	Transfer	1076	0.00
				30.09.2019	9	Transfer	1085	0.00
				11.10.2019	19	Transfer	1104	0.00
				18.10.2019	19	Transfer	1123	0.00
				25.10.2019	43	Transfer	1166	0.00
				01.11.2019	1	Transfer	1167	0.00

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

Sl. No.	Name	Shareholding at the beginning (01.04.2019)/ end of the year (31.03.2020)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08.11.2019	50	Transfer	1217	0.00
				15.11.2019	24	Transfer	1241	0.00
				22.11.2019	27	Transfer	1268	0.00
				29.11.2019	18	Transfer	1286	0.00
				06.12.2019	36	Transfer	1322	0.00
				13.12.2019	20	Transfer	1342	0.00
				20.12.2019	39	Transfer	1381	0.00
				31.12.2019	-56	Transfer	1325	0.00
				03.01.2020	38	Transfer	1363	0.00
				10.01.2020	72	Transfer	1435	0.00
				17.01.2020	100261	Transfer	101696	0.13
				24.01.2020	497752	Transfer	599448	0.78
				31.01.2020	15462	Transfer	614910	0.80
				07.02.2020	37900	Transfer	652810	0.85
				14.02.2020	7	Transfer	652817	0.85
				28.02.2020	-5	Transfer	652812	0.85
				06.03.2020	7955	Transfer	660767	0.86
				13.03.2020	38	Transfer	660805	0.86
				20.03.2020	-190	Transfer	660615	0.86
				31.03.2020	66	Transfer	660681	0.86
		660681	0.86					
13	Kuwait Investment Authority Fund F238 #	0	0.00	01.04.2019			0	0.00
				11.10.2019	631637	Transfer	631637	0.82
		619637	0.80	31.03.2020	-12000	Transfer	619637	0.80
14	The New India Assurance Company Limited #	323942	0.42	01.04.2019			323942	0.42
				05.04.2019	39296	Transfer	363238	0.47
				19.04.2019	13131	Transfer	376369	0.49
				26.04.2019	1844	Transfer	378213	0.49
				03.05.2019	60000	Transfer	438213	0.57
				30.08.2019	111120	Transfer	549333	0.71
				05.09.2019	35870	Transfer	585203	0.76
				20.12.2019	-10399	Transfer	574804	0.75
				03.01.2020	-2649	Transfer	572155	0.74
				28.02.2020	-46426	Transfer	525729	0.68
		525729	0.68	31.03.2020			525729	0.68

\* These shareholders ceased to be a part of Top 10 Shareholders during the year, however the same are reflected above since the shareholders were among Top 10 shareholders as at the beginning of the year i.e. 01.04.2019.

# These shareholders are not in the list of Top 10 Shareholders as on 01.04.2019, however the same has been reflected above since the shareholders were among one of the Top 10 shareholders during the period from 01.04.2019 to 31.03.2020.

Note: PAN-wise consolidated shareholding taken



**ANNEXURE TO DIRECTORS' REPORT (Contd.)**
**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A.</b>	<b>DIRECTORS:</b>				
1	Shri Harsh V. Lodha * As on 01.04.2019 & 31.03.2020	1260	0.00	1260	0.00
2	Shri Pracheta Majumdar * As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
3	Shri Vikram Swarup * As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
4	Shri Anand Bordia * As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
5	Shri Brij Behari Tandon * As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
6	Shri Dhruva Narayan Ghosh * As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
7	Dr. Deepak Nayyar * As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
8	Smt. Shailaja Chandra* As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
9	Shri Dilip Ganesh Karnik As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
10	Shri Bachh Raj Nahar *# As on 01.04.2019 & 31.03.2020	500	0.00	500	0.00
<b>B.</b>	<b>KEY MANAGERIAL PERSONNEL (KMP):</b>				
11	Shri Aditya Saraogi As on 01.04.2019 & 31.03.2020	100	0.00	100	0.00
12	Shri Girish Sharma As on 01.04.2019 & 31.03.2020	0	0.00	0	0.00

\* Shares held jointly with other Shareholder

# ceased to be the Director w.e.f. 13th August, 2019

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**
**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount as on 31.03.2019	1,85,757.08	834.61	-	1,86,591.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due as on 31.03.2019	2,813.92	1.81	-	2,815.73
<b>TOTAL (i+ii+iii)</b>	<b>1,88,571.00</b>	<b>836.42</b>	<b>-</b>	<b>1,89,407.42</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	19,375.19	9,091.33	-	28,466.52
Reduction	44,421.25	2,926.42	-	47,347.67
<b>Net Change</b>	<b>(25,046.06)</b>	<b>6,164.91</b>	<b>-</b>	<b>(18,881.15)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount as on 31.03.2020	1,60,454.87	7,000.00	-	1,67,454.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued and due as on 31.03.2020	263.84	-	-	263.84
iv) Interest accrued but not due as on 31.03.2020	2,806.23	1.33	-	2,807.56
<b>TOTAL (i+ii+iii+iv)</b>	<b>1,63,524.94</b>	<b>7,001.33</b>	<b>-</b>	<b>1,70,526.27</b>

Note: Loan & Interest in Foreign currency is considered at Closing Rate for respective year.

**VI. DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (AS PER THE PROVISIONS OF THE INCOME TAX ACT):**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Shri Bachh Raj Nahar (Managing Director)*	Shri Pracheta Majumdar (Wholetime Director & Chief Executive Officer)	Total Amount (₹ in Lakh)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	334.21	124.40	458.61
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6.91	0.40	7.31
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others (Performance Linked Bonus)	20.40	0.00	20.40
	Total (A)	361.52	124.80	486.32
	Ceiling as per the Act	10% of the Net Profits of the Company as per Section 198 of the Companies Act, 2013.		

\* ceased to be the Director w.e.f. 13th August, 2019

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

## B. Remuneration to other Directors:

## 1. Independent Directors:

Particulars of Remuneration	Name of Directors						Total Amount (₹ in Lakh)
	Shri Vikram Swarup	Shri Anand Bordia	Shri Brij Behari Tandon	Shri Dhruba Narayan Ghosh	Dr. Deepak Nayyar	Smt. Shailaja Chandra	
Fee for attending board/committee meetings	12.50	11.00	3.75	5.50	10.00	5.50	48.25
Commission*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others, please specify	-	-	-	-	-	-	-
<b>Total (B)(1)</b>	<b>12.50</b>	<b>11.00</b>	<b>3.75</b>	<b>5.50</b>	<b>10.00</b>	<b>5.50</b>	<b>48.25</b>

\* In view of extraordinary circumstances, adverse and uncertain business environment prevailing in the country due to COVID-19 pandemic, the Non-Executive Directors were paid a token amount of ₹ 1/- each as commission for the financial year 2019-2020.

## 2. Other Non-Executive Directors:

Particulars of Remuneration	Name of Directors		Total Amount (₹ in Lakh)
	Shri Harsh V. Lodha	Shri Dilip Ganesh Karnik	
Fee for attending board/committee meetings	7.00	4.50	11.50
Commission*	0.00	0.00	0.00
Others, please specify	-	-	-
<b>Total B(2)</b>	<b>7.00</b>	<b>4.50</b>	<b>11.50</b>
<b>Total (B) = (B1) + (B2)</b>			<b>₹ 59.75 lakh</b>
<b>Total Managerial Remuneration</b>			<b>₹ 546.07 lakh</b>
Overall Ceiling as per the Act	11% of the Net Profits of the Company as per Section 198 of the Companies Act, 2013.		

\* In view of extraordinary circumstances, adverse and uncertain business environment prevailing in the country due to COVID-19 pandemic, the Non-Executive Directors were paid a token amount of ₹ 1/- each as commission for the financial year 2019-2020.

## C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ in Lakh)
		Shri Aditya Saraogi (Chief Financial Officer)	Shri Girish Sharma (Company Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	117.69	48.49	166.18
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.30	3.62	3.92
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit			
	- others, specify			
5	Others (Performance Linked Bonus)	27.00	12.50	39.50
	<b>Total</b>	<b>144.99</b>	<b>64.61</b>	<b>209.60</b>

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

## VII. DETAILS OF PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment/ compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Kolkata  
Dated, the 22nd day of May, 2020**Harsh V. Lodha**  
Chairman  
(DIN: 00394094)**Pracheta Majumdar**  
Wholetime Director &  
Chief Executive Officer  
(DIN: 00179118)



ANNEXURE TO DIRECTORS’ REPORT (Contd.)

ANNEXURE - C

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN THE MANNER AS PRESCRIBED IN RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

	Cement	Jute	Steel Foundry
<b>A. Conservation of Energy</b>			
i) a) Energy Conservation measures taken.	<b>Chanderia</b> 1 Process modification and Raw mix optimization in BCW & CCW to increase fly ash consumption in cement. 2 Cooler modification by adding two nos module and installations of ABC inlet instead of CIS at NCCW. 3 Reduction in thermal energy consumption kin CCW-1 Kiln by optimization of raw mix and process. 4 Process optimization in raw mill and cement mill section by reduction in breakdown, process optimization. 5 Power factor improvement. <b>Satna</b> 1 Installation of MVVFDs in various Process fan applications in both BVC and SCW. 2 Installation of MVVFDs in preheater fan at BVC. <b>Durgapur</b> 1 Installation of LED light fittings in plant area replacing conventional lights. 2 Installation of VVVF Drive for 30 kW DA Fan of HAG replacing damper control. 3 Interlocking of Conveying Air Compressors of PD Pump of DCW Mills with Mill operation to avoid idle running of compressors. <b>Raebareli</b> 1 Installation of VFD in bag filter fan of Cement mill no-2. 2 Replacement of dynamic separator feeding belt conveyor with air slide. 3 Replacement of conventional light fittings with LED light. 4 Installation of 2 nos. screw compressor for energy savings.	1 Replacement of 2 nos. old sub mercible pump of 15 kW each with new energy efficient mercible pump of 22 kW. 2 Replacement of 35 nos old motors with new energy efficient IE3 motors at spinning and drawing frames. 3 Old CFL, halogen lamps replaced with energy efficient LED lights. 4 Replacement of 23 old Acs and 12 nos Geyers with new energy efficient Acs and Geyers.	1 The conservation of energy is a continuous exercise. Trend of energy consumption is regularly monitored and remedial measures are initiated to improve energy efficiency. 2 Control of metal heating process temperature to optimize energy requirement. 3 Efficiency improvement in cooling system leads to reduce energy consumption. 4 Optimize air requirement to improve efficiency of compressor.
b) Impact on conservation of energy	<b>Chanderia</b> 1 Increased usage of fly ash in producing cement reduces the consumption of clinker, the production of which is energy intensive. 2 Cooling efficiency increased as well as reduction in thermal energy. 3 Optimizing process & raw mix Reduction in thermal energy consumption in CCW & NCCW Kiln. 4 Power factor of improvement leads to energy saving. <b>Satna</b> 1 Reduction in Specific power consumption per tonne of Clinker. <b>Durgapur</b> 1 Saving of power consumption. 2 Optimize the compressor running time and saving in power. <b>Raebareli</b> 1 Saving in motor power. 2 Power consumption reduced. 3 Savings in lighting power substantially and also reduce maintenance cost. 4 Installation of Screw compressor led to energy savings.	Reduction in power consumption	–

ANNEXURE TO DIRECTORS’ REPORT (Contd.)

	Cement	Jute	Steel Foundry
ii) Steps in utilization of alternate sources of energy	1 AFR used in kiln in both Satna & Chanderia Plant which includes Carbon Black, Waste mix solids, ETP sluge, Mustard husk, TDI Tar, Industrial waste, Non hazardous waste, liquid waste etc. 2 WHRS system is operating in both Satna & Chanderia Unit for power generation from waste flue gas. 3 Sourcing renewable energy from solar power plant at Satna. 4 Additional solar power plant installed at both Satna and Chanderia.	–	–
iii) Capital investment on energy conservation equipments	₹ 197 Lakh	₹ 3.05 Lakh	–
<b>B. Technology Absorption</b>			
Research & Development			
1) Specification of Technology absorption and/or R&D	1 Replacement of existing Packer with latest generation packer RCW. 2 Installation of energy efficient screw compressor inplace of reciprocating compressor in RCW. 3 Replacement of existing CIS cooler inlet with ABC inlet to increase cooler performance in NCCW. 4 Installation of CBA for limestone quality control at Satna. 5 Upgradation of PLC system of packing plant at DCW. 6 Installation of low cost additives feeding to BVC cement circuit. 7 Installation of PSA based N2 inertization system for CCW coal mill. 8 Installation of turbo blower for kiln and calciner firing at NCCW.	1 Development of Sizing additive which increase strength with lower concentration of starch and reduce fluff generation. 2 Upgraded Technology for suppression of dust in Jute Selection dept.	
2) Benefits	1 Installation of new packers will lead to high efficiency cement packing and less nozzle downtime. 2 Increased compressor performance and energy savings. 3 Improved cooler performance and clinker quality. 4 Enhancement in performance of packing plant. 5 Cement mill performance improved. 6 Improved fire fighting system in coal mill circuit. 7 Improved kiln operation.	Conservation of Energy.	Conservation of Energy.
<b>C. Foreign Exchange Earning &amp; Outgo</b>			
i) Total Foreign Exchange used -	₹ 28387 Lakh		
ii) Total Foreign Exchange earned (including export in INR)	₹ 3814.46 Lakh		

Note: Excludes borrowings and repayments in Foreign Currency.

For and on behalf of the Board of Directors

<b>Harsh V. Lodha</b> Chairman (DIN: 00394094)	<b>Pracheta Majumdar</b> Wholetime Director & Chief Executive Officer (DIN: 00179118)
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Place: Kolkata  
Dated, the 22nd day of May, 2020

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**
**ANNEXURE – D**
**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES**

[Pursuant to Section 135 of the Act & Rules made thereunder]

**1. A brief outline of the Company's CSR Policy including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes :**

As per the provisions of the Companies Act, 2013 and Rules framed thereunder, the Company has formulated its CSR policy to contribute to economic development in different ways to ensure the economically disadvantaged section of society is benefited. The CSR initiatives are steered by the guiding principle of sensitivity to the needs of the people, enhancing the quality of their lives and protection of the environment.

The Company's CSR Programs are directed mainly in the areas of Education, Healthcare, Water, Infrastructure and Enhancement of livelihood of Rural Poor. While planning the CSR activities the needs of the people are taken into account and people living around the places where our manufacturing operations are carried out, are consulted. Greater emphasis is laid on activities for Preventive healthcare, Education of poor children, Water Facility, Rural Infrastructure development, Cleanliness and enhancing the income of the poor people. The Company has undertaken the CSR activities directly through our staff with support from reputed NGO and also through Madhav Prasad Priyamvada Birla Apex Charitable Trust and M P Birla Netralaya. The Company's CSR policy is placed on its website and the web-link for the same is <https://www.birlacorporation.com/investors/policies/csr-policy.pdf>.

**2. The composition of the CSR Committee is as under :-**

Shri Harsh V. Lodha	Chairman
Shri Vikram Swarup	Director
Shri Brij Behari Tandon	Director
Shri Dhruva Narayan Ghosh	Director

**3. Average net profits of the Company for the last three financial years :**

2018-2019, 2017-2018 and 2016-2017 is ₹ 156.17 Crores.

**4. The prescribed CSR expenditure at 2% is ₹ 3.12 Crores.**
**5. Details of CSR activities/projects undertaken during the year :**

- Total amount to be spent for the Financial Year 2019-2020 : ₹ 3.12 Crores
- Amount unspent, if any : Nil
- Manner in which the amount spent during the Financial Year 2019-2020 is detailed below :-

Sr. No	CSR project/ activity identified	Sector in which the project is covered	Projects/ programs 1. Local area/others- 2. Specify the State/ district (Name of the District/s, State/s where project/ programs was undertaken	Amount outlay (budget) project/ program – wise	Amount spent on the project/ programs Sub heads: 1. Direct expenditure on project / Programs, 2. Overheads	Cumulative spend up to the reporting period i.e. 2019 – 2020	Amount spent: Direct/ through implementing agency
1	2	3	4	5	6	7	8
				₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
I	Contribution to Multi-specialty hospital and Eye Clinic for promoting health care activities	Health care	Chandaria in Rajasthan, Durgapur in West Bengal	165.00	165.85	165.85	Implementing Agencies- Madhav Prasad Priyamvada Birla Apex Charitable Trust and M. P. Birla Netralaya
II	Making available safe drinking water, Eye Check-up camps and Surgery, Preventive Health Check up Camps, Adolescent Health Program, Awareness on Sanitation, construction & renovation of toilets	Health, Water & Sanitation	Chandaria in Rajasthan, Raebareli in Uttar Pradesh, Durgapur in West Bengal, Satna in Madhya Pradesh	74.35	78.50	78.50	Implementing Agency i.e. NGO- Shamayita Math, Bankura, West Bengal

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**

Sr. No	CSR project/ activity identified	Sector in which the project is covered	Projects/ programs 1. Local area/others- 2. Specify the State/ district (Name of the District/s, State/s where project/ programs was undertaken	Amount outlay (budget) project/ program – wise	Amount spent on the project/ programs Sub heads: 1. Direct expenditure on project / Programs, 2. Overheads	Cumulative spend up to the reporting period i.e. 2019 – 2020	Amount spent: Direct/ through implementing agency
1	2	3	4	5	6	7	8
				₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
III	Promotion of Primary & Secondary Education and assistant for Schools Infrastructure development	Education	Chandaria in Rajasthan, Raebareli in Uttar Pradesh, Durgapur in West Bengal, Satna in Madhya Pradesh.	41.21	41.32	41.32	Direct
IV	Vocational training and Micro Enterprise Development and SHG development Program for Women Empowerment	Women Empowerment	Chandaria in Rajasthan, Raebareli in Uttar Pradesh, Durgapur in West Bengal, Satna in Madhya Pradesh.	4.55	4.55	4.55	Through Implementing Agency i.e. Priyanshi Educational, Cultural and Social Society, Bhopal, MP
V	Improved Animal Husbandry Program, Advanced Agricultural Practices & Environmental Sustainability	Livelihood & Environmental Sustainability	Chandaria in Rajasthan, Raebareli in Uttar Pradesh, Durgapur in West Bengal, Satna in Madhya Pradesh.	31.87	31.63	31.63	1- Sarv Mangal Gramin Sansthaan Address- Bundi, Rajasthan 2- BAIF Institute of Sustainable Livelihoods and Development Address: - BAIF Bhavan, Dr. Manibhai Desainagar, Warje, Pune-411058 (M.H)
VI	Promotion of Rural Sports, Cultural Initiatives, Support to District Administration for Good Governance and Support to Old Age Home	Promotion of Sports and Cultural Initiatives	Chandaria in Rajasthan, Raebareli in Uttar Pradesh, Durgapur in West Bengal, Satna in Madhya Pradesh.	3.32	6.96	6.96	Direct
VII	Rural Development Project	Rural Development Program	Chandaria in Rajasthan, Raebareli in Uttar Pradesh, Durgapur in West Bengal, Satna in Madhya Pradesh.	19.70	8.81	8.81	Direct
VIII	Village Development	Village Adoption	Neighbour village of Chandaria Cement Works, Chandaria in Rajasthan.	10.00	10.00	10.00	Direct
<b>TOTAL</b>				<b>350.00</b>	<b>347.62</b>	<b>347.62</b>	

**6. In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount: Not Applicable.**
**7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company:** The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

**Harsh V. Lodha**  
Chairman of the CSR Committee  
(DIN: 00394094)

**Pracheta Majumdar**  
Wholetime Director &  
Chief Executive Officer  
(DIN: 00179118)

Place: Kolkata  
Dated, the 22nd day of May, 2020



**ANNEXURE TO DIRECTORS' REPORT (Contd.)**
**ANNEXURE – E**
**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-2020 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-2020:

Sl. No.	Name of Director(s)/ KMPs	Designation	Ratio of remuneration of each Director to median remuneration of employees **	% increase in Remuneration in the Financial Year 2019-2020
01.	Shri Bachh Raj Nahar*	Managing Director	-	-
02.	Shri Pracheta Majumdar <sup>#</sup>	Wholetime Director & Chief Executive Officer	55.46	(26.77)%
03.	Shri Aditya Saraogi	Chief Financial Officer	N.A.	17.71%
04.	Shri Girish Sharma	Jt. President (Indirect Taxes) & Company Secretary	N.A.	15.21%

\* Shri Bachh Raj Nahar ceased to be the Managing Director of the Company w.e.f. 3rd August, 2019. Since the remuneration has been paid for the part of the year, the ratio of the remuneration and % increase in the remuneration is not comparable and hence not stated.

<sup>#</sup> The remuneration for financial year 2019-2020 is lower as compared to financial year 2018-2019 since it does not include performance linked incentive for the financial year 2019-2020, which is yet to be finalized.

\*\* The median remuneration of employees of the Company during the financial year was ₹ 2.25 Lakhs.

**Note:** The Non-Executive Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the Members. The details of sitting fees and commission paid to the Non-Executive Directors are provided in the Report on Corporate Governance.

- i) There was an increase of 4.62% in the median remuneration of employees during the financial year 2019-2020.
- ii) There were 7412 permanent employees on the rolls of Company as on 31st March, 2020.
- iii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2019-2020 was 8.64% whereas the decrease in the managerial remuneration for the same financial year was 22.55%.  
Average increase in the remuneration of the employees other than the Managerial Personnel and that of the managerial personnel depends upon the factors like industry standards, individual performance etc. during the year.
- iv) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2020 is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Harsh V. Lodha**  
Chairman  
(DIN: 00394094)

**Pracheta Majumdar**  
Wholetime Director &  
Chief Executive Officer  
(DIN: 00179118)

Place: Kolkata  
Dated, the 22nd day of May, 2020

**ANNEXURE TO DIRECTORS' REPORT (Contd.)**
**ANNEXURE – F**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
**The Members**  
Birla Corporation Limited  
Birla Building  
9/1, R N Mukherjee Road  
Kolkata 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Birla Corporation Limited (hereinafter called the Company), bearing CIN: L01132WB1919PLC003334. The 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 audit period covering the financial year ended on 31 March, 2020 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 2020, to the extent applicable, according to the provisions of:

- The Companies Act, 2013 ('the Act') and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Investor Education and Protection Fund Authority Rules, 2016;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The other laws applicable specifically to the Cement/Jute/Iron & Steel division of the Company, namely:
  - Mineral Conservation and Development Rules, 1988
  - The Mines and Minerals (Development and Regulation) Act, 1957
  - Explosive Rules, 2008
  - Ammonium Nitrate Rules, 2012

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

- (e) The Environment (Protection) Act, 1986
- (f) The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972
- (g) Indian Electricity Rules 1956
- (h) The Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987
- (i) The Jute Manufactures Cess Act, 1983
- (j) The National Jute Board Act, 2008
- (k) The Employees Provident Fund Act, 1952
- (l) The West Bengal Factories Rules, 1958
- (m) West Bengal Labour Welfare Fund Act & Rule, 1976
- (n) Contract Labour (R&A) Act, 1970

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and therefore there were no dissenting views that were required to be recorded.

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 there were no investments/disinvestments made by the Company having a major bearing on the Company's affairs. The details are given as under:

- 1. Details of investments of the Company in other companies resulting which a subsidiary company has been formed:**  
No
- 2. Company/Bodies Corporate which has become associate:**  
No
- 3. Company which have become Joint Venture:**  
No

Note: The Company has not declared the voting results of the Annual General Meeting held on 13th August, 2019 in view of the Orders dated 2nd August, 2019 and 9th August, 2019 and other related Orders passed by Hon'ble High Court, Calcutta till 31st March, 2020 and consequently is yet to comply with the requirement of filing XBRL document (AOC 4 XBRL) in respect for financial statements and other related annexures thereto for the Financial Year 2018- 2019. Subsequently, pursuant to the Order of the Division Bench of the Hon'ble High Court at Calcutta dated 4th May, 2020, the Company on 4th May, 2020 had published the voting results of the business transacted at the Annual General Meeting of the Company held on 13th August, 2019.

For **Mamta Binani & Associates**

**CS Madhuri Pandey**  
Partner

CP No.: 20723

Membership No: A55836

UDIN: A055836B000358875

Date: 22.05.2020

Place: Kolkata

## BUSINESS RESPONSIBILITY REPORT 2019-2020

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2020, pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Business Responsibility Report is a testament to our accountability towards creating enduring value for all stakeholders in a responsible manner. In line with SEBI's proposed index and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', the report summarises our efforts to conduct business with responsibility.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L01132WB1919PLC003334			
2	Name of the Company	Birla Corporation Limited			
3	Registered address	9/1, R N Mukherjee Road, Birla Building, Kolkata -700001			
4	Website	www.birlacorporation.com			
5	E-mail id	coordinator@birlacorp.com			
6	Financial Year reported	1st April, 2019 to 31st March, 2020			
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Details of major Products			
		Group	Class	Sub Class	Description
		239	2394	23941 23942	Manufacturing of Clinker and Cement
		131	1313	13135	Manufacturing of Jute Goods.
8	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	(i) The Company manufactures cement of various kinds viz. Ordinary Portland Cement, Portland Pozzolana Cement and Portland Slag Cement.  (ii) The Company also manufactures Jute Goods.			
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5)- Nil (b) Number of National Locations: 2 Integrated Cement Units, 2 Grinding Units, 1 Blending Unit, 1 Jute Mill, 1 Steel Foundry, Registered Office and Corporate Office & Regional Sales Offices in various states.			
10	Markets served by the Company – Local/State/ National/International	Local/State/National/International			
		Local	State	National	International
		Yes	Yes	Yes	Yes

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 77.01 crores
2	Total Turnover (INR)	₹ 4746.60 crores
3	Total profit after taxes (INR)	₹ 315.84 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year 2019-2020, an amount of ₹347.62 Lakhs was spent on CSR activities. This represents more than 2% of average net profit for three financial years immediately preceding the financial year 2019-2020.



**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**

5	List of activities in which expenditure in 4 above has been incurred:-	1. Health Care and Sanitation 2. Education 3. Water 4. Women Empowerment 5. Environment Sustainability and Livelihood 6. Promotion of sports and Cultural Initiatives 7. Rural Development Program 8. Village Adoption
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**SECTION C: OTHER DETAILS**
**1. Does the Company have any Subsidiary Company/ Companies?**

Yes, as on 31st March, 2020, the Company has 7 (Seven) Subsidiary Companies, viz. RCCPL Private Limited (formerly known as Reliance Cement Company Private Limited), Lok Cement Limited, Talavadi Cements Limited, Birla Jute Supply Company Limited, Budge Budge Floorcoverings Limited, Birla Cement (Assam) Ltd. and M.P. Birla Group Services Pvt. Ltd.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

The Business Responsibility initiatives of the Company apply to its material subsidiary.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

Other entities viz. suppliers, distributors etc. with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company.

**SECTION D: BR INFORMATION**
**1. Details of Director/Directors responsible for BR**
**a) Details of the Director/Directors responsible for implementation of the BR policy/ policies**

1	DIN Number	: 00179118
2	Name	: Shri Pracheta Majumdar*
3	Designation	: Wholetime Director & Chief Executive Officer

\* w.e.f. 2nd August, 2019

**b) Details of the BR head**

No.	Particulars	Details
1	DIN Number (if applicable)	00179118
2	Name	Shri Pracheta Majumdar*
3	Designation	Wholetime Director & Chief Executive Officer
4	Telephone Number	(033) 6603-3300
5	E-mail id	pmajumdar@birlacorp.com

\* w.e.f. 2nd August, 2019

**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**
**2. Principle-wise (as per NVGs) BR Policy/policies**
**a) Details of compliance (Reply in Y/N)**

The Nine principles as per BRR are as given below:-

<b>P 1</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
<b>P 2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
<b>P 3</b>	Businesses should promote the well-being of all employees.
<b>P 4</b>	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
<b>P 5</b>	Businesses should respect and promote human rights.
<b>P 6</b>	Businesses should respect, protect, and make efforts to restore the environment.
<b>P 7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
<b>P 8</b>	Businesses should support inclusive growth and equitable development.
<b>P 9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Copy of the policy will be made available on receipt of written request from a stakeholder.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to key internal stakeholders of the Company.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies are evaluated from time to time and updated whenever required.								

**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**

- b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. Governance related to BR**

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

BR performance of the Company is assessed annually.

- b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company prepares Business Responsibility Report annually. The Business Responsibility Report is part of this Annual Report and the same is also placed on the website of the Company at [www.birlacorporation.com](http://www.birlacorporation.com).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**
**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The Company considers Corporate Governance as an integral part of good management and guides the operations of the Company alone. The Code of Conduct is applicable to the Directors and Senior Management of the Company. A Whistle Blower Policy/ Vigil Mechanism is also in place to provide opportunity to all stakeholders to report any concerns/issues/incidents about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policies.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the financial year 2019-2020, the Company has received 7 (Seven) complaints from the shareholders relating to non-receipt of Dividend which were resolved by the management.

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company has been focussing on developing products that are environment friendly, utilising waste by product from other industries, reducing carbon footprint and more energy efficient. Our major product range is blended cements which include Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). Fly ash from waste from thermal power plant is used in PPC and also Slag waste from steel industry is used in PSC. Another product is Pozzolana Composite Cement (PCC) in which both fly ash and slag are used. For producing clinker, we are replacing fossil fuel with agricultural waste, industrial waste, hazardous & non-hazardous waste to the extent of availability.

**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company is committed to Environment protection, climate change and taking lot of initiatives to reduce carbon footprint. As a part of promoting renewal energy, the Company has installed WHRS (Waste Heat Recovery System) at Satna and Chanderia Units to capture waste heat of kilns and utilize the same for power generation and resultantly save water and fossil fuels. We are always promoting energy efficient technology to ensure lower energy consumption. The Company, as a part of conserving natural resources and to reduce energy consumption, consumes industrial waste by-products like fly ash, steel slag in the cement manufacturing process, which reduces greenhouse gas emission. The Company has installed solar power plants at different factories for increasing share of renewable power in captive power consumption. For further details please refer to Annexure – 'C' to the Director's Report covering inter-alia, details of Conservation of Energy.

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's products are used by variety of consumers and it is neither feasible to measure reduction in the usage (energy, water) nor available with us. However at plant level we are taking following actions to reduce energy and water:

- Use of alternative fuel for thermal substitution by using FMCG waste, Polyresidue Plastic, ETP Sludge, Industrial waste and agricultural waste and replacing fossil fuel.
- For water conservation, we collect rain water in our mined out area which is being used for plant and colony throughout the year. We have also installed Air Cooled Condenser (ACC) at 27 MW CPP at both the plants at Chanderia and Satna which saves 90% water required for running condenser of Captive Power plant.

The Company has also installed effluent treatment plant for recycling waste water and using the same for plantation, dust suppression etc.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

- (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company's main raw material, is procured mostly through its own mines, situated close to plants. These are transported through long belt conveyors/ropeway. Most of the Company's inward bulk materials are sourced from nearby areas in a sustainable manner.

The Company has its own slag processing (granulation) plant near to steel plant and procure fly ash and slag from nearby areas as much as possible. The Company is also planning to source fly ash through rail wagon for most sustainable sourcing.

The Company is using Alternate Fuel (bio mass, plastic wastes, co-processed industrial waste, hazardous & non-hazardous waste) to replace part of fossil fuel, in a sustainable manner.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

- (a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company encourages local vendors to supply its regular needs. The Company also encourages procurement of goods and services from SME & MSME vendors and contributes in their overall development. The Company has trained and developed local contractors to meet its repair and maintenance needs as much as possible. These contractors employ workmen mostly from local villages.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Cement manufacturing process does not generate any by-product / waste as such. The Company utilises wastes of other industries like steel plants, power plants and other chemical plants as additives in cement manufacture and thus contributes to sustainable development. Fly ash generated in power plants and Slag a waste generated from steel industry are used in the cement manufacturing process itself. Fly ash generated from own captive thermal power plants is also used in cement manufacturing process. Apart from that waste from agriculture and industries are used as alternate fuel in kiln to replace fossil fuel. Solid waste such as electronic waste and liquid waste such as used oil, lubricants are sold/disposed to authorize recycling vendors. Waste water is treated in effluent plant and used for green belt development and dust suppression.

**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**
**PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**
**1. Please indicate the Total number of employees.**

As on 31st March, 2020, the Company had total 7,412 number of employees.

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total temporary/contractual/casual employees were 6,891 as on 31st March, 2020 out of which 284 comprises of Trainees and Apprentices.

**3. Please indicate the Number of permanent women employees.**

There were 40 permanent women employees as on 31st March, 2020.

**4. Please indicate the Number of permanent employees with disabilities.**

There were 4 (four) permanent employees with disabilities as on 31st March, 2020.

**5. Do you have an employee association that is recognized by management.**

Yes

**6. What percentage of your permanent employees is members of this recognized employee association?**

52.56%.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	The Company does not employ such labour	Not Applicable
2	Sexual harassment	Nil	Not Applicable
3	Discriminatory employment	Nil	Not Applicable

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

		Safety and skill up-gradation training
(a)	Permanent Employees	49.62%
(b)	Permanent Women Employees	12.50%
(c)	Casual/Temporary/Contractual Employees	55.39%
(d)	Employees with Disabilities	Nil

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.**
**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. For Birla Corporation Limited, maintaining relationship with stakeholders is a business imperative. The business revolves around stakeholders, right from suppliers to customers, shareholders to communities, government to workforce and contractors.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

The company has mapped disadvantaged, vulnerable and marginalised stakeholders viz. communities in and around the areas of its significant operations, and is actively working towards their inclusive growth as part of Company's CSR efforts.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company runs initiatives in the areas of Health Care including preventive health care and sanitation, providing safe drinking water, education, skill development leading to creation of alternative employment, Infrastructure development and ensuring environmental sustainability through agro forestry, conservation of natural resources and maintaining quality of soil, air and water, all directed towards helping neighbouring communities, including disadvantaged, vulnerable and marginalised stakeholders and being instrumental in cultivating their progress. To achieve the same, the Company has a well-established CSR policy which reflects the objective of economic and social development to create a positive impact.

**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**
**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**
**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Policy relating to respecting and promoting human rights covers the Company and its subsidiaries only. The Company encourage its business partners and third parties with whom it conducts business to abide by this policy.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the financial year 2019-2020, the Company did not receive any complaint with regard to violation of human rights.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**
**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Policy relating to respecting, protecting and restoring the Environment covers the Company and its subsidiaries only.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Climate change, global warming and environmental risks are serious challenges that the company is fully engaged with and started various initiatives. The Company proactively takes measure to reduce carbon foot print by trying to maximise production of blended cement by using waste generated from power plant and steel industry. The Company is using different waste material from different sector as alternate fuel to reduce fossil fuel which leads to reduction in carbon foot print. The Company has also taken several initiatives to reduce and control other Greenhouse Gases (GHG) like NOx, SOx etc. The Company has special program for tree plantation in the mined out areas, waste land and plant premises. The hyperlink for the same is <http://www.birlacorporation.com/climatic.html>.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes. The Company identifies and assesses potential environmental risks periodically across its plant operations and projects. The Company has invested heavily to comply with all the new Environment norms. The Company has dedicated Sustainable Development Team to identify, assess, monitor and mitigate the environmental risk on regular basis.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Currently no projects related to Clean Development Mechanism (CDM) has been taken up by the Company. However, the Company has already completed CDM project on Waste Heat Recovery based power generation at Satna and Chanderia Units. It is continuously endeavouring to identify opportunities to contribute in this regard.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. The Company has taken various initiatives on clean technology, energy efficiency, renewable energy etc., to reduce its impact on the environment. The Company has taken several initiatives in process & technology to improve plant performance and energy efficiency. We have installed waste heat recovery system to generate power from waste heat of clinkerization process. The Company has already commissioned solar power system to promote green energy and reduce carbon emission. Installed solar power plant also complies RPO obligation. In addition, we have installed system for feeding AFR (bio mass, plastic waste, co-processed industrial and chemical wastes hazardous & non-hazardous waste etc.). The Company has installed SNCR system for reduction of NOx. In the coming periods, it is proposed to increase alternate fuel consumption to reduce the dependence on fossil fuel. For further details please refer to Annexure- 'C' to the Director's Report covering inter-alia, details of Conservation of Energy.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. The emissions/waste generated by the Company are within the permissible limits for the financial year 2019-2020.



**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**
**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no show cause / legal notices received from CPCB/SPCB which are pending as at end of the Financial Year 2019-2020.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**
**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a Member of the following trade / chamber associations:

- (a) Indian Chamber of Commerce.
- (b) Cement Manufacturer's Association.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company continuously advocates the use of eco-friendly mining practices, use of alternative fuels, increase in usage of fly-ash, Installation of Waste Heat Recovery Plants in cement manufacturing units, energy conservation and construction of Concrete roads.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**
**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has a continuous CSR programme and plays a pro-active role in the socio economic growth and has contributed to all spheres ranging from Health, Water & Sanitation, Education, Women Empowerment, Livelihood & Environmental Sustainability, Promotion of Sports, Cultural Initiatives, Rural Development Program and Village Adoption etc. The Company has consistent track record of supporting innumerable social initiatives, touching the lives of lakhs of people positively by supporting environmental and health care projects and social, cultural and educational programs. The Company:

- 1) focuses on skill development of people for alternate employment opportunity generation, particularly women empowerment including livelihood projects.
- 2) conducts Self Help Group training, meeting and development programme.
- 3) provides training to farmers and their family members in the project for Vermi-compost manufacturing and Construction of Vermi-compost pit.
- 4) conducts regular farmers meeting and train them towards advanced agriculture techniques so that they can use their land more effectively and increase their income.
- 5) provides assistance to villagers for making Tree based farming (WADI) for Sustainable Livelihood.
- 6) works for Livestock development in which we do AI (Artificial Insemination) with superior breed and provide livestock to villagers so that it increases their income by selling milk or selling goat or by way of poultry farming. We also provide mineral mixture to New Born Calf.
- 7) conducts Vocational skill training for Women empowerment such as Mushroom cultivation, Tank Fishery, manufacturing of bags, florescent Jacket and Sanitary napkins. We also provide Computer & Beautician Course training.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Programme / Projects are undertaken through in house team as well as through external NGOs.

**BUSINESS RESPONSIBILITY REPORT 2019-2020 (Contd.)**
**3. Have you done any impact assessment of your initiative?**

Our team / Field staffs regularly visit the farmer's field and prepare the farm plots and from time to time senior officials go to said villages and take feedback from beneficiaries. We also conduct Community Assessment to identify the need of local community.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

During the financial year 2019-2020, the Company has spent ₹ 347.62 Lakhs as part of its CSR initiatives. Details of the projects are given in Annexure- 'D'- Report on CSR Activities forming part of Director's Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Company has taken all possible steps to ensure that these programs are successfully adopted by the community. Primary and secondary data was procured through Participatory Rural Appraisal (PRA) method and focus group discussion. The Company arranges regular meetings of company officials with villagers to ensure their satisfaction. NGOs have created Self Help Group (SHG) and regularly keep meeting them to explain benefits of the program. As a result of this, villager's mind-set has changed. Women groups come forward to showcase their products in various local festivals in and around the Plant locations. With the support of NGOs, the Company encourages women to embrace entrepreneurship. The Company has also implemented monthly reporting system which contains progress and development report of all the ongoing programmes.

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**
**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company is steadfast to provide world class products and services to customers, backed by proficient, competent and qualified manpower to extend pre and post sales services. The Company empathises with concerns of all its stakeholders, influencers and recommenders. We have a well-established formal system of receiving Customer complaints through Toll free number, e-mail, telephone, website, social media and feedback forms. It is a robust mechanism to address appropriately and resolve any type of grievance. Few cases received were addressed and disposed off leaving "Zero" cases pending as on end of the financial year 2019-2020.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Company displays and maintains high standards of communication and information dissemination to ensure full compliance with applicable regulations. The product quality is governed by the Bureau of Indian Standards (BIS). As per the BIS mandate, the product information is clearly displayed on the bag. No other label is displayed over and above than the mandated ones. The test report of cement supplied is available & produced on demand to the customers.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any such laws during the financial year 2019-2020.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. The Company carries out periodic customer satisfaction and consumer perception surveys from time to time based on commercial needs to fine tune its market offerings and products. The feedback of various programs for customers/ influencers education is also taken. We have a practice of conducting Brand Equity Survey influencer, dealers & consumer to know our brand health in the market. The exercise enables the Company to take appropriate measures, often proactively, to increase customer satisfaction.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Company's philosophy on Code of Governance is to achieve the highest levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the government. We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

### 2. BOARD OF DIRECTORS:

#### Board Composition:

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors with Independent Directors forming majority.

The strength of the Board of Directors as on 31st March, 2020, is 9 (Nine) including 1 (one) Independent Woman Director. Of the 9 (Nine) Directors, 1 (One) is an Executive Director and 8 (Eight) are Non-Executive Directors out of which 6 (six) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

None of the Directors of the Company are Members of more than 10 (Ten) Committees (i.e. Audit Committee and Stakeholders Relationship Committee) nor Chairman of more than 5 (Five) such Committees (as specified in Regulation 26 of the Listing Regulations).

None of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed companies, nor any of the Whole-time Director serves as an Independent Director in more than 3 (Three) listed companies.

#### Directors' Profile:

The Board of Directors is composed of highly renowned professionals drawn from diverse fields, who bring with them a wide range of skill and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

**Shri Harsh V. Lodha**, Chairman of the Company is a Chartered Accountant. He has served on the Board of several reputed companies and as Trustee and Managing Committee Member of many social and philanthropic organizations. He is the executive committee member of Indian Chamber of Commerce where he has also served as Vice President. He has served as the member of the executive committee of FICCI and served as the co-chairman of its Young Leaders Forum. He has served as the member of the Accounting Standards Board of the Institute of Chartered Accountants of India.

Apart from handling audits of several large publicly quoted companies in India and other professional work, he has been involved in and handled several Advisory assignments in the fields of international takeovers and financing, domestic financing, project structuring, capital mobilisation, joint ventures/collaborations, mergers/reconstructions and rehabilitation.

**Shri Pracheta Majumdar**, was re-designated as Wholetime Director & Chief Executive Officer of the Company w.e.f. 2nd August, 2019. He is a former Managing Director of CEAT Tyres Ltd., a Mechanical Engineer and a Management Advisor by profession. He has worked in the fields of design and project management of Chemicals, Petrochemical and Fertilizer Plants. He has worked with Hindustan Unilever Limited for about 12 years. Shri Majumdar has served in very Senior Management positions in diverse fields with large corporates and Multinational Companies. Shri Majumdar attended various international management courses organized by Unilever and Executive Development Programmes and Advanced Management Programmes conducted by Stanford University and Harvard Business School.

**Shri Vikram Swarup** is the Managing Director of Paharpur Cooling Towers Limited. He is a Mechanical Engineer and is an acknowledged authority on thermal design of cooling towers in India. He has vast experience in Marketing, Engineering and other General Management functions. He is the Vice Chairman of Kalyan Bharti Trust which owns and operates The Heritage Group of Educational Institutions in Kolkata, Chairman of the School Management Committee of The Heritage School and Vice Chairman of the Board of Governors of the Heritage Institute of Technology. He is also on the Executive Committee of the Indo-Italian Chamber of Commerce & Industries.

**Shri Anand Bordia**, Member of the Indian Revenue Service, was First Secretary, Trade High Commission of India, London, and worked in the Secretariat of the World Customs Organization, Brussels. He held various senior positions in the Central Government. He was a Member of Finance at the National Highways Authority of India. He undertook consultancy projects for the Harvard Institute for International Development, UNODC and Asian Development Bank.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

**Shri Brij Behari Tandon**, a Member of the Indian Administrative Service (IAS), has served as Former Chief Election Commissioner of India and as a Member of the Delimitation Commission. He was Secretary, Ministry of Personnel, as well as Secretary, Mines to the Government of India. He served as Additional Secretary in the Department of Company Affairs and Cabinet Secretariat. He was the convener of the Working Group on Revision of the Companies Act, 1956. In the State Government of Himachal Pradesh, he served as Principal Secretary, Department of Industries and Power as well as Chairman of the H.P. State Electricity Board.

**Shri Dhruba Narayan Ghosh** was the former Secretary to the Govt. of India and a former Chairman of State Bank of India. He was the Founder Chairman of ICRA Ltd., the premier Rating Agency and former Chairman of Larsen & Toubro Ltd., Philips (India) Ltd. and the Management Development Institute, Gurgaon and Founder Chairman of the Indian Institute of Management, Lucknow.

**Dr. Deepak Nayyar** is an eminent economist and Emeritus Professor of Economics at Jawaharlal Nehru University. He has also taught at the University of Oxford, University of Sussex, IIM Calcutta and the New School of Social Research, New York. He was a Rhodes Scholar at Oxford and is Honorary Fellow, Balliol College, Oxford. He served as Chief Economic Advisor to the Government of India and Secretary, Ministry of Finance and was Vice Chancellor, University of Delhi. He has published 16 books and more than 75 papers in academic journals. Dr. Nayyar was an Independent Director on the Board of ICRA, SAIL and ONGC. He is currently serving on the Board of The Press Trust of India Limited.

**Ms. Shailaja Chandra** was a Member of the Indian Administrative Service (IAS) and a civil servant for 38 years. She has distinguished herself in several assignments including Secretary in the Ministry of Health and later as Delhi's only woman Chief Secretary. Apart from 15 years with the Central Government where she held assignments in the Ministries of Defence, Power and Health she has experience of working with different Governments in Maharashtra, Manipur, Goa, Delhi and the Andaman & Nicobar Islands.

After retirement Ms. Chandra held a series of assignments carrying executive responsibility including as the Chairman of the Public Grievances Commission and Appellate Authority under the Delhi Right to Information Act and as the first Executive Director of the National Population Stabilisation Fund, Ministry of Health & Family Welfare, Government of India. She continues to be on the Boards and Management Committees of listed Indian companies and Apex level NGOs working for women's and children's welfare.

**Shri Dilip Ganesh Karnik**, Arbitrator and Legal Consultant, retired as a Judge of Bombay High Court in May 2012. He was elevated as Additional Judge of the Court in October 2001. A practicing advocate from 1972 to 2001, he was a Gold Medalist in Law from the University of Pune. He is currently serving on the Board of the ICICI group of companies and M.P. Birla group of companies.

#### Directors' induction, familiarisation and training:

The Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility.

Directors are regularly briefed about the industry's specific issues to enable them to understand the business environment in which the company operates. To enhance their skills and knowledge, the Directors are regularly updated on the changes in the policies, laws and regulations, developments in the business environment etc. The Board members are provided necessary documents, reports and other presentations about the Company from time to time.

Efforts are also made to familiarise the Directors about their roles, rights, responsibility in the Company, its business model and the environment in which the Company operates.

The details of such familiarisation programmes have been placed on the website of the Company under the web link/url: <http://www.birlacorporation.com/directors-induction.html>

#### Meetings, attendance and agenda of the Board Meetings:

During the financial year 2019-2020, 5 (Five) Meetings of the Board of Directors of the Company were held on 1st April, 2019; 3rd May, 2019; 2nd August, 2019; 5th November, 2019 and 29th January, 2020. The maximum time gap between two consecutive board meetings was not more than one hundred and twenty days.

All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. The Chairman along with the Wholetime Director & Chief Executive Officer and/or the Chief Financial Officer, Executive Presidents of the Company makes presentation on the quarterly and annual financial performance and on annual operating and capex budget. Presentations relating to major projects for which Board's approval are sought are also made. Post meetings, important decisions taken by the Board are communicated to the concerned officials and departments. The Board is also kept updated about the developments on various functional areas.

**REPORT ON CORPORATE GOVERNANCE** (Contd.)

The composition and category of the Board of Directors, their relationship with other Directors, their attendance at the Board Meetings held during the financial year 2019-2020 as well as at the last Annual General Meeting, number of Directorships and

Committee Memberships/Chairmanships in other Companies, name of other listed companies in which the Director is a Director and number of shares held by them as on 31st March, 2020 are as follows:

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM held on 13.08.2019	No. of shares held	No. of other Directorship <sup>§</sup>	Details of other Board Committee / Membership <sup>#</sup>		List of Directorship held in Other Listed Companies and Category of Directorship
						Member	Chairman	
Shri Harsh V. Lodha (Chairman)	Non-Independent Non- Executive	5	P	1260*	7	-	-	1. Alfred Herbert (India) Ltd, (NED) 2. Birla Cable Ltd., (NED) 3. Universal Cables Ltd., (NED) 4. Vindhya Telelinks Ltd., (NED)
Shri Pracheta Majumdar (Whole time Director & Chief Executive Officer)**	Executive	5	P	500*	1	1	-	1. Vindhya Telelinks Ltd., (NED)
Shri Vikram Swarup	Independent Non-Executive	5	P	500*	6	1	-	None
Shri Anand Bordia	Independent Non-Executive	5	A	500*	1	1	-	1. Roto Pumps Ltd., (ID)
Shri Brij Behari Tandon	Independent Non-Executive	2	A	500*	4	4	-	1. Oriental Carbon & Chemicals Ltd., (ID) 2. Filatex India Ltd., (ID) 3. Duncan Engineering Ltd., (ID)
Shri Dhruba Narayan Ghosh	Independent Non-Executive	4	A	500*	1	-	-	None
Dr. Deepak Nayyar	Independent Non-Executive	4	A	500*	1	1	-	None
Ms. Shailaja Chandra	Independent Non-Executive	4	A	500*	1	-	-	1. Kerala Ayurveda Limited, (ID)
Shri Dilip Ganesh Karnik	Non-Independent Non-Executive	4	A	500	5	3	-	1. ICICI Prudential Life Insurance Co. Ltd., (ID) 2. Universal Cables Ltd., (NED) 3. Vindhya Telelinks Ltd., (NED)
Shri Bachh Raj Nahar ***	Non-Executive	3	A	500*	1	-	-	1. Universal Cables Ltd., (NED)

P= Present, A= Absent, NED= Non-Independent Non-Executive Director, ID= Independent Non-Executive Director

\* Shares held jointly with other shareholder.

§ Excludes Alternate Directorships, Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

# Only covers Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee of other Public Limited Companies.

\*\* Re-designated as Wholetime Director & Chief Executive Officer w.e.f. 2nd August, 2019.

\*\*\* Ceased to be the Managing Director w.e.f. 3rd August, 2019 and Director w.e.f. 13th August, 2019.

None of the Directors are related to any other Director on the Board.

The requisite quorum was present at all the Board and Committee Meetings.

**REPORT ON CORPORATE GOVERNANCE** (Contd.)

**List of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:**

The Board comprises of persons of repute with strength of character and professional eminence who bring a wide range of experience and expertise by providing leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management

adheres to high standards of ethics, transparency and disclosure.

The brief profile of Directors forming part of this Report gives an insight into the education, expertise, skills and experience of the Directors, thus bringing in diversity to the Board's perspectives.

The Board of Directors have identified the following core skills/ expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

Skills and its description	Shri Harsh V. Lodha	Shri Pracheta Majumdar	Shri Vikram Swarup	Shri Anand Bordia	Shri Brij Behari Tandon	Dr. Deepak Nayyar	Shri Dhruba Narayan Ghosh	Smt. Shailaja Chandra	Shri Dilip Ganesh Karnik
Understanding the business and domain knowledge of Industry	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Planning and Development	✓	✓	✓	✓	✓	✓	✓	✓	-
Financial expertise	✓	✓	✓	✓	✓	✓	✓	✓	-
Risk Management	✓	✓	✓	✓	✓	-	✓	✓	✓
Industrial Relationship Management including Labour and Environment, Health and Safety	✓	✓	✓	-	-	-	-	✓	-
Legal knowledge & expertise	✓	✓	✓	-	✓	✓	-	✓	✓
Governance, Statutory and other Compliances	✓	✓	✓	✓	✓	✓	-	✓	✓
Project Management- Adopting best practices	✓	✓	✓	✓	-	-	-	-	-
General Administration	✓	✓	✓	-	✓	✓	-	✓	✓
Human Resource Development	✓	✓	✓	✓	✓	✓	-	✓	-
Social sciences of health, Demographics and Education	-	-	-	-	-	-	-	✓	-
Economic Analysis and Evaluation	-	-	-	-	✓	✓	-	✓	-

**Independent Directors confirmation by the Board:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfill the criteria of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

**Video Conferencing:**

The Companies Act, 2013 read with the relevant rules made thereunder, facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors. During the year 2019-2020, Shri Dilip Ganesh Karnik attended the Board Meeting held on 3rd May, 2019 through video conferencing from Pune.

**Information Placed before Board of Directors:**

The Company has complied with Part A of Schedule II of the Listing Regulations read with Regulation 17(7) of the said



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Regulations with regard to information to be placed before the Board of Directors.

**Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company.

All Board members and senior management personnel have affirmed their adherence to the provisions of the said Code of Conduct during the year 2019-2020.

A declaration to this effect signed by the Wholetime Director & Chief Executive Officer in terms of the Listing Regulations is attached and forms part of the Annual Report of the Company.

**Code of Conduct of Independent Directors:**

As per the provisions of Section 149(8) of the Companies Act, 2013, the Company and Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013. Further, Schedule IV lays down a Code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has formulated a Code for Independent Directors of the Company and the same has also been placed on the website of the Company.

**3. AUDIT COMMITTEE:**

3.1 The Company has a qualified and independent Audit Committee in place. The role and terms of reference of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Committee acts as a link between the statutory and internal auditors and the Board of Directors.

3.2 The terms of reference of the Audit Committee inter alia includes the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013,

- b. Changes, if any, in accounting policies and practices and reasons for the same,
  - c. Major accounting entries involving estimates based on the exercise of 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;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  7. Approval or any subsequent modification of transactions of the company with related parties;

Provided that the Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the conditions prescribed under the Act and the Listing Regulations.

8. Scrutiny of inter-corporate loans and investments;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. 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;
12. 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;
13. To review the functioning of the Whistle Blower/Vigil mechanism;
14. To review the system for storage, retrieval, display or printout of the electronic records, if the Books of Accounts are kept in electronic mode;
15. To review the Financial Statements in particular the investments made by the Unlisted Subsidiary of the Company;

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

16. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
17. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, at least once in a financial year;
18. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

3.3 During the financial year 2019-2020, 4 (Four) meetings of the Audit Committee of the Company were held on 2nd May, 2019, 1st August, 2019, 4th November, 2019 and 28th January, 2020. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days. The composition of the Committee and the attendance of members of the Committee during the year 2019-2020 is as under:

Name of the Member	Category	No. of meetings attended
Shri Vikram Swarup (Chairman)	Independent Non-Executive Director	4
Shri Anand Bordia	Independent Non-Executive Director	4
Shri Brij Behari Tandon	Independent Non-Executive Director	1
Dr. Deepak Nayyar	Independent Non-Executive Director	4

As on 31st March, 2020 all the Members of the Audit Committee are Non-Executive Directors and all of them, including the Chairman are Independent Directors. As per the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, all Members of the Audit Committee including the Chairman are financially literate and have expertise in accounting or related financial management.

The Wholetime Director & Chief Executive Officer, Chief Financial Officer, Executive Presidents, President, Head of Management Audit Department and representatives of the Statutory Auditors are invitees to the Audit Committee Meetings. Internal Auditors are also invited for discussion with the Audit Committee members. The Cost Auditors appointed by the Company under Section 148 of the Companies Act, 2013 attend the Audit Committee Meeting, where cost audit reports are discussed.

The Company Secretary acts as the Secretary to the Committee.

All recommendations made by the Audit Committee were accepted by the Board of Directors of the Company during the financial year 2019-2020.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 13th August, 2019.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

4.1 The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Committee are as follows:

- i) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and other employees;
- ii) formulation of criteria for evaluation of performance of Independent Directors and the Board;
- iii) devising a policy on Board's diversity;
- 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 and carry out evaluation of every director's performance;
- 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) recommendations to board on all the payments made, in whatsoever form, to the senior management;
- vii) assess the list who shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

4.2 During the year 2019-2020, 2 (Two) meetings of the Nomination and Remuneration Committee of the Company were held on 2nd May, 2019 and 2nd August, 2019. The composition of the Committee and the attendance of members of the Committee during the year 2019-2020 is as under:

Name of the Member	Category	No. of meetings attended
Shri Vikram Swarup (Chairman)	Independent Non-Executive Director	2
Shri Harsh V. Lodha	Non-Independent Non-Executive Director	2
Shri Anand Bordia	Independent Non-Executive Director	2
Shri Brij Behari Tandon	Independent Non-Executive Director	1
Dr. Deepak Nayyar	Independent Non-Executive Director	2

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

As on 31st March, 2020, the Nomination and Remuneration Committee consisted of five directors, all of whom are Non-Executive Directors. All recommendations made by the Nomination and Remuneration Committee were accepted by the Board of Directors of the Company during the financial year 2019-2020.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 13th August, 2019.

**4.3 Nomination and Remuneration Policy:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Nomination and Remuneration Policy for Directors and Senior Management, the details of which forms part of the Directors' Report.

**4.4 Performance Evaluation criteria:**

The Nomination and Remuneration Committee of the Board approved the criteria for determining qualifications, positive attributes and independence of Directors in terms of the Companies Act, 2013 and the Rules made thereunder and Listing Regulations, both in respect of Independent Directors and other Directors as applicable. The details in this regard are covered in the Directors' Report.

**4.5 Details of remuneration paid to the Executive / Non-Executive Directors during the financial year ended 31st March, 2020:**
**(a) Shri Bachh Raj Nahar, Managing Director\*:**

(₹ in Lakhs)

Name	Salary	Perquisites and Allowances**	Sitting Fees	Performance Linked Bonus	Total amount paid in 2019-2020	Period of Service Contract
Shri Bachh Raj Nahar	51.47	316.94	-	20.40	388.82	5 Years w.e.f. 03.08.2014

\* Ceased to be the Managing Director w.e.f. 3rd August, 2019 and Director w.e.f. 13th August, 2019.

\*\* Including Retirement benefits.

**(b) Shri Pracheta Majumdar, Wholetime Director & Chief Executive Officer\*:**

(₹ in Lakhs)

Name	Salary	Perquisites and Allowances	Sitting Fees	Performance Linked Bonus	Total amount paid/ payable in 2019-2020	Period of Service Contract
Shri Pracheta Majumdar	124.25	0.86	-	-	125.11	3 Years w.e.f. 20.05.2018

\* Re-designated as Wholetime Director & Chief Executive Officer w.e.f. 2nd August, 2019.

**(c) Non-Executive Directors:**

(In ₹)

Name	Commission* (Relating to 2019-2020)	Sitting Fees
Shri Harsh V. Lodha	1	700000
Shri Vikram Swarup	1	1250000
Shri Anand Bordia	1	1100000
Shri Brij Behari Tandon	1	375000
Shri Dhruva Narayan Ghosh	1	550000
Dr. Deepak Nayyar	1	1000000
Ms. Shailaja Chandra	1	550000
Shri Dilip Ganesh Karnik	1	450000

\* In view of extraordinary circumstances, adverse and uncertain business environment prevailing in the country due to COVID-19 pandemic, the Non-Executive Directors were paid a token amount of ₹ 1/- each as commission for the financial year 2019-2020.

No remuneration other than the sitting fees for attending Board and Committee Meetings and Commission thereof was paid to the Non-Executive Directors. There is no other pecuniary relationship or transactions with the Non-Executive Directors vis-à-vis the Company.

The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any Executive and/or Non-Executive Director.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

5.1 Stakeholders Relationship Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations and inter alia approves transfer and transmission of shares, issue of duplicate share certificates/re-materialization of shares, consolidation and sub-division of share certificates.

5.2 Stakeholders Relationship Committee has been empowered to deal with and dispose of the instruments of transfer of shares in the Company including the power to reject transfer of shares in terms of the provisions of the Companies Act, 2013, Securities Contract (Regulations) Act, Listing Regulations and the Company's Articles of Association and take necessary actions for all of the matters effecting the interest of the shareholders such as:-

- Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, Annual Reports and statutory Notices etc.

5.3 During the year 2019-2020, 4 (Four) meetings of the Stakeholders Relationship Committee of the Company were held on 3rd May, 2019, 2nd August, 2019, 5th November, 2019 and 29th January, 2020. The composition of the Committee and the attendance of members of the Committee during the year 2019-2020 is as under:

Name of the Member	Category	No. of meetings attended
Shri Harsh V. Lodha (Chairman)	Non-Independent Non-Executive Director	4
Shri Pracheta Majumdar	Executive Director	4
Shri Vikram Swarup	Independent Non-Executive Director	4
Shri Bachh Raj Nahar*	Executive Director	2

\* Ceased to be a Director w.e.f. 13th August, 2019.

5.4 In addition, the Stakeholders Relationship Committee approved 16 Resolutions by Circulation for effecting registration of transmission of shares and other issues concerning investor services during the year.

The Company has received 7 (Seven) complaints from the shareholders during the year 2019-2020 and the same has been processed in time and replied/resolved to the satisfaction of the shareholders.

As on 31st March, 2020, no grievances of the Shareholders remained unaddressed/pending.

Shri Girish Sharma, Company Secretary is the Compliance Officer of the Company.

**6. COMMITTEE OF DIRECTORS:**

6.1 The Committee of Directors has been constituted by the Board of Directors of the Company with necessary powers delegated to it with a view to conduct the affairs of the Company smoothly.

6.2 During the year 2019-2020, no meeting of the Committee of Directors of the Company was held. The composition of the Committee is as under:

Name of the Member	Category
Shri Harsh V. Lodha	Non-Independent Non-Executive Director
Shri Pracheta Majumdar	Executive Director
Shri Vikram Swarup	Independent Non-Executive Director
Shri Bachh Raj Nahar*	Executive Director

\* Ceased to be a Director w.e.f. 13th August, 2019.

**7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

7.1 The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company as per the provisions of Section 135 of the Companies Act, 2013 read with Corporate Social Responsibility (CSR) Rules, 2014.

7.2 The terms of reference of the Corporate Social Responsibility Committee of the Company are as under:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a Financial Year;
- to monitor the Corporate Social Responsibility Policy of the company from time to time; and
- any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

7.3 During the year 2019-2020, 2 (Two) meetings of the CSR Committee were held on 3rd May, 2019 and 5th November, 2019. The composition of the Committee and the attendance of members of the Committee during the year 2019-2020 is as under:

Name of the Member	Category	No. of meetings attended
Shri Harsh V. Lodha (Chairman)	Non-Independent Non-Executive Director	2
Shri Vikram Swarup	Independent Non-Executive Director	2
Shri Brij Behari Tandon	Independent Non-Executive Director	1
Shri Dhruva Narayan Ghosh	Independent Non-Executive Director	2



**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**8. RISK MANAGEMENT COMMITTEE:**

8.1 Pursuant to the provisions of Regulation 21 of the Listing Regulations the Risk Management Committee has been constituted by the Board of Directors of the Company w.e.f. 1st April, 2019.

Risk Management Committee acts in accordance with the provisions of Section 134 of the Companies Act, 2013 read with the provisions of the Listing Regulations, 2015 and the roles and responsibilities of the Risk Management Committee shall include the following:

- To develop the Risk Management Policy of the Company;
- To monitor and review the Risk Management Policy of the Company as may be approved by the Board;
- To review the Cyber Security systems of the Company;
- To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

8.2 During the year 2019-2020, 1 (One) meeting of the Risk Management Committee was held on 28th January, 2020. The composition of the Committee and the attendance of members of the Committee during the year 2019-2020 is as under:

Name of the Member	Category	No. of meetings attended
Shri Brij Behari Tandon (Chairman)	Independent Non-Executive Director	-
Ms. Shailaja Chandra	Independent Non-Executive Director	1
Shri Dilip Ganesh Karnik	Non-Executive Director	1
Shri Sandip Ranjan Ghose, Chief Operating Officer	Member	1
Shri Aditya Saraogi, Chief Financial Officer	Member	1

**9. INDEPENDENT DIRECTORS' MEETING:**

Section 149(8) read with Schedule IV of the Companies Act, 2013 and the Rules thereunder and Regulation 25(3) of the Listing Regulations mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management.

During the year under review, 1 (One) meeting of the Independent Directors of the Company was held on 29th January, 2020, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

9.3 Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The attendance of Directors at the meeting held during the year 2019-2020 is as under:

Name of the Director	No. of meetings Attended
Shri Dhruba Narayan Ghosh *	1
Shri Vikram Swarup	1
Shri Anand Bordia	1
Shri Brij Behari Tandon	-
Dr. Deepak Nayyar	1
Ms. Shailaja Chandra	1

\* Shri Dhruba Narayan Ghosh was unanimously elected as the Chairman of the Meeting.

The Independent Directors expressed satisfaction on the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the Company, Management and the Board.

**10. SUBSIDIARY COMPANIES:**

In terms of Regulation 24(1) of the Listing Regulations the Company has a material unlisted Subsidiary namely RCCPL Private Limited (formerly known as Reliance Cement Company Private Limited). The requirements relating to composition of Board of Directors of unlisted material subsidiary has been complied with.

The Company monitors performance of the subsidiary companies, inter alia, by the following means:

- Financial statements, in particular the investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the Meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly.
- A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board/Audit Committee.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**11. GENERAL BODY MEETINGS:**

11.1 The details of Annual General Meetings held during the last three years are as under:

AGM	Financial Year	Venue	Date	Time
99th	2018-19	Kalpataru Uttam Mancha 10/1/1, Monohar Pukur Road, Kolkata - 700 026	13.08.2019	10.30 A.M
98th	2017-18	Kalpataru Uttam Mancha 10/1/1, Monohar Pukur Road, Kolkata - 700 026	20.07.2018	10.30 A.M.
97th	2016-17	Kalpataru Uttam Mancha 10/1/1, Monohar Pukur Road, Kolkata - 700 026	31.07.2017	10.30 A.M.

11.2 The details of the Special Resolutions passed in the last three Annual General Meetings are as follows:

AGM	Financial Year	Details of Special Resolution passed
99th	2018-19	1. Re-appointment of Ms. Shailaja Chandra (DIN: 03320688) as an Independent Director for a second term of 5 (Five) consecutive years w.e.f. 5th February, 2020. 2. Payment of Commission to Shri Harsh V. Lodha (DIN: 00394094), Non-Executive Chairman of the Company for the financial year 2019-20.
98th	2017-18	1. Re-appointment of Shri Pracheta Majumdar (DIN: 00179118) as Whole-time Director designated as the Chief Management Advisor for a period of 3 years w.e.f. 20th May, 2018. 2. Re-appointment of Shri Vikram Swarup (DIN: 00163543) as an Independent Director for a second term of 5 (Five) consecutive years w.e.f. 1st April, 2019. 3. Re-appointment of Shri Anand Bordia (DIN: 00679165) as an Independent Director for a second term of 5 (Five) consecutive years w.e.f. 1st April, 2019. 4. Re-appointment of Shri Brij Behari Tandon (DIN: 00740511) as an Independent Director for a second term of 5 (Five) consecutive years w.e.f. 1st April, 2019. 5. Re-appointment of Shri Dhruba Narayan Ghosh (DIN: 00012608) as an Independent Director for a second term of 5 (Five) consecutive years w.e.f. 1st April, 2019. 6. Re-appointment of Dr. Deepak Nayyar (DIN: 00348529) as an Independent Director for a second term of 5 (Five) consecutive years w.e.f. 1st April, 2019.
97th	2016-17	None

11.3 During the Financial Year 2019-2020, the Company sought the approval of the shareholders by way of a Special Resolution through Postal Ballot dated 3rd May, 2019 for continuation of Directorship of Ms. Shailaja Chandra (DIN: 03320688) on attaining the age 75 (seventy five) years on 16th June, 2019, as a Non-Executive Independent Director till the expiration of her existing term i.e. upto 4th February, 2020, the results of which were announced on 11th June, 2019.

The Postal Ballot was conducted in accordance with the provisions of Listing Regulations and the Companies Act, 2013. The Company had provided e-voting facility through National Securities Depository Limited, to enable the shareholders to cast their votes electronically.

The Board had appointed Shri Anil Murarka (Membership No. F3150, C.P No. 1857), LL.B., Company Secretary in Whole-time Practice as the Scrutinizer to conduct the Postal Ballot & E-voting process in a fair and transparent manner.

**Details of Voting Pattern**

Date of passing of Resolution	Purpose	Votes in favour of the Resolution		Votes against the Resolution	
		Number	%	Number	%
11.06.2019	Continuation of Directorship of Ms. Shailaja Chandra (DIN: 03320688) as a Non-Executive Independent Director	60736476	99.9965	2136	0.0035

At present there is no proposal for passing any Special Resolution through Postal Ballot.

**12. DISCLOSURES:**
**i) Disclosure on materially significant related party transactions:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year 2019-2020 were in the ordinary course of business and on an arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year 2019-2020 which were in conflict with the interest of the Company.

Suitable disclosure as required by the Indian Accounting Standard (IND-AS 24) has been made in the Note No. 58 of the Financial Statements.

The Policy on Related Party Transaction can be accessed at the link <http://www.birlacorporation.com/investors/policies/related-party-transactions-policy.pdf>

**ii) Disclosure on Accounting Treatment:**

In the preparation of the financial statements, the Company has followed and adopted all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting policies and practices. The significant accounting policies which are consistently applied and followed by the Company to the extent applicable have been set out in the Notes to the Financial Statements.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**iii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authority on any matter related to Capital Markets:**

The Company has complied with all the requirements of the Listing Regulations as well as regulations and guidelines of SEBI. There has been no non-compliance by the Company on any matter related to Capital Markets during the last three years. No penalties or strictures have been imposed on the Company by SEBI, Stock Exchanges or any statutory authority during last three years except for the nominal fine of ₹8260/- (including GST), in terms of circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated 7th May, 2018 with respect to submission of Statement of Investors Complaints for the quarter ended June, 2019 on account of some technical reasons. The Company had contested the levy of fine and had deposited the amount under protest.

**iv) Risk Management:**

The Company has laid a comprehensive Risk Management Policy which is reviewed by the Risk Management Committee and the Audit Committee and approved by the Board from time to time. These procedures are reviewed and updated to ensure that executive management controls risk through means of a properly defined framework and the risks are properly dealt with and mitigated.

**v) Vigil Mechanism/Whistle Blower Policy:**

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has framed a Vigil Mechanism/ Whistle Blower Policy and the same has also been placed on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

**vi) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the applicable mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations.

The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

- i) **Shareholders' Rights:** The quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website and the same are not being sent to the shareholders.

- ii) **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2019-2020 do not contain any modified audit opinion.

- iii) **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.

- iv) **Reporting of Internal Auditors:** The Internal Auditors reports to the Audit Committee and he participates in the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee.

**vii) Policy for determining 'Material' Subsidiaries:**

The Company's Policy on "Material Subsidiary" is placed on the Company's website and can be accessed through link:

<https://www.birlacorporation.com/investors/policies/policy-on-material-subsidiary.pdf>

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

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

**ix) 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:**

The Certificate received from M/s. Mamta Binani & Associates, Company Secretary in practice, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of Company, is attached and forms part of the Report.

**x) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:**

All the recommendations of the various Committees were accepted by the Board.

**xi) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

The Company has paid a total sum of ₹0.93 Crores, on a consolidated basis, to M/s. V. Sankar Aiyar & Co., Statutory Auditors of the Company for all the services provided to the Company and its subsidiaries.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**xii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has adopted zero tolerance for sexual harassment at workplace and has formulated 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 framed thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as follows:

- a) Number of complaints filed during the financial year 2019-2020 – None.
- b) Number of complaints disposed of during the financial year – Not Applicable.
- c) Number of complaints pending as on end of the financial year – Not Applicable.

- xiii) There have been no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-para (2) to (10) of para C of Schedule V to the Listing Regulations.

- xiv) The Company has duly complied with the applicable requirement specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**13. PREVENTION OF INSIDER TRADING:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Prohibition of Insider Trading Regulations'), the Company has formulated and adopted the revised Internal Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information ('Code') in the financial year 2019-2020.

The said Code was amended and approved by the Board of Directors at its meeting held on 1st April, 2019.

The said Code is applicable to all Designated Persons, their immediate relatives, and subsidiaries of the Company, inter alia, prohibits trading in securities of the Company while in possession of unpublished price sensitive information in relation to the Company. The Code is also placed on the Company's website and can be accessed through link: <http://www.birlacorporation.com/bcl-insider-trading.pdf>.

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations.

The Board has framed a policy for determination of Legitimate Purposes as a part of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the requirements of the Prohibition of Insider Trading Regulations.

The Code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with the Shares of the Company.

The Company follows closure of trading window from the end of every quarter till 48 hours after the declaration of financial results. The Company has been advising the Designated Persons covered by the Code not to trade in Company's securities during the closure of trading window period.

The Board of Directors and the Designated Persons have affirmed their adherence to the provisions of the said Code.

As required under Regulation 9A of the Prohibition of Insider Trading Regulations (as amended), the Audit Committee and Board of the Company has reviewed the Compliances with the provisions of these regulations and has also verified the internal control systems in this respect and the same are adequate and operating effectively.

**14. CEO & CFO CERTIFICATION:**

The Wholtime Director & Chief Executive Officer and Chief Financial Officer of the Company have issued a certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said Certificate is attached and forms part of the Annual Report.

The Wholtime Director & Chief Executive Officer and Chief Financial Officer also give quarterly certification on financial results to the Board in terms of Regulation 33(2) of the Listing Regulations.

**15. COMPLIANCE CERTIFICATE OF THE AUDITORS:**

Certificate from the Company's Statutory Auditors M/s. V. Sankar Aiyar & Co., Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under the Listing Regulations is attached and forms part of the Annual Report.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**16. MEANS OF COMMUNICATION:**

The quarterly, half-yearly and the annual financial results of the Company are published in leading newspapers in English and vernacular newspapers. The results are also displayed on the Company's website [www.birlacorporation.com](http://www.birlacorporation.com). The Company issues Press Releases on the quarterly, half-yearly and the annual financial results which are also displayed on the Company's website. As per the requirements of the Listing Regulations, the financial results, Statutory Notices and Press Releases are furnished to the Stock Exchanges where the securities of the Company are listed. The Management Discussion and Analysis, forms part of the Directors' Report and is covered in the Annual Report.

**SEBI Complaints Redressal System (SCORES):** The investors complaints are also being processed through the centralized web based to complaint redressal system. The salient features of SCORES are availability of centralized data base of the complaints, uploading online action taken reports by the Company. Through the SCORES website, the investors can view online, the action taken and the current status of the complaints.

**17. GENERAL SHAREHOLDERS' INFORMATION:**
**17.1 Annual General Meeting**

Date and Time : 25th August, 2020 at 10.30 a.m.

Venue : To be held through Video Conference ("VC") or Other Audio Visual Means ("OAVM") (Deemed Venue for the Meeting: The place from where the Chairman of the Company shall attend and conduct the Meeting)

**17.2 Financial Year:** 1st April to 31st March

**17.3 Financial Calendar (tentative and subject to change)**

1st Quarterly Results	} : Within 45 days of the end of the quarter
2nd Quarterly/Half yearly Results	
3rd Quarterly Results	
Audited yearly Results (for the year ending 31st March, 2021)	: Within 60 days of the end of the Financial Year

**17.4 Date of Book closure** : 19th August, 2020 to 25th August, 2020 (both days inclusive)

**17.5 Dividend Payment date:**

Within 30 days from the date of Annual General Meeting.

Physical warrants shall be dispatched to the shareholders, who have not registered their ECS mandates, upon normalisation of postal services.

**17.6 Listing of Shares and Debentures:**
**A. Ordinary Shares**

The Ordinary shares are at present listed at the following Stock Exchanges.

Name of the Stock Exchanges	Stock Code/Symbol
1. National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C - 1, Block - G, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051.	BIRLACORPN – EQ
2. BSE Ltd.(BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.	500335

**B. Debentures**

The Privately placed Secured Redeemable Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of BSE Limited.

**C. Debenture Trustees**

IDBI Trusteeship Services Limited  
Asian Bldg., Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai- 400001

**17.7 ISIN Code for the Company's Ordinary Shares:**

INE340A01012

**17.8 ISIN Code for various series of Debentures is as under:**

Secured Redeemable Non-Convertible Debentures Series –3	INE340A07050*
Secured Redeemable Non-Convertible Debentures Series –4	INE340A07068
Secured Redeemable Non-Convertible Debentures Series –5	INE340A07076
Secured Redeemable Non-Convertible Debentures Series –6	INE340A07084
Secured Redeemable Non-Convertible Debentures Series –7	INE340A07092

\*Redeemed during the financial year 2019-2020.

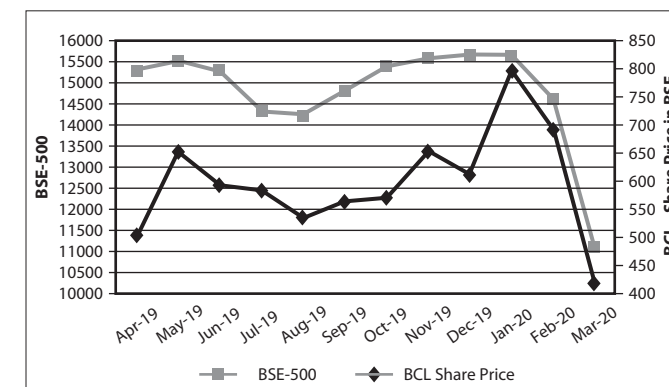
Annual Listing fees for the financial year 2019-2020 and 2020-2021 have been paid by the Company to the above Stock Exchanges.

**17.9 Corporate Identity Number (CIN):**

L01132WB1919PLC003334

**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**17.10 Market Price Data during financial year 2019-2020:**

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
April, 2019	539.00	491.05	541.00	491.10
May, 2019	682.95	499.00	684.00	496.15
June, 2019	676.20	537.05	678.80	560.05
July, 2019	655.60	528.10	655.10	525.00
August, 2019	605.00	516.55	609.95	515.00
September, 2019	640.90	523.00	642.00	522.95
October, 2019	599.05	511.00	599.90	510.05
November, 2019	669.80	570.95	669.90	568.80
December, 2019	677.10	573.45	678.00	574.50
January, 2020	804.60	600.20	804.95	597.20
February, 2020	807.60	671.00	807.00	685.00
March, 2020	736.10	391.55	736.20	389.95

**17.11 Stock Performance in comparison to broad-based indices:**


Note – Indicates monthly closing positions

**17.12 Registrar & Share Transfer Agent:**

MCS Share Transfer Agent Limited.  
383, Lake Gardens, 1st Floor,  
Kolkata -700 045  
Phone: (033) 4072 4051 to 4052  
Fax : (033) 4072 4050  
E-mail : [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

**17.13 Share Transfer System:**

Share transfers in physical form are generally registered within 15 days from the date of receipt provided that the documents are found to be in order. Stakeholders Relationship Committee considers and approves the transfer proposals.

All requests for dematerialisation of shares, which are found to be in order, are generally processed within 15 days and the confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately.

**17.14 Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:**

Nil.

**17.15 Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15th November, 2018.

During the year 2019-2020, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No.54 to the Annual Standalone Financial Statement.



**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**17.16 Details of Credit Ratings obtained by the Company during financial year 2019-2020:**

Instrument details	Amount (₹ in Crore)	Rating
9.25% Non-Convertible Debentures	200.00	ICRA AA (Stable); CARE AA (Stable)
9.25% Non-Convertible Debentures	50.00	ICRA AA (Stable); CARE AA (Stable)
9.15% Non-Convertible Debentures	150.00	ICRA AA (Stable); CARE AA (Stable)
9.10% Non-Convertible Debentures	150.00*	CRISIL AA (Stable); CARE AA (Stable)
9.05% Non-Convertible Debentures	130.00	CRISIL AA (Stable); CARE AA (Stable)
Commercial Paper	300.00	CRISIL A1+
Long Term Bank facilities	1322.16	CARE AA (Stable)
Short Term Bank facilities	873.00	CARE A1+
Long / Short Term Bank facilities	50.00	CARE AA (Stable)/ CARE A1+

\*Redeemed during the financial year 2019-2020.

**17.17 Dividend history for the last 5 years is as under:**

Financial Year	Date of Declaration	Dividend per Share (₹)
2019 – 2020	25.08.2020	7.50*
2018 – 2019	13.08.2019**	7.50
2017 – 2018	20.07.2018	6.50
2016 – 2017	31.07.2017	6.50
2015 – 2016	08.07.2016	6.00
2014 – 2015	02.07.2015	6.00

\* subject to approval of shareholders.

\*\* The Hon'ble High Court at Calcutta vide its Order dated 9th August, 2019 had imposed restriction on the Company for publishing the voting results of the business transacted at the Annual General Meeting held on 13th August, 2019. Consequent upon the lifting of the above restriction by the Division Bench of Hon'ble High Court vide its Order dated 4th May, 2020 the Company is in the process of remitting the dividend to the Shareholders.

**17.18 Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. During financial year 2020-2021, final dividend for the financial year 2012-2013 declared at the Annual General Meeting of the Company held on 10th July, 2013 which remains unpaid/unclaimed on due date i.e. 15th August, 2020, will be transferred to the IEPF Authority.

**17.19 Transfer of 'Shares' to Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have**
**been transferred to IEPF for a consecutive period of seven years):**

In terms of Section 124 and 125 of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the financial year 2019-2020, the Company has transferred 9,024 equity shares to the demat account of IEPF Authority in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 3rd August, 2019 and 15th December, 2019.

All Shares in respect of which dividends has remained unpaid/unclaimed for a consecutive period of seven years or more since 2012-2013 will also be transferred to the IEPF Authority. As required under the said Rules, the Company has already published Notices in the newspapers inviting the Members attention to the aforesaid Rules. The Company will also send out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.

Further, it may also be noted that in terms of Section 124(6) and 125(3) of the Companies Act, 2013 read with Rule 7 of the IEPF Rules, shares and dividends which have been transferred to the IEPF Authority may be claimed by making an online application in Form No. IEPF-5, which is available at [www.iepf.gov.in](http://www.iepf.gov.in).

**17.20 Details of outstanding shares in the Unclaimed Suspense Account:**

In terms of Regulation 39(4) read with Schedule VI of the Listing Regulations, the details in respect of ordinary shares lying in the suspense account which was issued in demat form and physical form, respectively as on 31st March, 2020, are as under:

Particulars	Demat		Physical	
	Number of Share-holders	Number of Ordinary shares	Number of Share-holders	Number of Ordinary shares
Aggregate Number of shareholders and outstanding shares in the unclaimed suspense account lying at the beginning of the year 1st April, 2019	98	6943	0	0
Number of shareholders who approached the Company for transfer of shares and shares transferred from unclaimed suspense account during the year	0	0	0	0
Number of shareholders and shares transferred to the IEPF Authority from the unclaimed suspense account	0	0	0	0

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Particulars	Demat		Physical	
	Number of Share-holders	Number of Ordinary shares	Number of Share-holders	Number of Ordinary shares
Number of shareholders and aggregate number of shares transferred to the unclaimed Suspense Account during the year	0	0	0	0
Aggregate Number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year 31st March, 2020	98	6943	0	0

The voting, dividend and other rights on the shares in the suspense account as on 31st March, 2020 shall remain frozen till the rightful owners of such shares claim the shares.

**17.21 (a) Distribution of shareholding as on 31st March, 2020:**

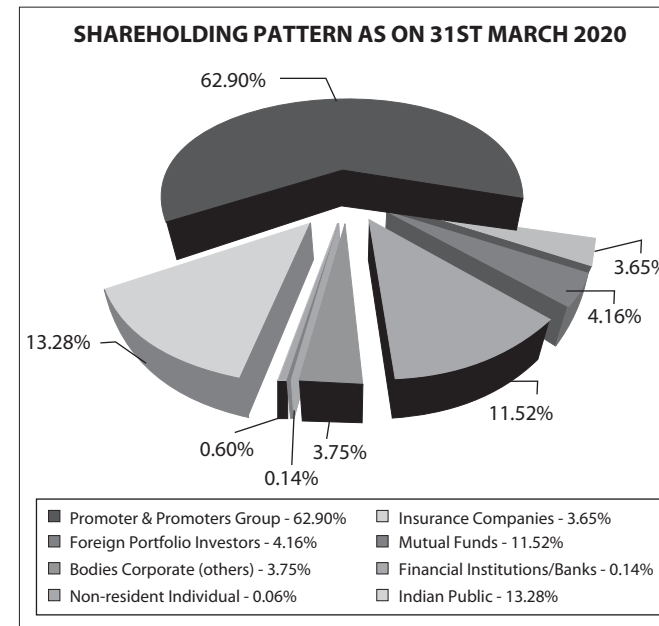
No. of Ordinary shares held	No. of shareholders	% of Shareholders	No. of Ordinary shares	% of shareholding
Upto 500	43700	94.02	4563623	5.93
501 to 1000	1542	3.32	1114212	1.44
1001 to 2000	583	1.25	828310	1.07
2001 to 3000	208	0.45	521302	0.68
3001 to 4000	81	0.17	284471	0.37
4001 to 5000	68	0.15	313401	0.41
5001 to 10000	113	0.24	829411	1.08
10001 and above	185	0.40	68550617	89.02
<b>TOTAL</b>	<b>46480</b>	<b>100.00</b>	<b>77005347</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>3434</b>	<b>7.39</b>	<b>327004</b>	<b>0.42</b>
<b>Electronic Mode</b>	<b>43046</b>	<b>92.61</b>	<b>76678343</b>	<b>99.58</b>

**(b) Category of Shareholders as on 31st March, 2020:**

Category	No. of shareholders	% of Shareholders	No. of Ordinary shares	% of shareholding
Promoter & Promoters Group	32	0.07	48434191	62.90
Insurance Companies	6	0.01	2815069	3.65
Foreign Portfolio Investors	105	0.23	3207799	4.16
Mutual Funds	53	0.11	8870752	11.52
Bodies Corporate (others)	913	1.96	2888962	3.75
Financial Institutions/Banks	18	0.04	104851	0.14
Non-resident Individual	1505	3.24	460448	0.60
Indian Public	43848	94.34	10223275	13.28
<b>TOTAL</b>	<b>46480</b>	<b>100.00</b>	<b>77005347</b>	<b>100.00</b>

**17.22 Shareholding Pattern:**

The shareholding of different categories of the shareholders as on 31st March, 2020 is given below:-


**17.23 Dematerialisation of Shares and liquidity:**

As on 31st March, 2020, 99.58% of the Company's total ordinary shares representing 76678343 shares were held in dematerialised form and 327004 shares representing 0.42% of paid-up share capital were held in physical form.

The shares are actively traded at BSE and NSE and have adequate liquidity.

**17.24 Reconciliation of Share Capital Audit:**

As stipulated by the Securities and Exchange Board of India (SEBI), a practicing Chartered Accountant or a practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, and is also placed before the Board of Directors.

**17.25 Plant Locations:**
**Birla Corporation Limited:**

The Company's plants are located at Satna (Madhya Pradesh), Chanderia (Rajasthan), Kolkata, Birlapur and Durgapur (West Bengal), Raebareli (Uttar Pradesh), Chakan (Maharashtra) and Gurgaon (Haryana).



REPORT ON CORPORATE GOVERNANCE (Contd.)

**RCCPL Private Limited (wholly owned subsidiary of the Company):**

The plants of RCCPL Private Limited are located at Maihar (Madhya Pradesh), Kundanganj (Uttar Pradesh) and Butibori (Maharashtra).

**17.26 Address for Correspondence:**

The shareholders may address their communications/ suggestions/grievances/queries to:

The Company Secretary,  
Birla Corporation Limited,  
Birla Building,  
9/1, R.N. Mukherjee Road,  
Kolkata-700 001  
Tel. No.: (033) 66166729, 66166738, 66166737  
Fax: (033) 2248-7988/2872  
Email: investorsgrievance@birlacorp.com

**17.27 Exclusive e-mail id for Investors' Grievances:**

Pursuant to Regulation 85 of the Listing Regulations, the following e-mail id has been designated for communicating investors' grievances:

investorsgrievance@birlacorp.com

**17.28 E-mail id pursuant to Green Initiative in the Corporate Governance:**

As a part of Green Initiative, the Members who wants to receive the notices/documents including Annual Reports of the Company electronically, may kindly intimate their e-mail id to the Company at its designated e-mail id i.e., greeninitiative@birlacorp.com.

REPORT ON CORPORATE GOVERNANCE (Contd.)

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company. The same has also been posted on the Company's website. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended 31st March, 2020 as envisaged under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **BIRLA CORPORATION LIMITED**

**(PRACHETA MAJUMDAR)**  
Wholetime Director &  
Chief Executive Officer

Dated: the 22nd May, 2020

**CERTIFICATE**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Birla Corporation Limited and having registered office at Birla Building, 9/1, R N Mukherjee Road, Kolkata 700001, West Bengal, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2020 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.

For **Mamta Binani & Associates**

**CS Madhuri Pandey**  
Partner  
CP No. : 20723  
Membership No: A55836  
UDIN: A055836B000358908

Place: Kolkata  
Date: 22.05.2020

**REPORT ON CORPORATE GOVERNANCE** (Contd.)

22nd May, 2020

The Board of Directors  
Birla Corporation Limited  
9/1, R.N. Mukherjee Road,  
Kolkata – 700 001

**Certification by Chief Executive Officer & Chief Financial Officer (CFO)**

We, Pracheta Majumdar, Wholetime Director & Chief Executive Officer and Aditya Saraogi, Chief Financial Officer of Birla Corporation Limited certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief, we state that:
  - i) these statements do not contain any materially untrue statement, or omit any material fact or contain any statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee:
  - i) significant changes, if any, in the internal controls over financial reporting during the year;
  - ii) significant changes, if any, 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 **BIRLA CORPORATION LIMITED**

**(PRACHETA MAJUMDAR)**  
Wholetime Director & Chief Executive Officer

For **BIRLA CORPORATION LIMITED**

**(ADITYA SARAOGI)**  
Chief Financial Officer

**REPORT ON CORPORATE GOVERNANCE** (Contd.)

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF BIRLA CORPORATION LIMITED**

1. We have examined the compliance of regulations of Corporate Governance by **Birla Corporation Limited** ('the Company') for the year ended 31st March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

**Management's Responsibility**

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

**Auditors' Responsibility**

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March, 2020. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

7. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: New Delhi  
Dated: 22nd May, 2020

For **V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm Regn. No.: 109208W)

**(M.S. BALACHANDRAN)**  
Partner (M. No:024282)  
UDIN: 20024282AAAABN6636

## INDEPENDENT AUDITOR’S REPORT

### TO THE MEMBERS OF BIRLA CORPORATION LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **BIRLA CORPORATION LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2020, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s 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 of the current period. These matters were addressed in the context of our audit of the standalone financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor’s Response
<b>Recoverability of MAT Credit Entitlement in future:</b>  The Company has recognised deferred tax assets mainly on account of tax credit available for set off (Minimum Alternate Tax) under the Income Tax Act, 1961. Under Ind AS 12 – Income Taxes, deferred tax assets shall be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised. The assessment of valuation of deferred tax assets requires significant management judgement and estimation. This include, amongst others, estimation long-term future profitability, future revenue from proposed projects and tax regulations and developments.  As a result, the recognition of the deferred tax asset on above is significant to our audit.  The disclosures relating to the above are included in Note no 25 of the standalone financial statements.	Audit procedures included, among others, review of: <ul style="list-style-type: none"><li>• The appropriateness of the methodology applied by the Company with applicable Indian accounting standards and applicable taxation laws along with the future business forecast of taxable profits.</li><li>• The likelihood of the Company to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalisations and depreciation allowance thereon and future estimates of taxable income</li><li>• The adequacy of the Company’s disclosures in the financials on deferred tax assets and assumptions used.</li></ul>

##### Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors’ Report and Management Discussion and Analyses, Business Responsibility Report and the Report on Corporate Governance 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 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 Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows 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. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

##### Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

#### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
- 2 As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements;
  - 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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash flow statement and the statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial

statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder;

- e) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40.1 to 40.4 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;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Act and Rules made there under.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)  
Partner (M. No: 024282)

Place : New Delhi  
Date : 22nd May, 2020

UDIN: 20024282AAAABL7992

#### Annexure-A referred to in the Independent Auditors' Report to the Members of Birla Corporation Limited on the standalone accounts for the year ended 31st March, 2020.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management/ outside agencies in a phased manner and reconciled with books of account, except in case of Soorah Jute Mills (due to suspension of work) with carrying value other than land and building, at Rs. 0.30 Crore and Auto Trim Division at Gurgaon & Chakan with carrying value, other than land and building, at Rs.1.61 Crores, where verification could not be done. We are informed that no major discrepancies were noticed on such verification. Minor discrepancies stands adjusted in the accounts. In our opinion, the frequency of verification is reasonable in relation to the size of the Company.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed etc., provided to us, we report that the title deeds of immovable properties are held in the name of the Company. The title deeds relating to certain immovable properties have been pledged as security with banks and financial institution for loans, guarantees etc., are held in the name of the Company based on the confirmations from the Security Trustees.
- (ii) The stock of finished goods, stores, spare parts and raw materials have been physically verified by the management/ outside agencies at reasonable intervals during the year, except for Soorah Jute Mills (due to suspension of work) and Auto Trim Division at Gurgaon and Chakan, where physical verification could not be done. We are informed that inventory held at these locations were insignificant. No material discrepancies were noticed on physical verification and minor discrepancies stands adjusted in the accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii)(a),(b)&(c) of the Order are not applicable.
- (iv) The Company has not given any loan or provided any guarantees or security to parties covered under section 185 of the Companies Act, 2013. In respect of loans, investments, guarantees and security, the Company has complied with the

provisions of section 186 of the Companies Act, 2013.

- (v) The Company has not accepted deposits during the year from the public within the provisions of section 73 to 76 or any other provisions of the Companies Act, 2013 and the Rules framed thereunder.
- (vi) We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made under sub-section (1) of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, sales-tax, goods and services tax (GST), duty of excise, duty of custom, value added tax, cess and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31st March 2020, which were outstanding for a period of more than six months from the date they became payable.
  - (b) The disputed dues of different years, relating to income-tax, service-tax, sales-tax, duty of customs, duty of excise, value added tax or goods and services tax (GST) which have remained unpaid as on 31st March, 2020 for which appeals are pending as under:

Name of the Statute	Nature of Dues	Amount (Rs. in Crore)	Period to which amount relates	Forum where the dispute is pending
Sales Tax & VAT Laws	Sales Tax and VAT	15.58	FY 1993-94 to 2017-18	Department/ 1st Appellate Authority
		3.53	FY 1989-90 to 2013-14	Appellate Tribunals
		3.11	FY 1989-90 to 2010-11	High Court
IGST, SGST and CGST Act	IGST and SGST	0.16	FY 2017-18 to 2018-19	Department/ 1st Appellate Authority
Central Excise Act, 1944	Excise Duty	42.80	FY 1980-81 to 2017-18	Department/ 1st Appellate Authority
		38.84	FY 2001-02 to 2017-18	Appellate Tribunals
		2.12	FY 2003-04 to 2017-18	High Court

Name of the Statute	Nature of Dues	Amount (Rs. in Crore)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	5.74	FY 2013-14 to 2016-17	Department/ 1st Appellate Authority
		1.19	FY 2005-06 to 2010-11	Appellate Tribunals
		1.62	FY 2012-13 to 2013-14	High Court
Customs Act, 1962	Custom Duty	1.99	FY 2012-13	Appellate Tribunals
Income Tax Act, 1961	Income Tax	1.18	AY 2016-17	Department/ 1st Appellate Authority

- (viii) On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, term loans taken during the year were applied for the purpose for which the loans were obtained. The Company has not raised moneys by way of public offer (including debt instruments).
- (x) Based on the audit procedures performed and representation obtained from the management, we report that no case of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 to the extent applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind AS).
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)  
Partner (M. No: 024282)  
UDIN: 20024282AAAABL7992

Place : New Delhi  
Date : 22nd May, 2020

## Annexure-B referred to in the Independent Auditors’ Report to the Members of Birla Corporation Limited on the standalone accounts for the year ended 31st March, 2020.

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting(the “Guidance Note”) 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 Act.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)  
Partner (M. No: 024282)  
UDIN: 20024282AAAABL7992

Place : New Delhi  
Date : 22nd May, 2020

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Crores)

	Note No.	As at 31st March, 2020	As at 31st March, 2019	
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	5	3,043.99	3,074.37	
Capital Work-In-Progress	5	146.99	54.99	
Investment Property	6	0.16	0.17	
Intangible Assets	7	21.06	11.87	
Intangible Assets under Development	7	1.92	2.11	
Biological Assets other than Bearer Plants	8	0.82	0.87	
Investment in Subsidiaries	9	2,281.25	2,281.25	
Financial Assets				
Investments	10	282.50	393.89	
Loans	11	0.46	1.73	
Other Financial Assets	12	30.50	30.74	
Non-Current Tax Asset (Net)		12.98	74.13	
Other Non-Current Assets	13	97.05	84.34	6,010.46
<b>CURRENT ASSETS</b>				
Inventories	14	583.64	588.16	
Financial Assets				
Investments	15	582.45	497.78	
Trade Receivables	16	179.32	190.09	
Cash and Cash Equivalents	17	37.89	65.93	
Bank Balances other than Note 17	18	171.75	41.53	
Loans	11	1.11	1.24	
Other Financial Assets	12	214.77	198.05	
Other Current Assets	13	164.06	206.58	
Non-Current Assets classified as Held for Sale	19	1.49	0.63	1,789.99
		1,936.48	0.63	1,789.99
<b>Total Assets</b>		<b>7,856.16</b>	<b>7,800.45</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	20	77.01	77.01	
Other Equity	21	4,271.40	4,148.96	4,225.97
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	22	1,256.42	1,594.07	
Other Financial Liabilities	23	386.42	355.07	
Provisions	24	36.43	31.07	
Deferred Tax Liabilities (Net)	25	380.31	336.49	
Non-Current Tax Liabilities (Net)		1.35	3.30	
Other Non-Current Liabilities	26	144.89	151.71	2,471.71
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	27	63.17	25.22	
Trade Payables	28			
– Total outstanding dues of micro enterprises and small enterprises		2.86	4.09	
– Total outstanding dues of creditors other than micro enterprises and small enterprises		352.59	420.29	
Other Financial Liabilities	23	735.78	485.90	
Other Current Liabilities	26	131.39	149.87	
Provisions	24	16.14	11.20	
Current Tax Liabilities (Net)		–	6.20	1,102.77
		1,301.93	6.20	1,102.77
<b>Total Equity and Liabilities</b>		<b>7,856.16</b>	<b>7,800.45</b>	
Basis of Preparation	2			
Significant Accounting Policies	3			
Significant Judgements and Key Estimates	4			
The Notes are an integral part of the Standalone Financial Statements				

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

For and on behalf of the Board of Directors

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	29	4,746.60	4,423.58
Other Income	30	82.48	81.08
<b>Total Income</b>		<b>4,829.08</b>	<b>4,504.66</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	31	1,019.55	948.33
Purchases of Stock -in- Trade	32	16.05	1.45
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	33	(46.11)	16.82
Employee Benefits Expense	34	298.16	273.27
Finance Costs	35	185.23	178.06
Depreciation and Amortisation Expense	36	151.18	148.53
Other Expenses	37	2,783.90	2,778.19
<b>Total Expenses</b>		<b>4,407.96</b>	<b>4,344.65</b>
<b>Profit before Exceptional Items and Tax</b>		<b>421.12</b>	<b>160.01</b>
Exceptional Items		–	–
<b>Profit before Tax</b>		<b>421.12</b>	<b>160.01</b>
Tax Expense :	38		
Current Tax		75.25	40.26
Deferred Tax		48.30	2.52
Income Tax for earlier years		(18.27)	(20.55)
		105.28	22.23
		<b>315.84</b>	<b>137.78</b>
<b>Profit for the year</b>			
<b>Other Comprehensive Income :</b>			
A. Items that will not be reclassified to profit or loss	39.1	(128.13)	20.01
Income tax relating to these items		4.59	0.47
		(123.54)	20.48
B. Items that will be reclassified to profit or loss	39.2	0.44	(0.24)
Income tax relating to these items		(0.16)	(0.16)
		0.28	(0.40)
		(123.26)	20.08
		<b>192.58</b>	<b>157.86</b>
Earnings Per Share (Face Value of ₹ 10/- each)			
Basic & Diluted (₹)	46	41.02	17.89
Basis of Preparation	2		
Significant Accounting Policies	3		
Significant Judgements and Key Estimates	4		
The Notes are an integral part of the Standalone Financial Statements			

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

For and on behalf of the Board of Directors

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020



## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Cash Flow from Operating Activities:</b>		
<b>Profit after Exceptional Items &amp; before Tax</b>	421.12	160.01
<b>Adjustments for :</b>		
Depreciation & Amortisation	151.18	148.53
Investing Activities (Net)	(62.16)	(58.86)
Provision for doubtful debts	0.03	1.99
Bad debts	0.06	0.13
Inter Corporate Loan written off	2.75	–
(Profit)/Loss on sale / discard of Property, Plant and Equipment (Net)	(0.40)	(2.05)
Profit on sale of Non-Current Assets classified as Held for Sale	(2.70)	(5.80)
Fair Valuation for Biological Assets other than Bearer Plants	0.04	0.10
Amortisation of Deferred Revenue	(1.33)	(1.60)
Excess liabilities, unclaimed balances and provisions written back (Net)	(9.73)	(5.50)
Excess Depreciation written back	–	(0.01)
Effect of Foreign Exchange Fluctuations	1.73	21.68
Finance Costs	185.23	178.06
<b>Operating Profit before Working Capital changes</b>	<b>685.82</b>	<b>436.68</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Trade Receivables	11.31	(31.00)
(Increase) / Decrease in Inventories	4.52	(59.75)
(Increase) / Decrease in Loans, Other Financial Assets & Other Assets	37.70	(38.33)
Increase / (Decrease) in Trade Payables & Other Liability	(4.39)	130.87
Increase / (Decrease) in Provisions	0.21	4.50
<b>Cash generated from operations</b>	<b>735.17</b>	<b>442.97</b>
Direct Taxes (Paid) / Refund Received (Net)	2.24	(3.11)
<b>Net Cash from Operating Activities</b>	<b>737.41</b>	<b>439.86</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of Tangible & Intangible Assets including CWIP / Capital Advances	(221.06)	(154.71)
Sale of Tangible Assets	4.70	16.71
(Purchase) / Sale of Liquid Investments (Net)	233.09	(86.64)
Purchase of other Current Investments	(372.33)	(415.15)
Sale of other Current Investments	92.35	446.43
Purchase of Non-Current Investments	(3.45)	–
Sale of Non-Current Investments	–	0.03
Payment towards Investment in Subsidiary	–	(74.96)
(Increase) / Decrease in Other Bank Balances	(129.99)	69.45
Loan (given) / taken back from Related Parties	(0.04)	(0.05)
Interest received	6.84	19.93
Dividend received	2.61	1.86
<b>Net Cash used in Investing Activities</b>	<b>(387.28)</b>	<b>(177.10)</b>

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Cash Flow from Financing Activities:</b>		
Proceeds from Long Term Borrowings	115.00	6.67
Repayments of Long Term Borrowings	(362.68)	(59.97)
(Repayments) / Proceeds from Short Term Borrowings (Net)	36.60	(7.21)
Payment of Lease Liabilities	(0.50)	–
Interest paid	(167.76)	(160.76)
Dividend paid	–	(50.05)
Dividend Distribution Tax paid	–	(10.29)
<b>Net Cash used in Financing Activities</b>	<b>(379.34)</b>	<b>(281.61)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(29.21)</b>	<b>(18.85)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>65.93</b>	<b>84.78</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>36.72</b>	<b>65.93</b>
<b>Cash and Cash Equivalents as per balance sheet (Closing Balance)</b>	<b>37.89</b>	<b>65.93</b>
<b>(Refer Note No. 17)</b>		
Overdraft Balance in Current Account shown under Short Term Borrowings	(1.17)	–
<b>Cash and Cash Equivalents (Closing Balance) after adjusting Overdraft balance</b>	<b>36.72</b>	<b>65.93</b>

## Note :

## a) Reconciliation of Liabilities arising from financing activities

Particulars	Balance as on 1st April, 2019	Proceeds	Repayments	Forex Adjustments	Fair Value Changes/ Other Adjustments	Balance as on 31st March, 2020
Long Term Borrowings (Including current maturity)	1,828.92	115.00	362.68	21.52	3.85	1,606.61
Short Term Borrowings (Excluding Overdraft Balance in Current Account)	25.22	119.25	82.65	0.18	–	62.00

- b) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- c) The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy No. 3.2.
- d) Figures for the previous year have been re-grouped wherever considered necessary.
- e) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- f) The Notes are an integral part of Standalone Financial Statements.

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

## For and on behalf of the Board of Directors

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**a) Equity Share Capital (Refer Note No. 20)**

Balance as at 1st April, 2018	77.01
Add/(Less) : Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March, 2019</b>	<b>77.01</b>
Add/(Less) : Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March, 2020</b>	<b>77.01</b>

**b) Other Equity (Refer Note No. 21)**

Particulars	Reserves & Surplus				Items of Other Comprehensive Income			Total
	Capital Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Revaluation Surplus	
<b>Balance as at 1st April, 2019</b>	<b>1.05</b>	<b>104.42</b>	<b>2,630.05</b>	<b>353.48</b>	<b>(0.95)</b>	<b>239.78</b>	<b>821.13</b>	<b>4,148.96</b>
Profit for the Year	-	-	-	315.84	-	-	-	315.84
Remeasurement Gain/(Loss)	-	-	-	(10.09)	-	-	-	(10.09)
Mark to Market Gain/(Loss)	-	-	-	-	0.44	(118.04)	-	(117.60)
Impact of Tax	-	-	-	3.53	(0.16)	-	1.06	4.43
Transition Impact of Ind AS 116 - Leases (Refer Note No. 45)	-	-	-	(0.57)	-	-	-	(0.57)
Impact of Tax there on	-	-	-	0.05	-	-	-	0.05
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308.76</b>	<b>0.28</b>	<b>(118.04)</b>	<b>1.06</b>	<b>192.06</b>
Final Dividends Paid (₹ 7.50 per share) (Refer Note No. 41.2)	-	-	-	(57.75)	-	-	-	(57.75)
Dividend Distribution Tax on Final Dividend (Refer Note No. 41.2)	-	-	-	(11.87)	-	-	-	(11.87)
Transfer to Debenture Redemption Reserve	-	17.67	-	(17.67)	-	-	-	-
Transfer to General Reserve	-	(37.50)	37.50	-	-	-	-	-
<b>Total Appropriations/Adjustments</b>	<b>-</b>	<b>(19.83)</b>	<b>37.50</b>	<b>(87.29)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69.62)</b>
<b>Balance as at 31st March, 2020</b>	<b>1.05</b>	<b>84.59</b>	<b>2,667.55</b>	<b>574.95</b>	<b>(0.67)</b>	<b>121.74</b>	<b>822.19</b>	<b>4,271.40</b>

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Reserves & Surplus				Items of Other Comprehensive Income			Total
	Capital Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Revaluation Surplus	
<b>Balance as at 1st April, 2018</b>	<b>1.05</b>	<b>83.00</b>	<b>2,580.05</b>	<b>346.96</b>	<b>(0.55)</b>	<b>220.54</b>	<b>820.39</b>	<b>4,051.44</b>
Profit for the Year	-	-	-	137.78	-	-	-	137.78
Remeasurement Gain/(Loss)	-	-	-	0.77	-	-	-	0.77
Mark to Market Gain/(Loss)	-	-	-	-	(0.24)	19.24	-	19.00
Impact of Tax	-	-	-	(0.27)	(0.16)	-	0.74	0.31
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.28</b>	<b>(0.40)</b>	<b>19.24</b>	<b>0.74</b>	<b>157.86</b>
Final Dividends Paid (₹ 6.50 per share)	-	-	-	(50.05)	-	-	-	(50.05)
Dividend Distribution Tax on Final Dividend	-	-	-	(10.29)	-	-	-	(10.29)
Transfer to Debenture Redemption Reserve	-	21.42	-	(21.42)	-	-	-	-
Transfer to General Reserve	-	-	50.00	(50.00)	-	-	-	-
<b>Total Appropriations/Adjustments</b>	<b>-</b>	<b>21.42</b>	<b>50.00</b>	<b>(131.76)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60.34)</b>
<b>Balance as at 31st March, 2019</b>	<b>1.05</b>	<b>104.42</b>	<b>2,630.05</b>	<b>353.48</b>	<b>(0.95)</b>	<b>239.78</b>	<b>821.13</b>	<b>4,148.96</b>

The Notes are an integral part of the Standalone Financial Statements.

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

**For and on behalf of the Board of Directors**

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1 CORPORATE AND GENERAL INFORMATION

Birla Corporation Limited is the flagship company of the M. P. Birla Group. The Company is a Public Limited Listed Company domiciled and incorporated in India having its registered office at Kolkata, West Bengal, India. It was incorporated as per the provisions of the Companies Act as Birla Jute Manufacturing Company Limited in the year 1919. The Company is primarily engaged in the manufacturing of cement as its core business activity. It has significant presence in the jute industry as well.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These standalone financial statements (“the financial statements”) have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Company for the year ended 31st March, 2020 have been approved by the Board of Directors in their meeting held on 22nd May, 2020.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

- Financial Assets and Liabilities (including Derivative Instruments) that is measured at fair value / amortised cost;
- Non-Current Assets classified as Held for Sale - measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined Benefit Plans - plan assets measured at fair value;
- Biological Assets - At fair value less cost to sell; and
- Freehold Land falling under Property, Plant & Equipment that is measured at fair value.

2.3 Functional and Presentation Currency

The financial statements have been presented in Indian Rupees (INR or ₹), which is also the Company’s functional currency. All financial information presented in INR has been rounded off to the nearest Crores, unless otherwise stated. Wherever the amount represented ₹ “0.00” (Zero) construes value less than Rupees fifty thousand.

2.4 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

2.5 Current versus Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the standalone financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise of all costs of purchase (Net of Input Tax Credit), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash in hand, balance with Banks and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value. However, for the purpose of the Cash Flow Statement the same is net of outstanding bank overdrafts.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

3.3.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 Deferred Tax

- Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses (if any) except freehold land where the Company had opted revaluation model, (Refer Note No.5.2).
- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, directly attributable borrowing costs, any other directly attributable costs of bringing the assets to its working condition and location for its intended use, present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011), which will be continued in accordance with Ind AS 101 for all pre-existing long term foreign currency monetary items as at 31st March, 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### 3.4.2 Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

#### 3.4.3 Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.
- Depreciation and amortization on right of use assets (leasehold land) is provided on straight line method over the period of lease.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

#### 3.4.4 Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and loss.

#### 3.4.5 Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

#### 3.4.6 Capital Work-in-Progress

Capital work-in-progress is stated at cost less accumulated impairment loss, if any, which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

#### 3.4.7 Stripping Cost

The stripping cost incurred during the production phase of a surface mine is recognized as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity;
- The entity can identify the component of an ore body for which access has been improved; and
- The costs relating to the improved access to that component can be measured reliably.

The stripping activity asset is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and any accumulated impairment loss, if any. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue based on stripping ratio as per the mining plan.

#### 3.5 Leases

##### 3.5.1 Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### 3.5.2 Company as lessor

- Finance Lease  
Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.
- Operating Lease  
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

##### 3.5.3 Company as Lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

- **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 loss, if any, 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 underlying 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 the accounting policies in section 'Impairment of Non-Financial Assets'.
- **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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if any.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. 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 re-measured 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 asset.

The Company's lease liabilities are included in other current and non-current financial liabilities.

➤ **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 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 that are considered to be 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.

“Lease liability” and “Right of Use Asset” have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**3.6 Revenue Recognition**

Effective 1st April, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” in respect of recognition of revenue from contracts with customers which provides a control-based revenue recognition model and a five step application approach for revenue recognition as under:

- Identification of the contract(s) with customers;
- Identification of the performance obligations;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations;
- Recognition of the revenue when or as the Company satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue excludes amounts collected on behalf of third parties.

**3.6.1 Sale of Goods**

Revenue from the sale of goods is recognized when the Company satisfies a performance obligation at a point in time by transferring the goods to customers, i.e., when customers obtain control of the goods. Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and variable considerations i.e. discounts, rebates, sales claim etc.

**3.6.2 Variable Consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates / cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates / cash discount, the Company applies the most likely amount method for contracts with a single volume threshold and the expected value method for contracts with more than one volume threshold that best predicts the amount of variable consideration.

**3.6.3 Interest Income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**3.6.4 Dividend Income**

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**3.7 Employee Benefits**

**3.7.1 Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period.

**3.7.2 Other Long Term Employee Benefits**

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) rates at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

**3.7.3 Post Employment Benefits**

The Company operates the following post employment schemes:

➤ **Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) rates at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

➤ **Defined Contribution Plan**

Contributions to defined contribution plans such as provident fund contribution to government administered fund in respect of certain employees are charged to the Statement of Profit and Loss as and when incurred. Such benefits are classified as defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on monthly basis.

Further in respect of other employees, provident fund contributions are made to various non government administered trusts. The interest rates payable to the members of the trust cannot not be lower than the statutory rate of interest notified by the government. The Company has an obligation to make good the shortfall in the interest amount, if any. In view of the Company's obligation to meet the shortfall, the same has been considered as the defined benefit plan. The expenses on account of provident fund maintained by the trusts are based on actuarial valuation using projected unit credit method.

**3.7.4 Termination Benefit**

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

**3.8 Government Grants**

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

**3.9 Foreign Currency Transactions**

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
  - Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).
  - The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011), which will be continued in accordance with Ind AS 101 for all pre-existing long term foreign currency monetary items as at 31st March, 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.
- 3.10 Borrowing Cost**
- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
  - Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
  - Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.
- 3.11 Interest in Subsidiaries and Associates**
- Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an 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 or the loss of significant influence over associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.
- 3.12 Financial Instruments**
- A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity..
- 3.12.1 Financial Assets**
- **Recognition and Initial Measurement:**  
All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
  - **Classification and Subsequent Measurement:**  
For purposes of subsequent measurement, financial assets are classified in four categories:
    - Measured at Amortized Cost;
    - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
    - Measured at Fair Value Through Profit or Loss (FVTPL); and
    - Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

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.

    - Measured at Amortized Cost : A debt instrument is measured at the amortized cost if both the following conditions are met:
      - ❑ The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
      - ❑ 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- Measured at FVTOCI : A debt instrument is measured at the FVTOCI if both the following conditions are met:
    - ❑ The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
    - ❑ The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.
  - Measured at FVTPL : FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
  - Equity Instruments measured at FVTOCI : All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to the Statement of Profit and Loss, even on sale of investment.
- **Derecognition**
- The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.
- **Impairment of Financial Assets**
- The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected credit losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.
- 3.12.2 Financial Liabilities**
- **Recognition and Initial Measurement :**  
Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
  - **Subsequent Measurement :**  
Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as 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 recognized in the Statement of Profit and Loss. Other financial liabilities including borrowings and payables are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.
  - **Financial Guarantee Contracts :**  
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.



### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

➤ **Derecognition :**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ **Offsetting financial instruments :**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

**3.12.3 Derivative financial instruments**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

**3.13 Impairment of Non-Financial Assets**

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units - CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**3.14 Provisions, Contingent Liabilities and Contingent Assets**

**3.14.1 Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 recognized as finance cost.

➤ **Restoration (including Mine closure), rehabilitation and decommissioning :**

It includes the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas for mines. This provision is based on all regulatory requirements and related estimated cost based on best available information. Restoration/ Rehabilitation / Decommissioning costs are provided for in the accounting period when the obligation arises based on the net present value of the estimated future costs of restoration to be incurred and are reviewed at each Balance Sheet date.

➤ **Onerous Contracts :**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

**3.14.2 Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and 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 but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to financial statements.

**3.14.3 Contingent Assets**

Contingent assets are not recognised in Financial Statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**3.15 Intangible Assets**

**3.15.1 Recognition and Measurement**

**3.15.1.1 Mining Rights**

Mining Rights are initially recognized at cost and subsequently at cost less accumulated amortization and accumulated impairment loss, if any.

Acquisition Cost i.e., cost associated with acquisition of licenses, and rights to explore including related professional fees, payment towards statutory forestry clearances, as and when incurred, are treated as addition to the Mining Right.

**3.15.1.2 Other Intangible Assets**

Software which is not an integral part of related hardware, is treated as intangible asset and stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

**3.15.2 Subsequent Expenditure**

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss.

**3.15.3 Amortization**

- Mining Rights are amortized on the basis of annual production to the total estimated mineable reserves. In case the mining rights are not renewed, the balance related cost will be charged to revenue in the year of decision of non-renewal.
- Other Intangible assets are amortized over a period of three years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

**3.15.4 Intangible Assets under Development**

Intangible Assets under development is stated at cost less accumulated impairment losses (if any). Cost includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

**3.16 Investment properties**

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the Statement of Profit and Loss.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognition.

**3.17 Biological Assets other than Bearer Plants**

Biological Assets other than Bearer Plants are recognized when the Company controls the asset as a result of past events and it is probable that future economic benefits associated with the asset will flow to the entity and the fair value or cost of the asset can be measured reliably. A Biological Asset other than Bearer Plants is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell.

**3.18 Non-current assets (or disposal groups) held for sale and discontinued operations**

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the Balance Sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in Statement of Profit and Loss

#### 3.19 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company 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 other components of the Company and for which discrete financial information is available. Operating segments of the Company comprises three segments Cement, Jute and Others. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

#### 3.20 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

#### 3.21 Standard Issued/amended but not yet effective

There is no standard that is issued but not yet effective on March 31, 2020.

#### 4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Leases:** The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Restoration (including Mine closure), rehabilitation and decommissioning:** Estimation of restoration / rehabilitation / decommissioning costs requires interpretation of scientific and legal data, in addition to assumptions about probability of future costs.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment 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 doubtful debts expenses in the period in which such estimate has been changed.
- **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 valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Revenue Recognition:** The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, rebates, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. Estimates of discounts and rebates are sensitive to changes in circumstances and the Company's past experience regarding returns, discount and rebate entitlements and may not be representative of customers' actual returns, discount and rebate entitlements in the future.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

## 5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Year Ended 31st March, 2020																
	Gross Carrying Amount									Accumulated Depreciation							Net Carrying Amount
	As at 1st April, 2019	Reclassified on adoption of Ind AS 116 "Leases"	Transition impact on adoption of Ind AS 116 "Leases"	Additions	Transfer	Disposals	Re-valuation	Other Adjust-ments	As at 31st March, 2020	As at 1st April, 2019	Reclassified on adoption of Ind AS 116 "Leases"	Charged during the year	Transfer	Deductions	Other Adjust-ments	As at 31st March, 2020	
Leasehold Land (Refer Note No. 5.6)	0.57	(0.57)	-	-	-	-	-	-	-	0.04	(0.04)	-	-	-	-	-	-
Freehold Land (Refer Note No. 5.1 to 5.2)	1,156.05	-	-	5.28	-	-	-	-	1,161.33	-	-	-	-	-	-	-	1,161.33
<b>Sub-Total</b>	<b>1,156.62</b>	<b>(0.57)</b>	<b>-</b>	<b>5.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,161.33</b>	<b>0.04</b>	<b>(0.04)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,161.33</b>
Buildings (Refer Note No. 5.1)	223.93	-	-	7.06	-	-	-	-	230.99	31.44	-	8.67	-	-	-	40.11	190.88
Plant and Machinery (Refer Note No. 5.5)	2,208.62	-	-	88.90	-	4.24	-	(2.09)	2,291.19	522.17	-	127.54	-	3.34	(0.61)	645.76	1,645.43
Furniture and Fittings	7.58	-	-	0.56	-	0.01	-	-	8.13	3.10	-	0.84	-	0.01	-	3.93	4.20
Vehicles	21.39	-	-	2.70	-	0.64	-	-	23.45	8.51	-	2.49	-	0.58	-	10.42	13.03
Office Equipments	22.88	-	-	3.13	-	0.13	-	-	25.88	12.39	-	3.31	-	0.11	-	15.59	10.29
Railway Sidings	14.90	-	-	-	-	-	-	-	14.90	3.90	-	1.19	-	-	-	5.09	9.81
Right of Use Assets (Refer Note No. 45)	-	0.53	8.80	-	-	-	-	-	9.33	-	-	0.31	-	-	-	0.31	9.02
- Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,655.92</b>	<b>(0.04)</b>	<b>8.80</b>	<b>107.63</b>	<b>-</b>	<b>5.02</b>	<b>-</b>	<b>(2.09)</b>	<b>3,765.20</b>	<b>581.55</b>	<b>(0.04)</b>	<b>144.35</b>	<b>-</b>	<b>4.04</b>	<b>(0.61)</b>	<b>721.21</b>	<b>3,043.99</b>
<b>Capital Work-in-Progress</b>	<b>54.99</b>	<b>-</b>	<b>-</b>	<b>137.99</b>	<b>46.06</b>	<b>-</b>	<b>-</b>	<b>0.07</b>	<b>146.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146.99</b>

Particulars	Year Ended 31st March, 2019														
	Gross Carrying Amount							Accumulated Depreciation						Net Carrying Amount	
	As at 1st April, 2018	Additions	Transfer	Disposals	Revaluation	Other Adjust-ments	As at 31st March, 2019	As at 1st April, 2018	Charged during the year	Transfer	Deductions	Other Adjust-ments	As at 31st March, 2019	As at 31st March, 2019	
Leasehold Land	0.57	—	—	—	—	—	0.57	0.03	0.01	—	—	—	0.04	0.53	
Freehold Land (Refer Note 5.1 to 5.2)	1,152.12	3.93	—	—	—	—	1,156.05	—	—	—	—	—	—	1,156.05	
<b>Sub-Total</b>	<b>1,152.69</b>	<b>3.93</b>	—	—	—	—	<b>1,156.62</b>	<b>0.03</b>	<b>0.01</b>	—	—	—	<b>0.04</b>	<b>1,156.58</b>	
Buildings (Refer note 5.1)	205.26	19.15	—	0.71	—	0.23	223.93	22.94	8.62	—	0.12	—	31.44	192.49	
Plant and Machinery	2,064.99	146.28	—	8.56	—	5.91	2,208.62	393.52	129.63	—	0.98	—	522.17	1,686.45	
Furniture and Fittings	7.18	0.42	—	0.02	—	—	7.58	2.29	0.82	—	0.01	—	3.10	4.48	
Vehicles	18.50	3.47	—	0.60	—	0.02	21.39	6.60	2.29	—	0.38	—	8.51	12.88	
Office Equipments	17.32	5.68	—	0.12	—	—	22.88	9.07	3.39	—	0.07	—	12.39	10.49	
Railway Sidings	13.02	1.83	—	—	—	0.05	14.90	2.76	1.14	—	—	—	3.90	11.00	
<b>Total</b>	<b>3,478.96</b>	<b>180.76</b>	—	<b>10.01</b>	—	<b>6.21</b>	<b>3,655.92</b>	<b>437.21</b>	<b>145.90</b>	—	<b>1.56</b>	—	<b>581.55</b>	<b>3,074.37</b>	
<b>Capital Work-In-Progress</b>	<b>94.85</b>	<b>30.50</b>	<b>70.45</b>	—	—	<b>0.09</b>	<b>54.99</b>	—	—	—	—	—	—	<b>54.99</b>	

## Notes :

**5.1** Gross Carrying Amount includes ₹ 1.59 Crores (Previous Year ₹ 1.59 Crores) in Land and ₹ 7.00 Crores (Previous Year ₹ 7.00 Crores) in Building under Co-ownership basis and also ₹ 0.00 Crore (Previous Year ₹ 0.00 Crore) being value of investments in Shares of a Private Limited Company.

**5.2** In the financial year 2017-18, the Company had adopted revaluation model for one class of assets i.e. Freehold Land and accordingly freehold land was revalued (as on 1st April, 2017) on the basis of valuation report made by independent valuers. Carrying amount as on 1st April, 2019 includes revaluation surplus of ₹ 1,054.56 Crores. In the opinion of the management, as there is no significant change in the fair value indicators, no fair valuation is done as on 31st March, 2020.

The fair valuation was based on current prices in the active market for similar properties. The main inputs used were quantum, area, location, demand, restrictive entry to the land. This valuation was based on valuations performed by accredited independent valuers. Fair valuation was based on depreciated open market price method. The fair value measurement was categorized in level 2 fair value hierarchy.

**5.3** Other Adjustments include adjustment on account of foreign exchange differences pursuant to using the optional exemption available under Para D13AA of Ind AS 101 "First Time Adoption" for continuing with the policy adopted for accounting for exchange difference on the Long Term Foreign Exchange Monetary Items recognized under previous GAAP as described in Note No. 37.2 to the financial statement. Accordingly, the amount capitalized during the year with the Property, Plant and Equipment amounts to ₹ Nil (Previous Year capitalized ₹ 3.78 Crores).

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

**5.4** Other Adjustments also include finance costs capitalized during the year on the qualifying assets as required by Ind AS 23 Borrowing Costs amounting to ₹ 0.07 Crore (Previous Year ₹ 1.67 Crores), (Refer Note No. 35).

**5.5** Other Adjustments related to Plant & Machinery represents Gross carrying Amount of ₹ 2.09 Crores (Previous Year ₹ Nil) and Accumulated Depreciation thereon of ₹ 0.61 Crore (Previous Year ₹ Nil) related to the assets transfer to "Non-Current Assets classified as Held for Sale", (Refer Note No. 19).

**5.6** The net block of Leasehold Land of ₹ 0.53 Crore (Gross Block of ₹ 0.57 Crore and Accumulated Depreciation of ₹ 0.04 Crore) has been reclassified to "Right of Use Assets" on account of adoption of Ind AS 116 "Leases".

**5.7** Right of Use Assets includes "Leasehold Land" represents land obtained on long term lease from various Government and other authorities.

**5.8** Refer Note No. 42 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

**5.9** Refer Note No. 43 for information on Property, Plant and Equipment pledged as securities by the Company.

## 6 INVESTMENT PROPERTY

(₹ in Crores)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	0.19	0.19
Additions	-	-
Disposals	-	-
Other Adjustments	-	-
<b>Closing Gross Carrying Amount</b>	<b>0.19</b>	<b>0.19</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	0.02	0.01
Depreciation charged during the year	0.01	0.01
<b>Closing Accumulated Depreciation</b>	<b>0.03</b>	<b>0.02</b>
<b>Net Carrying Amount</b>	<b>0.16</b>	<b>0.17</b>

**6.1** The fair value of the Company's investment properties as at 31st March, 2020 and 31st March, 2019 are ₹ 25.09 Crores and ₹ 24.19 Crores respectively. The fair value has been arrived on the basis of valuation performed by independent valuers, who are specialist in valuing these types of investment properties, having appropriate qualifications and recent experience in the valuation of properties in relevant locations.

**6.2** The fair valuation is based on current prices in the active market for similar properties and rental income of similar type of property in the same locality. The main inputs used are quantum, area, location, demand, restrictive entry to the land and building, age of the building and trend of fair market rent in the locality. This valuation is based on valuations performed by accredited independent valuers. Fair valuation is based on depreciated open market price method and rental method. The fair value measurement is categorized in level 3 fair value hierarchy.

**6.3** The amounts recognized in Statement of Profit and Loss in relation to the investment properties:

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Rental Income	0.11	0.14
Direct Operating Expenses in relation to - Properties generating rental income	0.32	0.28

**6.4** The Company has no restriction on the realisability of it's investment properties or the remittance of income and proceeds of disposal. There is no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.



## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

### 7 INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Year Ended 31st March, 2020										
	Gross Carrying Amount					Accumulated Amortisation					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals / Transfer	Other Adjustments	As at 31st March, 2020	As at 1st April, 2019	Charged during the year	Deductions	Other Adjustments	As at 31st March, 2020	As at 31st March, 2020
Computer Software	6.49	0.59	–	–	7.08	2.96	1.50	–	–	4.46	2.62
Mining Rights (includes site preparation)	11.92	15.42	–	–	27.34	3.58	5.32	–	–	8.90	18.44
<b>Total</b>	<b>18.41</b>	<b>16.01</b>	<b>–</b>	<b>–</b>	<b>34.42</b>	<b>6.54</b>	<b>6.82</b>	<b>–</b>	<b>–</b>	<b>13.36</b>	<b>21.06</b>
<b>Intangible Assets under Development</b>	<b>2.11</b>	<b>15.82</b>	<b>16.01</b>	<b>–</b>	<b>1.92</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.92</b>

Particulars	Year Ended 31st March, 2019										
	Gross Carrying Amount					Accumulated Amortisation					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals / Transfer	Other Adjustments	As at 31st March, 2019	As at 1st April, 2018	Charged during the year	Deductions	Other Adjustments	As at 31st March, 2019	As at 31st March, 2019
Computer Software	3.35	3.14	–	–	6.49	2.17	0.79	–	–	2.96	3.53
Mining Rights (includes site preparation)	9.70	2.22	–	–	11.92	1.75	1.83	–	–	3.58	8.34
<b>Total</b>	<b>13.05</b>	<b>5.36</b>	<b>–</b>	<b>–</b>	<b>18.41</b>	<b>3.92</b>	<b>2.62</b>	<b>–</b>	<b>–</b>	<b>6.54</b>	<b>11.87</b>
<b>Intangible Assets under Development</b>	<b>2.36</b>	<b>5.11</b>	<b>5.36</b>	<b>–</b>	<b>2.11</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2.11</b>

7.1 Refer Note No. 42 for disclosure of contractual commitments for the acquisition of Intangible Assets.

7.2 Refer Note No. 43 for information on Intangible Assets pledged as securities by the Company.

### 8 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening Balance	0.87	0.92
Additions/Acquisitions	–	0.05
Disposals	0.01	–
Fair Value Adjustments	(0.04)	(0.10)
<b>Closing Balance</b>	<b>0.82</b>	<b>0.87</b>

8.1 The Company owns bearer biological assets i.e., livestock from which milk is produced. The livestock is maintained by the Company at Satna and Birlapur. The milk produced from the live stock are internally consumed and not sold commercially.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

### 9 INVESTMENT IN SUBSIDIARIES

(₹ in Crores)

Particulars	Refer Note No.	Face Value of ₹ 10 each unless otherwise stated	As at 31st March, 2020		As at 31st March, 2019	
			Qty.	Amount	Qty.	Amount
<b>EQUITY INVESTMENTS VALUED AT COST</b>						
<b>UNQUOTED (FULLY PAID UP)</b>						
Investment In Subsidiaries						
Birla Corporation Cement Mfg PLC		1,000 Birr	1,699	0.45	1,699	0.45
Less: Impairment				0.45		0.45
Net				–		–
RCCPL Private Ltd.		10	31,28,22,900	2,272.26	31,28,22,900	2,272.26
Talavadi Cements Ltd.		10	58,80,400	5.88	58,80,400	5.88
Budge Budge Floor Coverings Ltd.		10	40,00,000	2.00	40,00,000	2.00
Lok Cements Ltd.		10	10,00,700	1.01	10,00,700	1.01
Birla Cement (Assam) Ltd.		10	50,000	0.05	50,000	0.05
Birla Jute Supply Co. Ltd.		10	6,000	0.03	6,000	0.03
MP Birla Group Services Pvt. Ltd.		10	20,000	0.02	20,000	0.02
<b>TOTAL</b>				<b>2,281.25</b>		<b>2,281.25</b>
<b>Aggregate amount of Unquoted Investments</b>				<b>2,281.70</b>		<b>2,281.70</b>
<b>Aggregate amount of Impairment in value of Investments</b>				<b>0.45</b>		<b>0.45</b>

### 10 NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
			Qty.	Amount	Qty.	Amount
<b>A. DEBT INSTRUMENTS AT AMORTISED COST</b>						
<b>UNQUOTED</b>						
National Savings Certificate	10.1	7,500	1	0.00	1	0.00
<b>Sub Total</b>				<b>0.00</b>		<b>0.00</b>
<b>TOTAL (A)</b>				<b>0.00</b>		<b>0.00</b>
<b>B. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>						
<b>EQUITY INSTRUMENTS (FULLY PAID UP)</b>						
<b>QUOTED</b>						
Century Textiles & Industries Ltd.		10	18,07,660	53.52	18,07,660	168.67
Birla Cables Ltd.		10	53,88,515	17.51	53,88,515	82.79
Universal Cables Ltd.		10	8,00,157	6.73	8,00,157	17.62
Hindustan Media Ventures Ltd.		10	4,440	0.02	4,440	0.05
Rameshwara Jute Mills Ltd.	10.2	10	19,133	0.01	19,133	0.01
Vindhya Telelinks Ltd.		10	100	0.00	100	0.01
Birla Precision Technologies Ltd.		2	2,121	0.00	2,121	0.00
Zenith Birla (I) Ltd.		10	6,362	0.00	6,362	0.00
UltraTech Cement Ltd.	10.3	10	2,25,957	73.32	–	–
<b>Sub Total</b>				<b>151.11</b>		<b>269.15</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
			Qty.	Amount	Qty.	Amount
<b>UNQUOTED</b>	10.2					
Birla Buildings Ltd.		10	24,000	0.02	24,000	0.02
Neosym Industry Limited		10	52,000	0.01	52,000	0.01
Lotus Court Ltd.		10	1	0.01	1	0.01
Industry House Ltd.		10	600	0.01	600	0.01
Eastern Economist Ltd.		10	400	0.01	400	0.01
Woodlands Multispeciality Hospital Ltd.		10	520	0.00	520	0.00
Twin Star Venus Co–Operative Society Housing Society Ltd.		10	10	0.00	10	0.00
Elgin Mills Co. Ltd.		10	2,250	0.00	2,250	0.00
Bally Jute Mills Employees Consumers' Co–operative Stores Limited		10	250	0.00	250	0.00
Gangangiri Park Co–Operative Society Housing Society Ltd.		10	15	0.00	15	0.00
Craig Jute Mills Ltd.		3	50	0.00	50	0.00
<b>Sub Total</b>				<b>0.06</b>		<b>0.06</b>
<b>Investment in Quoted Government Securities</b>						
8.97% GOI 2030	10.4	1,00,00,000	1	1.19	–	–
<b>Sub Total</b>				<b>1.19</b>		<b>–</b>
<b>Investments In Quoted Bonds</b>						
9.70% IFCI Ltd. 2030		10,00,000	63	6.25	63	5.95
9.55% IFCI Ltd. 2025		10,00,000	13	1.39	13	1.25
<b>Sub Total</b>				<b>7.64</b>		<b>7.20</b>
<b>TOTAL (B)</b>				<b>160.00</b>		<b>276.41</b>
<b>C. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS</b>						
<b>Investment In Preference Shares – Unquoted (Fully paid up)</b>						
RCCPL Private Ltd. – 10% Redemable Cumulative Preference Shares	10.2	100	1,00,00,000	122.50	1,00,00,000	117.48
Elgin Mills Co. Ltd. – 5% Preference Shares		10	100	0.00	100	0.00
<b>Sub Total</b>				<b>122.50</b>		<b>117.48</b>
<b>TOTAL (C)</b>				<b>122.50</b>		<b>117.48</b>
<b>TOTAL NON–CURRENT INVESTMENTS</b>				<b>282.50</b>		<b>393.89</b>
<b>Aggregate Book Vaue of Quoted Investments</b>				<b>159.94</b>		<b>276.35</b>
<b>Aggregate Fair Value of Quoted Investments</b>				<b>159.94</b>		<b>276.35</b>
<b>Aggregate amount of Unquoted Investments</b>				<b>122.56</b>		<b>117.54</b>
<b>Aggregate amount of Impairment in value of Investments</b>				<b>–</b>		<b>–</b>

**Notes :**
**10.1** Deposited with Government Department as Security.

**10.2** Fair valuation not carried out as amount are not significant.

**10.3** In terms of the Scheme of Demerger of the Cement Divison of Century Textiles & Industries Ltd and acquisition by UltraTech Cement Limited, the Company has received 2,25,957 equity shares of ₹ 10/- each of Ultratech Cement Limited without any consideration in ratio of 1:8 for holding in Century Textiles & Industries Ltd. The value as on 31st March, 2020 represents Fair Market Value of the Shares.

**10.4** Lien marked to the Clearing Corporation of India Limited.

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**11 LOANS**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Loans &amp; Advances to Related Parties</b>	11.1, 11.2 & 11.3				
Loan Receivables		–	2.71	0.07	0.07
Less: Provision for Doubtful Receivables		–	1.36	0.07	0.07
		–	1.35	–	–
<b>Loans &amp; Advances to Others</b>	11.1, 11.2 & 11.3				
Loan Receivables		0.46	0.38	1.11	1.24
Less: Provision for Doubtful Receivables		–	–	0.00	0.00
		0.46	0.38	1.11	1.24
<b>Total</b>		<b>0.46</b>	<b>1.73</b>	<b>1.11</b>	<b>1.24</b>
<b>11.1 Break Up of Loans</b>					
Loan Receivables considered good - Secured		–	–	–	–
Loan Receivables considered good - Unsecured		0.46	1.73	1.11	1.24
Loan Receivables which have significant increase in Credit Risk		–	1.36	0.07	0.07
Loan Receivables - Credit Impaired		–	–	–	–
		0.46	3.09	1.18	1.31
Less: Provision for Doubtful Receivables		–	1.36	0.07	0.07
		<b>0.46</b>	<b>1.73</b>	<b>1.11</b>	<b>1.24</b>

**11.2** No Loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any Loan due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in Note No. 11.3 given below.

**11.3** Details of loans and advances to related parties as required by Sec. 186 of the Companies Act, 2013 read with SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015:

Particulars	Refer Note No.	Balance Outstanding		Maximum amount Outstanding	
		As at		For the year ended	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
i. <b>Subsidiary Companies</b>					
Lok Cements Ltd.	(ii)(a), (c) & (d)	–	1.35	2.75	2.71
Birla Corporation Cement Manufacturing PLC	(ii)(a) & (c)	–	–	0.07	0.07
Talavadi Cements Ltd.	(ii)(b)	–	–	0.20	0.07
Birla Jute Supply Co. Ltd.	(ii)(b)	–	–	0.00	0.00
Budge Budge Floorcoverings Ltd.	(ii)(b)	–	–	0.00	0.00
Birla Cement (Assam) Ltd.	(ii)(b)	–	–	0.00	0.00
M. P. Birla Group Services Pvt. Ltd.	(ii)(b)	–	–	0.00	0.00
ii. <b>Purpose for which the advance was provided</b>					
a. Advance given for implementation of Project					
b. Advance given for working capital needs					
c. Net of Provision for Doubtful Receivables					
d. Company has written off Loan Balance outstanding as on 31st March, 2020 of ₹ 2.75 Crores.					
iii. <b>For Guarantee refer Note No. 40.3 and for Investments refer Note No. 9, 10, 15 &amp; 59.</b>					

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 12 OTHERS FINANCIAL ASSETS

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Security Deposits</b>					
Unsecured, considered good	59	26.46	26.11	8.61	8.62
		26.46	26.11	8.61	8.62
Incentive and Subsidy Receivable		–	–	190.94	184.80
Less : Provision for Doubtful Receivables		–	–	1.44	1.44
		–	–	189.50	183.36
Other Deposits and Advances					
Unsecured, considered good	12.1	1.64	1.64	5.59	4.30
Unsecured, considered doubtful		–	–	2.01	2.01
		1.64	1.64	7.60	6.31
Less: Provision for Doubtful Advances		–	–	2.01	2.01
		1.64	1.64	5.59	4.30
Deposits with Bank having maturity of more than one year from the balance sheet date	12.2	0.03	0.48	–	–
Interest Accrued on Deposits		0.00	0.14	5.57	1.77
Derivative Contracts (Net)		–	–	5.49	–
Amount Paid Under Protest		2.37	2.37	–	–
Others		–	–	0.01	–
		2.40	2.99	11.07	1.77
<b>Total</b>		<b>30.50</b>	<b>30.74</b>	<b>214.77</b>	<b>198.05</b>

**12.1** No other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except ₹ Nil (Previous year ₹ 0.01 Crore) are receivables from a private company in which directors of the Company are directors.

**12.2** Represents deposits marked lien in favour of Govt. Authorities.

### 13 OTHER ASSETS

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Advance against supply of Goods and Services		–	–	137.34	171.18
Less : Provision for Doubtful Advances		–	–	0.04	0.04
		–	–	137.30	171.14
Capital Advances	59	28.28	12.56	–	–
Prepaid Expenses		2.27	5.30	2.51	4.60
Amount Paid Under Protest		63.79	59.88	–	–
Balances with Government & Statutory Authorities		0.29	0.42	21.16	19.42
<b>Security Deposits</b>					
Unsecured considered good		1.85	1.89	0.45	0.41
Other Advances (Including Balance with Gratuity Fund)		0.57	4.29	2.64	11.01
<b>Total</b>		<b>97.05</b>	<b>84.34</b>	<b>164.06</b>	<b>206.58</b>

No other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member except ₹ 0.01 Crore (Previous year ₹ 1.81 Crores) are receivables from private companies in which directors of the Company are directors.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 14 INVENTORIES

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
(As valued and certified by the Management)	3.1		
Raw Materials	14.1	100.63	121.01
Work-In-Progress	14.1	60.74	74.23
Finished Goods	14.1	145.04	86.22
Stock-In-Trade	14.1	0.93	0.15
Stores and Spares	14.1	164.41	154.17
Fuels		105.61	145.22
Packing Materials		6.28	7.16
<b>Total</b>		<b>583.64</b>	<b>588.16</b>

**14.1** The above includes goods-in-transit as under:

Raw Materials		0.12	7.53
Work-In-Progress		0.55	0.42
Finished Goods		6.26	10.27
Stock-In-Trade		–	0.15
Stores and Spares		0.30	0.99
<b>Total</b>		<b>7.23</b>	<b>19.36</b>

**14.2** Amount of write down of inventories carried at net realisable value and recognised as expense: ₹ 0.23 Crore (Previous Year ₹ 1.15 Crores).

**14.3** Refer Note No. 43 for information on amount of inventories pledged as securities by the Company.



## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

### 15 CURRENT INVESTMENTS

(₹ in Crores)

Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
			Qty.	Amount	Qty.	Amount
<b>A. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>						
<b>Investment in Quoted Government Securities</b>						
6.90% GOI 2019		100	–	–	1,00,000	1.00
<b>TOTAL (A)</b>				–		<b>1.00</b>
<b>B. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<b>Investments in Mutual Funds</b>						
<b>QUOTED</b>						
Kotak Monthly Interval Plan Series 4 - Direct Plan Growth			–	–	1,00,00,000	10.03
<b>Sub Total</b>				–		<b>10.03</b>
<b>UNQUOTED</b>						
Axis Liquid Fund - Direct Growth			58,262	12.84	1,10,986	23.02
Axis Treasury Advantage Fund - Direct Growth			1,67,736	39.00	–	–
Axis Short Term Fund- Direct Plan -Growth			21,50,898	5.03	–	–
Baroda Liquid Fund Plan B- Growth			43,869	10.04	2,05,290	44.17
DSP Liquidity Fund - Direct Plan- Growth			66,768	18.97	49,008	13.11
DSP Low Duration Fund- Direct Plan -Growth			1,83,17,379	27.30	–	–
Invesco India Liquid Fund -Direct Plan Growth			–	–	1,45,011	37.30
Invesco India Treasury Advantage Fund- Direct Plan Growth			60,004	17.17	–	–
HSBC Ultra Short Duration Fund Direct Growth			50,000	5.05	–	–
HDFC Short Term Debt Fund -Direct Plan-Growth Option			43,84,273	10.04	–	–
HDFC Floating Rate Debt Fund- Direct Plan- Growth Option			60,96,981	21.57	–	–
HDFC Ultra Short Term Fund Direct Growth			7,61,60,143	85.75	7,61,60,143	79.77
IDFC Ultra Short Term Fund Direct Plan Growth			6,58,69,212	75.13	3,40,20,340	36.08
IDFC Low Duration Fund - Direct Plan- Growth			66,66,760	19.26	–	–
IDFC Corporate Bond Fund - Direct Plan -Growth			1,50,37,795	21.00	–	–
ICICI Prudential Savings Fund - Direct Plan- Growth			4,60,284	17.97	–	–
ICICI Prudential Liquid Fund - Direct Plan -Growth			–	–	8,23,638	22.77
Kotak Savings Fund - Direct Plan - Growth			1,05,62,382	34.70	74,93,231	22.89
Kotak Liquid Fund Direct Plan - Growth			–	–	52,186	19.75
LIC MF Liquid Fund -Direct Plan- Growth			15,185	5.47	–	–
L & T Liquid Fund - Direct Plan -Growth			–	–	70,553	18.08
L & T Short Term Bond Fund - Direct Plan- Growth			61,29,465	12.34	–	–
L & T Ultra Short Term Fund - Direct Plan Growth			1,15,26,884	38.53	1,15,26,884	35.89
Nippon India Liquid Fund - Direct Plan - Growth Plan -Growth Option (Previously known as Reliance Liquid Fund Direct Plan Growth)			–	–	76,277	34.80
Nippon India Money Market Fund Direct Growth Plan Growth Option			1,09,710	33.49	–	–
SBI Magnum Low Duration Fund Direct - Growth			1,03,038	27.10	53,270	12.95
Sundaram Money Fund -Direct Growth			38,80,150	16.25	–	–
SBI Liquid Fund Direct Growth			58,943	18.33	51,584	15.11
Tata Money Market Fund - Direct Plan Growth			29,207	10.12	–	–
Tata Liquid Fund - Direct Plan - Growth			–	–	1,13,598	33.45
UTI Liquid Cash Plan - Institutional Plan - Direct Plan Growth			–	–	57,278	17.53
Yes Liquid Fund - Direct Plan -Growth Option			–	–	1,97,852	20.08
<b>Sub Total</b>				<b>582.45</b>		<b>486.75</b>
<b>TOTAL (B)</b>				<b>582.45</b>		<b>496.78</b>
<b>TOTAL CURRENT INVESTMENTS</b>				<b>582.45</b>		<b>497.78</b>
<b>Aggregate Book value of Quoted Investments</b>				–		<b>11.03</b>
<b>Aggregate Fair Value of Quoted Investments</b>				–		<b>11.03</b>
<b>Aggregate amount of Unquoted Investments</b>				<b>582.45</b>		<b>486.75</b>
<b>Aggregate amount of impariment in value of investments</b>				–		–

**15.1** Out of the same 45,930 units (Previous Year: 45,930 units) are held as margin in favour of State Bank of India against bank guarantee.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 16 TRADE RECEIVABLES

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables	16.1 & 16.2	190.22	201.59
Less: Provision for Doubtful Receivables		10.90	11.50
<b>Total</b>		<b>179.32</b>	<b>190.09</b>
<b>Break Up of Trade Receivables</b>			
Trade Receivables considered good - Secured		103.24	91.65
Trade Receivables considered good - Unsecured		76.08	98.44
Trade Receivables which have significant increase in Credit Risk		10.90	11.50
Trade Receivables - Credit Impaired		–	–
<b>Total</b>		<b>190.22</b>	<b>201.59</b>
Less: Provision for Doubtful Receivables		10.90	11.50
<b>Total</b>		<b>179.32</b>	<b>190.09</b>

**16.1** Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

**16.2** No trade receivables are due from directors or other officers 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, except ₹ 7.64 Crores (Previous year ₹ 12.91 Crores) are receivables from a private company in which directors of the Company are directors.

### 17 CASH AND CASH EQUIVALENTS

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks :			
In Current/ Cash Credit Account		37.66	34.26
In Deposit Accounts with Original Maturity of less than three months		–	20.00
Cheques/ Drafts on Hand		0.09	11.50
Cash on Hand		0.14	0.17
<b>Total</b>		<b>37.89</b>	<b>65.93</b>

### 18 BANK BALANCES (OTHER THAN NOTE: 17)

Balance in Unpaid Dividend Account	18.1	1.26	1.48
Other Fixed Deposit with Banks		170.49	40.05
<b>Total</b>		<b>171.75</b>	<b>41.53</b>

**18.1** Includes deposits marked lien in favour of Govt. Authorities and Banks.

### 19 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Plant & Machinery	19.1	1.49	0.63
<b>Total</b>		<b>1.49</b>	<b>0.63</b>

**19.1** Plant & Machinery related to:

**Unit Birla Carbide & Gases:** Suspension of operations was declared of the Company's unit Birla Carbide & Gases, Birlapur, West Bengal w.e.f. 29th October, 2001. Subsequently, closure of the Unit was declared w.e.f. 31st January, 2005. A resolution was passed by Board of Directors of the Company on 4th November, 2015 for disposal of assets of the Unit. All Plant & Machineries, except some insignificant portion thereof, were disposed off till March, 2020 and it is expected that the sale for the remaining portion will be completed by March, 2021. The assets of the unit comprising remaining Plant & Machineries are presented within total assets of the "Unallocated Corporate Assets" under Segment Reporting.

**Unit Chanderia:** During the previous year 2018-19, the Company decided to dispose of the old Thermal Power Plants and DG Sets at Chanderia unit being not in use for more than ten years. An online auction process was initiated in December, 2018 based on which the buyer was finalised. Dismantling and sale of Plant & Machineries started in January, 2019 but could not completed by March, 2019. Now the sale has been completed in current financial year and no such assets remain unsold on 31st March, 2020.

**Unit Auto Trim Division:** Suspension of operations was declared of the Company's unit Auto Trim Division at Birlapur, West Bengal w.e.f. 18th February, 2014. There have been no operations at Gurgaon plant, Haryana and at Chakan plant, Maharastra since November, 2007 and August, 2007 respectively. All Plant & Machineries, except some Machineries were transferred to other units of the Company till April, 2019. A resolution was passed by Board of Directors of the Company on 3rd May, 2019 for disposal of remaining assets of the Unit. It is expected that the sale of the assets will be completed by March, 2021. The assets of the unit comprising remaining Plant & Machineries are presented within total assets of the "Others Segment Assets" under Segment Reporting.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### Non recurring fair value measurements

The fair value of the Plant & Machineries, classified as held for sale, was determined using the sales comparison approach. This is level 2 measurement as per the fair value hierarchy set out in accounting policies related to fair value measurement. The key inputs under this approach are price of the similar Plant & Machineries at the same location, condition and age.

### 20 EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>20.1 Authorised Share Capital</b>				
Ordinary Shares of ₹10/- each	9,00,00,000	90.00	9,00,00,000	90.00
Preference Shares of ₹100/- each	10,00,000	10.00	10,00,000	10.00
<b>Total</b>	<b>9,10,00,000</b>	<b>100.00</b>	<b>9,10,00,000</b>	<b>100.00</b>
<b>20.2 Issued Share Capital</b>				
Ordinary Shares of ₹10/- each	7,70,13,416	77.01	7,70,13,416	77.01
<b>Total</b>	<b>7,70,13,416</b>	<b>77.01</b>	<b>7,70,13,416</b>	<b>77.01</b>
<b>20.3 Subscribed and Paid-up Share Capital</b>				
Ordinary Shares of ₹10/- each fully paid-up	7,70,05,347	77.01	7,70,05,347	77.01
Add : Forfeited Ordinary Shares (Amount originally paid-up)	-	0.00	-	0.00
<b>Total</b>	<b>7,70,05,347</b>	<b>77.01</b>	<b>7,70,05,347</b>	<b>77.01</b>

### 20.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

### 20.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e., Ordinary Shares having par value of ₹10 per share. Each holder of the Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

### 20.6 Shareholding Pattern in respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

### 20.7 Details of Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Ordinary Shares of ₹ 10/- each fully paid</b>				
Hindustan Medical Institution	71,59,460	9.30	71,59,460	9.30
Vindhya Telelinks Limited	63,80,243	8.29	63,80,243	8.29
August Agents Limited	60,15,912	7.81	60,15,912	7.81
Insilco Agents Limited	60,04,080	7.80	60,04,080	7.80
Laneseda Agents Limited	59,94,680	7.78	59,94,680	7.78
The Punjab Produce & Trading Co. (P) Ltd.	45,20,572	5.87	45,20,572	5.87
Reliance Capital Trustee Company Limited (Shares held in their various Schemes)	41,04,723	5.33	54,15,705	7.03

**20.8** No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

**20.9** The Company has neither allotted any equity shares against consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which the Balance Sheet is prepared.

**20.10** No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

**20.11** No calls are unpaid by any Director or Officer of the Company during the year.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 21 OTHER EQUITY (Refer Statement of Change in Equity)

#### The Description of the nature and purpose of each reserve within equity is as follows:

- Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.
- Debenture Redemption Reserve (DRR):** The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.
- General Reserve:** The general reserve is created out of retained earnings and being used for appropriation purposes.
- Retained Earnings:** Retained earnings represents the undistributed profit of the Company.
- Debt Instrument through Other Comprehensive Income:** This reserve is created on account of fair valuation of selected debt instrument and will be transferred to statement of profit and loss on liquidation of respective instruments.
- Equity Instrument through Other Comprehensive Income:** This reserve is created on account of fair valuation of equity instruments other than investments in subsidiaries and associates. This will be directly transferred to retained earnings on disposal of respective equity instruments.
- Revaluation Surplus:** Revaluation surplus arises on account of fair valuation of freehold land. This will be directly transferred to retained earnings at the time of sale / disposal / transfer (if any) of the respective portion of freehold land.

### 22 LONG TERM BORROWINGS

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Non-Convertible Debentures (NCD)</b> <b>(Face Value of ₹ 10,00,000/- each)</b>	22.1(a)				
2,500 (Previous Year - 2,500) 9.25% NCD 2026		250.00	250.00	-	-
1,500 (Previous Year - 1,500) 9.15% NCD 2021		150.00	150.00	-	-
1,300 (Previous Year - 1,300) 9.05% NCD 2020		-	130.00	130.00	-
Nil (Previous Year - 1,500) 9.10% NCD 2020		-	-	-	150.00
		<b>400.00</b>	<b>530.00</b>	<b>130.00</b>	<b>150.00</b>
<b>Term Loans</b>					
<b>From Banks:</b>					
Rupee Loans	22.1(b)	848.69	851.05	69.31	15.68
Foreign Currency Loan	22.1 (c)	-	205.83	150.88	69.16
<b>From Other:</b>					
Rupee Loan	22.1(d)	7.73	7.07	-	-
		<b>856.42</b>	<b>1,063.95</b>	<b>220.19</b>	<b>84.84</b>
Finance lease obligations	22.2	-	0.12	-	0.01
<b>Total</b>		<b>1,256.42</b>	<b>1,594.07</b>	<b>350.19</b>	<b>234.85</b>
Amount disclosed under the head "Other Financial Liabilities"	23	-	-	(350.19)	(234.85)
<b>Total</b>		<b>1,256.42</b>	<b>1,594.07</b>	<b>-</b>	<b>-</b>
<b>Break Up of Security Details</b>					
Secured		1,186.42	1,593.95	350.19	234.84
Unsecured		70.00	0.12	-	0.01
<b>Total</b>		<b>1,256.42</b>	<b>1,594.07</b>	<b>350.19</b>	<b>234.85</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

## 22.1 Terms and Conditions of Long Term Borrowings :

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>a) Non-Convertible Debentures</b>			
i) 9.25% NCD 2026	22.1 (e) (i)	250.00	250.00
ii) 9.15% NCD 2021	22.1 (e) (ii)	150.00	150.00
iii) 9.05% NCD 2020	22.1 (e) (iii)	130.00	130.00
iv) 9.10% NCD 2020		–	150.00
<b>b) Rupee Term Loan - From Banks - in Indian Rupees</b>	22.1 (f), (h), (i) and (j)	921.48	872.16
<b>c) Foreign Currency Loan - From Bank - in Foreign Currency</b>	22.1 (g)	151.16	276.64
<b>d) Rupee Term Loan - From Other - in Indian Rupees</b>	22.1 (k)	11.91	11.91
<b>e) Non-Convertible Debentures are redeemable fully at par as under:-</b>			
i) 9.25% NCD 2026 of ₹ 250.00 Crores, includes ₹ 60.00 Crores repayable in August 2024, ₹ 15.00 Crores repayable in September 2024, ₹ 60.00 Crores repayable in August 2025, ₹ 15.00 Crores repayable in September 2025, ₹ 80.00 Crores repayable in August 2026, ₹ 20.00 Crores repayable in September 2026.			
ii) 9.15% NCD 2021 repayable in August 2021.			
iii) 9.05% NCD 2020 repayable in October 2020.			
<b>f) Rupee Loan from Bank are repayable as under:-</b>			
Term Loan ₹ 271.60 Crores, (Rate of Interest MCLR 6M Plus spread of 0.15%)			
₹ 8.40 Crores payable in 4 equal quarterly installments from June 2020 to March 2021.			
₹ 11.20 Crores payable in 4 equal quarterly installments from June 2021 to March 2022.			
₹ 56.00 Crores payable in 8 equal quarterly installments from June 2022 to March 2024.			
₹ 70.00 Crores payable in 8 equal quarterly installments from June 2024 to March 2026.			
₹ 84.00 Crores payable in 8 equal quarterly installments from June 2026 to March 2028.			
₹ 42.00 Crores payable in 2 equal quarterly installments from June 2028 to September 2028.			
<b>g) Foreign Currency Loans from Bank is repayable as under:-</b>			
Term Loan ₹ 151.16 Crores (Rate of Interest LIBOR 1M Plus spread of 175 bps)			
i) ₹ 151.16 Crores repayable in 4 equal quarterly installments starting from April 2020 to January 2021.			
<b>h) Rupee Loan from Bank are repayable as under:-</b>			
Term Loan ₹ 45 Crores, (Rate of Interest Repo rate Plus spread of 2.85%)			
₹ 11.28 Crores payable in 8 equal quarterly installments from February 2021 to November 2022.			
₹ 32.11 Crores payable in 19 equal quarterly installments from February 2023 to August 2027.			
₹ 1.61 Crores payable in November 2027.			
The above loans (e), (f), (g) and (h) are secured by first charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Company's Cement Division, ranking pari-passu with debenture holders and other lender banks.			
<b>i) Rupee Loans from Banks are repayable as under:-</b>			
Term Loan ₹ 534.88 Crores, (Rate of Interest MCLR 6M/12M Plus spread upto 0.15% and Repo rate Plus spread of 2.85%)			
₹ 27.45 Crores payable in 2 equal quarterly installments from May/June 2020 to August/September 2020.			
₹ 32.05 Crores payable in 2 equal quarterly installments from November/December 2020 to February/March 2021.			
₹ 36.56 Crores payable in 2 equal quarterly installments from May/June 2021 to August/September 2021.			
₹ 164.68 Crores payable in 8 equal quarterly installments from November/December 2021 to August/September 2023.			
₹ 137.28 Crores payable in 6 equal quarterly installments from November/December 2023 to February/March 2025.			
₹ 114.45 Crores payable in 5 equal quarterly installments from May/June 2025 to May/June 2026.			
₹ 22.41 Crores payable in August/September 2026.			
The Rupee Term Loans are secured by first ranking pari-passu charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Company's Jute Division and land situated at Birlapur & Narkeldanga.			

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

## j) Rupee Loan from Banks is repayable as under:-

Term Loan ₹ 70 Crores, (Rate of Interest Repo rate Plus spread of 2.55% )

₹ 35 Crores payable in April 2021.

₹ 35 Crores payable in March 2022.

The above loan is unsecured loan.

## k) Rupee Loan from Other is repayable as under:-

Interest free Term Loan ₹ 11.91 Crores from Pradeshiya Industrial &amp; Investment Corporation of U.P. Ltd.

i) ₹ 11.91 Crores includes, ₹ 2.82 Crores repayable in January 2025, ₹ 2.42 Crores repayable in March 2025 and ₹ 6.67 Crores repayable in May 2025.

The above loan is secured by Bank Guarantees.

## 22.2 Finance Lease Obligation

The Company has entered into various finance lease arrangements mainly for land for terms ranging up to 99 years. The legal title to these items vests with the respective lessors. There are no significant restrictions imposed by lease arrangements. There are no sub-lease arrangements entered in to by the Company for these leases.

The Company has finance lease contracts and the obligation under finance lease are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease contracts together with the present value of the net minimum lease payments are disclosed as below:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	0.51	0.06	0.01	0.01
After one year but not more than five years	2.03	0.30	0.05	0.04
More than five years	11.67	5.06	0.43	0.08
<b>Total minimum lease payments</b>	<b>14.21</b>	<b>5.42</b>	<b>0.49</b>	<b>0.13</b>
Less: Amounts representing Finance Charges	8.79	–	0.36	–
<b>Present value of minimum lease payments</b>	<b>5.42</b>	<b>5.42</b>	<b>0.13</b>	<b>0.13</b>

**As on 1st April 2019, the Finance Lease obligation is reclassified to Lease liabilities under “Other Financial Liabilities” on account of adoption of Ind AS 116 “Leases”.**

## 23 OTHER FINANCIAL LIABILITIES

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of Long Term Debt	22	–	–	350.19	234.84
Current Maturities of Finance Lease Obligations	22	–	–	–	0.01
Lease Liabilities	22.2 & 45	5.36	–	0.06	–
Trade & Security Deposits (Unsecured)		373.50	347.21	–	0.10
Interest Accrued but not due on Borrowings		–	–	28.11	28.16
Interest accrued and due on Borrowings		–	–	2.64	–
Unpaid and Unclaimed Dividends	41.2	–	–	59.01	1.48
Employees Related Liabilities		–	–	25.33	21.87
Amount Payable for Capital Goods		–	–	19.80	11.60
Derivative Contracts (Net)		–	–	–	6.17
Other Payables (including rebates and discounts)		–	–	250.64	181.67
		378.86	347.21	735.78	485.90
Liabilities Under Litigation		30.12	28.69	–	–
Less : Paid Under Protest		22.56	20.83	–	–
		7.56	7.86	–	–
<b>Total</b>		<b>386.42</b>	<b>355.07</b>	<b>735.78</b>	<b>485.90</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**24 PROVISIONS**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits	24.1	36.43	31.07	9.55	4.60
Provision for Mines Restoration		–	–	6.59	6.60
<b>Total</b>		<b>36.43</b>	<b>31.07</b>	<b>16.14</b>	<b>11.20</b>

**24.1 Movement of Provision :**

Particulars	Provision for Mines Restoration	
	31st March, 2020	31st March, 2019
<b>Balance as at year beginning</b>	6.60	5.35
Provision made during the year	–	1.25
Provision utilised/written back during the year	0.01	–
<b>Balance as at year end</b>	<b>6.59</b>	<b>6.60</b>

The Company has an obligation to restore the mines after extracting of reserves. Therefore provision has been recognised for the estimated decommissioning and restoration cost in accordance with the mines closure plan.

**25 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Depreciation	381.39	378.17
Revaluation Surplus	232.37	233.43
Mark to Market Gain on Investments	11.49	5.54
Others	0.26	0.27
	<b>625.51</b>	<b>617.41</b>
<b>Less: Deferred Tax Assets</b>		
Arising on account of :		
Mat Credit Entitlement	181.90	215.94
Items u/s 43B of Income Tax Act, 1961	55.92	56.94
Others	7.38	8.04
	<b>245.20</b>	<b>280.92</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>380.31</b>	<b>336.49</b>

**25.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020**

Particulars	As at 1st April, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Retained Earnings (Directly)	As at 31st March, 2020
<b>Deferred Tax Liabilities</b>					
Depreciation	378.17	3.27	–	(0.05)	381.39
Revaluation Surplus	233.43	–	(1.06)	–	232.37
Mark to Market Gain on Investments	5.54	5.79	0.16	–	11.49
Remeasurement of the Defined Benefit Plans	–	3.53	(3.53)	–	–
Others	0.27	(0.01)	–	–	0.26
	<b>617.41</b>	<b>12.58</b>	<b>(4.43)</b>	<b>(0.05)</b>	<b>625.51</b>
<b>Deferred Tax Assets</b>					
Mat Credit Entitlement	215.94	(34.04)	–	–	181.90
Items u/s 43B of Income Tax Act, 1961	56.94	(1.02)	–	–	55.92
Others	8.04	(0.66)	–	–	7.38
	<b>280.92</b>	<b>(35.72)</b>	–	–	<b>245.20</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>336.49</b>	<b>48.30</b>	<b>(4.43)</b>	<b>(0.05)</b>	<b>380.31</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	As at 1st April, 2018	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Retained Earnings (Directly)	As at 31st March, 2019
<b>Deferred Tax Liabilities</b>					
Depreciation	364.48	13.69	–	–	378.17
Revaluation Surplus	234.17	–	(0.74)	–	233.43
Mark to Market Gain on Investments	4.19	1.19	0.16	–	5.54
Remeasurement of the Defined Benefit Plans	–	(0.27)	0.27	–	–
Others	0.28	(0.01)	–	–	0.27
	<b>603.12</b>	<b>14.60</b>	<b>(0.31)</b>	–	<b>617.41</b>
<b>Deferred Tax Assets</b>					
Mat Credit Entitlement	188.77	27.17	–	–	215.94
Items u/s 43B of Income Tax Act, 1961	64.76	(7.82)	–	–	56.94
Others	15.31	(7.27)	–	–	8.04
	<b>268.84</b>	<b>12.08</b>	–	–	<b>280.92</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>334.28</b>	<b>2.52</b>	<b>(0.31)</b>	–	<b>336.49</b>

**25.2** Deferred tax assets and Deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

**25.3** The Company has not recognised deferred tax assets on unused tax credits (MAT credit entitlements) of ₹ 46.88 Crores (Previous year ₹ 46.88 Crores) related to F.Y. 2010-11 and 2011-12 on account of prudence.

**26 OTHER LIABILITIES**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Liabilities Under Litigation		289.92	299.76	–	–
Less : Paid Under Protest		154.21	158.23	–	–
		<b>135.71</b>	<b>141.53</b>	–	–
Advances Received from Customers	26.1	–	–	61.54	50.73
Statutory Dues		–	–	59.32	87.89
Bonus Liability		–	–	9.20	9.59
Deferred Revenue		4.29	5.29	1.33	1.66
Others		4.89	4.89	0.00	0.00
<b>Total</b>		<b>144.89</b>	<b>151.71</b>	<b>131.39</b>	<b>149.87</b>

**26.1 Movement of Deferred Revenue**

Particulars	2019-20	2018-19
Opening Balance	6.95	5.27
Grants Received during the year	–	3.28
Less: Released to Statement of Profit & Loss	1.33	1.60
<b>Closing Balance</b>	<b>5.62</b>	<b>6.95</b>
Current portion	1.33	1.66
Non Current portion	4.29	5.29

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**27 SHORT TERM BORROWINGS**

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>Loans Repayable on Demand</b>			
From Banks			
Rupee Loans	27.1	63.17	15.96
<b>Other Loans</b>			
From Banks			
Rupee Loan		–	0.91
Packing Credit in Indian Currency		–	8.35
<b>Total</b>		<b>63.17</b>	<b>25.22</b>
<b>The above amount includes</b>			
Secured Borrowings		63.17	16.87
Unsecured Borrowings		–	8.35
<b>Total</b>		<b>63.17</b>	<b>25.22</b>

**27.1** The above short term borrowings are Working Capital Loans from Banks which are secured by way of first charge on hypothecation of Company's Current Assets viz. Raw Materials, Stock-in-Trade, Consumable Stores and Books Debts, both present & future and further secured by way of second charge on pari-passu basis on Movable and Immovable Property, Plant and Equipment and Intangible Assets of the Company's Cement Division.

**28 TRADE PAYABLES**

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Trade Payables for goods and services			
- Total outstanding dues of micro enterprises and small enterprises	44	2.86	4.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises		352.59	420.29
<b>Total</b>		<b>355.45</b>	<b>424.38</b>

**29 REVENUE FROM OPERATIONS**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products	29.1 to 29.4	4,689.72	4,361.95
		<b>4,689.72</b>	<b>4,361.95</b>
Other Operating Revenues			
Incentives & Subsidies		19.08	18.65
Export Benefits		2.29	2.34
Income from Royalty		28.84	25.56
Insurance and Other Claims (Net)		1.43	1.91
Miscellaneous Sale		5.24	13.17
		<b>56.88</b>	<b>61.63</b>
<b>Total</b>		<b>4,746.60</b>	<b>4,423.58</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**29.1 Disaggregated Revenue Information**

a) Disaggregation of the Company's Revenue from Contracts with Customers:

Particulars	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Sale of Products</b>								
Manufactured Goods	4,340.50	328.20	0.99	4,669.69	4,031.99	326.57	1.45	4,360.01
Traded Goods	18.48	1.55	–	20.03	1.61	0.33	–	1.94
<b>Total Revenue from Contracts with Customers</b>	<b>4,358.98</b>	<b>329.75</b>	<b>0.99</b>	<b>4,689.72</b>	<b>4,033.60</b>	<b>326.90</b>	<b>1.45</b>	<b>4,361.95</b>
<b>Other Operating Revenues</b>								
Incentives & Subsidies	18.56	0.52	–	19.08	17.80	0.85	–	18.65
Export Benefits	–	2.29	–	2.29	–	2.34	–	2.34
Income from Royalty	28.84	–	–	28.84	25.56	–	–	25.56
Insurance and Other Claims (Net)	1.43	–	–	1.43	1.91	–	–	1.91
Miscellaneous Sale	4.49	0.70	0.05	5.24	12.03	1.10	0.04	13.17
	<b>53.32</b>	<b>3.51</b>	<b>0.05</b>	<b>56.88</b>	<b>57.30</b>	<b>4.29</b>	<b>0.04</b>	<b>61.63</b>
<b>Total Revenue from Operations</b>	<b>4,412.30</b>	<b>333.26</b>	<b>1.04</b>	<b>4,746.60</b>	<b>4,090.90</b>	<b>331.19</b>	<b>1.49</b>	<b>4,423.58</b>
Within India	4,411.80	294.18	1.04	4,707.02	4,086.96	301.75	1.49	4,390.20
Outside India	0.50	39.08	–	39.58	3.94	29.44	–	33.38
<b>Total Revenue from Operations</b>	<b>4,412.30</b>	<b>333.26</b>	<b>1.04</b>	<b>4,746.60</b>	<b>4,090.90</b>	<b>331.19</b>	<b>1.49</b>	<b>4,423.58</b>
<b>Timing of Revenue Recognition</b>								
Goods or Services transferred at a point in time	4,412.30	333.26	1.04	4,746.60	4,090.90	331.19	1.49	4,423.58
<b>Total Revenue from Operations</b>	<b>4,412.30</b>	<b>333.26</b>	<b>1.04</b>	<b>4,746.60</b>	<b>4,090.90</b>	<b>331.19</b>	<b>1.49</b>	<b>4,423.58</b>

b) Reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information :

Particulars	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Revenue</b>								
External Sales	4,412.30	333.26	1.04	4,746.60	4,090.90	331.19	1.49	4,423.58
Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Total</b>	<b>4,413.34</b>	<b>333.27</b>	<b>8.21</b>	<b>4,754.82</b>	<b>4,091.65</b>	<b>331.20</b>	<b>6.73</b>	<b>4,429.58</b>
Less : Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Revenue from Operations</b>	<b>4,412.30</b>	<b>333.26</b>	<b>1.04</b>	<b>4,746.60</b>	<b>4,090.90</b>	<b>331.19</b>	<b>1.49</b>	<b>4,423.58</b>

**29.2 Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers :**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Trade Receivables	16	179.32	190.09
<u>Contract Liabilities</u>			
Advances from Customers	26	61.54	50.73

**29.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted Price :**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Revenue as per contracted price</b>		5,036.21	4,656.49
Less: Sales Claims		0.45	0.44
Less: Rebate & Discounts		346.04	294.10
<b>Total Revenue from Contracts with Customers</b>		<b>4,689.72</b>	<b>4,361.95</b>
Other Operating Revenues		56.88	61.63
<b>Revenue from Operations</b>		<b>4,746.60</b>	<b>4,423.58</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**29.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at Balance Sheet date are, as follows :**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Advances from Customers	26	61.54	50.73

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

**30 OTHER INCOME**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Income			
On Investments		0.77	0.80
On Banks Deposits		9.73	5.67
On Income Tax Refund		6.22	12.78
On Other Deposits, etc.		1.34	1.99
Dividend Income		2.61	1.86
Net Gain/ (Loss) on sale of Investments measured at fair value through Profit & Loss		16.76	21.77
Net Gain/ (Loss) on restatement of Investments (Mark to Market) measured at fair value through Profit & Loss		26.04	15.99
Transfer of Profit from Other Comprehensive Income related to G-Sec Matured during the year	39.2	0.01	–
<b>Other Non Operating Income</b>			
Profit on sale/discard of Property, Plant and Equipment (Net)		0.40	2.05
Profit on sale of Non Current Assets classified as Held for Sale		2.70	5.80
Excess Liabilities and Unclaimed Balances written back (Net)		7.74	4.59
Excess Provision written back (Net)		1.99	0.91
Excess Depreciation written back		–	0.01
Insurance and Other Claims (Net)		2.98	0.01
Miscellaneous Income		3.19	6.85
<b>Total</b>		<b>82.48</b>	<b>81.08</b>

**31 COST OF MATERIALS CONSUMED**

Raw Material Consumed		1,019.55	948.33
<b>Total</b>		<b>1,019.55</b>	<b>948.33</b>

**32 PURCHASE OF STOCK IN TRADE**

Traded Goods		16.05	1.45
<b>Total</b>		<b>16.05</b>	<b>1.45</b>

**33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

<b>Inventories at the beginning of the year</b>			
Finished Goods		86.22	98.26
Stock-In-Trade		0.15	–
Work-In-Progress		74.23	79.16
		160.60	177.42
<b>Inventories at the end of the year</b>			
Finished Goods		145.04	86.22
Stock-In-Trade		0.93	0.15
Work-In-Progress		60.74	74.23
		206.71	160.60
<b>Changes in Inventories</b>		<b>(46.11)</b>	<b>16.82</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**34 EMPLOYEE BENEFITS EXPENSE**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries & Wages		254.89	238.90
Contribution to Provident and Other Funds		26.84	25.88
Staff Welfare Expenses		16.48	8.51
		298.21	273.29
Less: Amount Capitalized		0.05	0.02
<b>Total</b>		<b>298.16</b>	<b>273.27</b>

**35 FINANCE COST**

<b>Interest Expenses</b>			
To Debenture Holders		62.32	62.27
To Banks on Term Loans, etc.		89.25	80.04
To Banks On Working Capital Loans		2.04	0.91
On Deposits and Others		20.76	17.75
Exchange Differences regarded as an adjustment to Borrowing Costs		10.45	17.45
<b>Other Borrowing Costs</b>			
Other Financial Charges		0.48	1.31
		185.30	179.73
Less : Amount Capitalised	35.1	0.07	1.67
<b>Total</b>		<b>185.23</b>	<b>178.06</b>

**35.1** The capitalization rate for the general borrowing is 7.62% p.a. (Previous year 7.82% p.a.)

**36 DEPRECIATION AND AMORTISATION EXPENSE**

On Tangible Assets	5	144.04	145.90
On Intangible Assets	7	6.82	2.62
On Investment Property	6	0.01	0.01
On Right of Use Assets	5	0.31	–
<b>Total</b>		<b>151.18</b>	<b>148.53</b>

**37 OTHER EXPENSES**

<b>Manufacturing Expenses</b>			
Stores & Spare Parts Consumed		192.83	174.78
Packing Materials Consumed		154.55	162.77
Power & Fuel		962.34	980.25
Royalty & Cess		68.33	67.00
Repairs to Buildings		16.46	13.37
Repairs to Machinery		64.75	53.37
Freight & Material Handling on Inter Unit Transfer		77.74	121.38
Other Manufacturing Expenses		69.90	57.86
		1,606.90	1,630.78



**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Selling and Administration Expenses</b>			
Brokerage & Commission on Sales		36.60	32.92
Transport & Forwarding Expenses		954.99	945.28
Insurance		6.47	5.36
Rent		16.91	15.86
Repairs to Other Assets		4.18	3.07
Rates & Taxes		15.89	8.22
Advertisement		38.66	29.62
Inter Corporate Loan written off		2.75	–
Corporate Social Responsibility Expenses	48	3.48	3.47
Auditors' Remuneration	37.1	0.69	0.69
Loss on Revaluation of Live Stock (Net)		0.04	0.10
Net (Gain)/ Loss on Foreign currency transaction and translation	37.2	1.73	14.27
Investment in Associates written off		–	0.01
Net Provision for doubtful debts/ advances		0.03	1.99
Bad Debts		0.06	0.13
Directors' Fees and Commission		0.60	0.77
Other Expenses	37.3	93.92	85.65
		<b>1,177.00</b>	<b>1,147.41</b>
<b>Total</b>		<b>2,783.90</b>	<b>2,778.19</b>
<b>37.1 Auditors' Remuneration</b>			
a. Statutory Auditors			
Audit Fees		0.27	0.27
Tax Audit Fees		0.07	0.07
Limited Review		0.17	0.17
Travelling Expenses		0.03	0.02
Issue of Certificates		0.11	0.11
		<b>0.65</b>	<b>0.64</b>
b. Cost Auditors			
Audit Fees		0.04	0.05
Travelling Expenses		0.00	0.00
		<b>0.04</b>	<b>0.05</b>
<b>Total</b>		<b>0.69</b>	<b>0.69</b>
<b>37.2 Net (Gain)/ Loss on Foreign Currency Transaction and Translation</b>			
Net (Gain)/ Loss on foreign currency transaction and translation		1.73	18.05
Less: Amount Capitalized/ (Decapitalized)		–	3.78
<b>Total</b>		<b>1.73</b>	<b>14.27</b>
<b>37.3</b>	Other expenses includes ₹ 3.02 Crores (Previous year ₹ Nil) contributed to Electoral Trust Company.		

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>38 TAX EXPENSE</b>			
Current Tax	38.1	75.25	40.26
Deferred Tax			
On Other Items		14.26	29.69
Less : MAT Credit Entitlement		–	27.17
Add : MAT Credit Utilised		34.04	–
		<b>48.30</b>	<b>2.52</b>
Income Tax for earlier years		(18.27)	(20.55)
<b>Total</b>		<b>105.28</b>	<b>22.23</b>
<b>38.1 Reconciliation of Estimated Income Tax Expense at Indian Statutory Income Tax Rate to Income Tax Expense reported in Statement of Comprehensive Income</b>			
Income before Income Taxes		421.12	160.01
Indian Statutory Income Tax Rate	38.2	34.944%	34.944%
Estimated Income Tax Expenses		<b>147.16</b>	<b>55.91</b>
<b>Tax Effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:</b>			
Deduction under Chapter VIA		(33.61)	(28.40)
Tax payable at different rate / Capital Gain		(2.56)	1.85
Deferred Tax Adjustment		0.09	6.48
Permanent Difference		7.40	7.20
Others		5.07	(0.26)
Income Tax for earlier years		(18.27)	(20.55)
		<b>(41.88)</b>	<b>(33.68)</b>
<b>Income Tax Expense in the Statement of Profit and Loss</b>		<b>105.28</b>	<b>22.23</b>
<b>38.2</b>	The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Company has decided to continue under the existing provisions of the Income Tax Act, 1961. Applicable Indian Statutory Income Tax Rate for both the Fiscal Years 2020 and 2019 is 34.944%. However, the Company has paid tax u/s 115JB of Income Tax Act, 1961 for fiscal year 2019.		
<b>39 OTHER COMPREHENSIVE INCOME</b>			
<b>39.1 Items that will not be reclassified to profit or loss</b>			
Remeasurement of the Defined Benefit Plans		(10.09)	0.77
Less: Tax expense on the above		(3.53)	0.27
		<b>(6.56)</b>	<b>0.50</b>
Revaluation Surplus	5.2	–	–
Less: Tax expense on the above		(1.06)	(0.74)
		<b>1.06</b>	<b>0.74</b>
Equity Instruments through Other Comprehensive Income		(118.04)	19.24
Less: Tax expense on the above		–	–
		<b>(118.04)</b>	<b>19.24</b>
<b>39.2 Items that will be reclassified to profit or loss</b>			
Debt Instruments through Other Comprehensive Income		0.45	(0.24)
Less: Amount reclassified to Statement of Profit and Loss		0.01	–
		0.44	(0.24)
Less: Tax expense on the above		0.16	0.16
		<b>0.28</b>	<b>(0.40)</b>
<b>Total Other Comprehensive Income for the year (Net of tax)</b>		<b>(123.26)</b>	<b>20.08</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 40 CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

#### 40.1 Claims/Disputes/Demands against the Company not acknowledged as debt :

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
a	Sales Tax, VAT, CST and Entry Tax matters	163.63	163.84
b	Excise Duty, Service Tax, Goods & Service Tax and Custom Duty matters	100.09	96.57
c	Income Tax matters	4.56	10.53
d	Electricity Duty and Renewable Energy Surcharge matters	21.52	21.52
e	Royalty on Limestone	67.91	67.91
f	Others (Primarily related to demand for Alleged Impermissible Mining, Water Supply Charges, Stamp Duty, House Tax, Education Cess, etc.)	37.47	37.15

**40.2** In respect of the matters in Note No. 40.1, future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/authorities. Furthermore, there is no possibility of any reimbursements to be made to the Company from any third party.

**40.3** The Company has provided corporate guarantee in the nature of financial guarantee to the lenders of one of its wholly owned subsidiary amounting to ₹ 378.12 Crores (Previous Year ₹ 393.19 Crores) against the long term loans availed by the Subsidiary. As on the Balance Sheet date, the balance of such loans outstanding of ₹ 378.12 Crores (Previous Year ₹ 393.19 Crores).

#### 40.4 Other Contingent Liabilities

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
a.	Bills discounted with Banks remaining outstanding	2.91	4.31
b.	Customs Duty including interest thereon, which may have to be paid on account of non-fulfillment of Export Obligation under EPCG and Advance License Scheme	0.15	1.49

**41** The Board of Directors at its meeting held on 22nd May, 2020 have recommended a payment of final dividend of ₹ 7.50 per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2020. The same amounts to ₹ 57.75 Crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a Liability.

**41.1** The Company has proposed final dividend for the financial year 2018-19 aggregating of ₹ 57.75 Crores (₹ 7.50 per equity share of face value of ₹ 10 each), at its Annual General Meeting (AGM) held on 13th August, 2019. However the Company could not publish the voting results of the business transacted at the AGM and make payment of Dividend due to the restriction by the Hon'ble High Court of Calcutta which has since been lifted on 4th May, 2020. As per the voting results published thereafter, the resolution for payment of dividend has been passed by the share holders. As the Dividend was payable in financial year 2019-20, the same has been provided in the current year's accounts.

### 42 Commitments

#### Capital Commitments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for	78.61	56.67

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 43 Assets pledged as security

The carrying amounts of Assets Pledged as Security for Current and Non-Current Borrowings are :

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>Current</b>			
<b>Financial Assets</b>			
Trade Receivables	16	179.32	190.09
		<b>179.32</b>	<b>190.09</b>
<b>Non-Financial Assets</b>			
Inventories	14	583.64	588.16
Others	13	0.03	0.17
		<b>583.67</b>	<b>588.33</b>
<b>Total Current Assets Pledged as Security</b>		<b>762.99</b>	<b>778.42</b>
<b>Non-Current</b>			
Land	5	1,072.55	1,062.57
Buildings	5	174.84	175.80
Plant & Machinery	5	1,641.47	1,680.42
Others Tangible Assets	5	178.19	87.69
Other Non Current Assets	7 & 13	18.69	18.10
<b>Total Non-Current Assets Pledged as Security</b>		<b>3,085.74</b>	<b>3,024.58</b>
<b>Total Assets Pledged as Security</b>		<b>3,848.73</b>	<b>3,803.00</b>

**44** Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015 :

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year: <u>Trade Payable</u> Principal Interest <u>Other Financial Liability</u> Principal Interest	2.86 – – 1.61 –	4.09 – – 0.30 –
ii.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. Principal Interest	0.23 0.01	– –
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	–	–
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	–	–

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 45 Leases

#### 45.1 As Lessee

**45.1.1** The Company's significant leasing arrangements are in respect of leases for premises (residential, manufacturing facilities, office, stores, godown, etc.) These leasing arrangements which are cancellable ranging between 11 months and 99 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. Effective 1st April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any prepaid and accrued lease payments previously recognised.

#### 45.1.2 The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right of use assets and liabilities for leases with less than 12 months of lease term and low value of assets on the date of initial application.
- Applied the practical expedient by not reassessing whether a contract is, or contains a lease at the date of initial application. Instead applied the standards only to the contract that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term whether the contract contained options to extend or terminate the lease.

#### 45.1.3 Following is carrying value of right of use assets recognized on date of transition and the movements thereof during the year ended 31st March, 2020:

Particulars	Right of Use Assets	
	Leasehold Land	Total
<b>Balance as at 1st April, 2019</b>	–	–
Transition impact on account of adoption of Ind AS 116 "Leases" (Refer Note No. 5)	5.35	5.35
Reclassified from Property, Plant and Equipment on account of adoption of Ind AS 116 "Leases" (Refer Note No. 5)	0.53	0.53
Adjustment to Prepaid and accrued lease payments	4.02	4.02
Adjustment to Retained Earnings on account of Ind AS 116 "Leases"	(0.57)	(0.57)
<b>Total Right of Use Assets on the date of transition</b>	<b>9.33</b>	<b>9.33</b>
Additions during the year	–	–
Deletion during the year	–	–
Depreciation of Right of Use Assets (Refer Note No. 36)	(0.31)	(0.31)
<b>Balance as at 31st March, 2020</b>	<b>9.02</b>	<b>9.02</b>

#### 45.1.4 The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended 31st March, 2020 :

Particulars	As at 31st March, 2020
<b>Balance as at 1st April, 2019</b>	<b>0.13</b>
Transition impact on account of adoption of Ind AS 116 "Leases"	5.35
Additions during the year	–
Finance cost accrued during the year	0.44
Deletions	–
Payment of lease liabilities	(0.50)
<b>Banalce as at 31st March, 2020</b>	<b>5.42</b>
Current maturities of Lease liability (Refer Note No. 23)	0.06
Non-Current Lease Liability (Refer Note No. 23)	5.36

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**45.1.5** The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 0.13 Crore (Increase in Depreciation expense and finance cost by ₹ 0.31 Crore and ₹ 0.44 Crore respectively with corresponding decreases in other expenses by ₹ 0.62 Crore). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financial activities on account of lease payments by ₹ 0.50 Crore each. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 0.05 Crore.

**45.1.6** The maturity analysis of lease liabilities are disclosed in Note No. 22.2.

**45.1.7** The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.00%.

**45.1.8** Rental expense recorded for short-term leases was ₹ 16.91 Crores (Previous Year ₹ 15.86 Crores).

**45.1.9** The Company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when the fall due.

### 45.2 As Lessor

**45.2.1** The Company leased out its investment property on operating lease basis on cancellable basis. Rental income earned and direct operating expenses incurred on property letting on lease has been disclosed in Note No 6.

### 46 Earnings Per Share

Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit for the year attributable to the owner of the Company	315.84	137.78
Weighted average number of equity shares	7,70,05,347	7,70,05,347
Earnings per share basic and diluted (₹) (Face value of ₹ 10/- per share)	41.02	17.89

### 47 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013:

#### 47.1 Defined Contribution Plan :

The amount recognized as an expense for the Defined Contribution Plans are as under:

Sl. No.	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a.	Provident Fund	1.04	1.00
b.	Superannuation Fund	2.94	3.30
c.	Pension Fund	6.61	6.88

#### 47.2 Defined Benefit Plan

The following are the types of defined benefit plans:

##### 47.2.1 Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

##### 47.2.2 Pension Plan

Pension is payable to certain categories of employees who are eligible under the Company's Pension Scheme.

##### 47.2.3 Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

##### 47.2.4 Risk Exposure

##### Defined Benefit Plans

Defined benefit plans expose the Company to actuarial risks such as Interest Rate Risk, Salary Risk and Demographic Risk.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

- a) **Interest rate risk** : The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- b) **Salary risk** : Higher than expected increases in salary will increase the defined benefit obligation.
- c) **Demographic risk** : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

### 47.2.5 Reconciliation of the Net Defined Benefit Obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net Defined Benefit Obligation and its components:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Balance at the beginning of the year	122.24	122.80	0.66	0.65
Current Service Cost	7.24	6.75	–	–
Interest Cost on Defined Benefit Obligation	8.42	8.64	0.04	0.04
Actuarial Gain and Losses arising from				
Changes in Demographic Assumptions	–	–	–	–
Changes in Financial Assumptions	7.40	1.60	0.02	0.01
Experience Adjustment	2.69	(2.38)	0.04	0.08
Benefits Paid	(13.93)	(15.17)	(0.12)	(0.12)
<b>Balance at the end of the year</b>	<b>134.06</b>	<b>122.24</b>	<b>0.64</b>	<b>0.66</b>

### 47.2.6 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its Components:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Balance at the beginning of the year	128.09	125.42	–	–
Interest Income on Plan Assets	9.02	9.16	–	–
Remeasurement of Defined Benefit Obligation:				
Return on Plan Assets greater/ (lesser) than discount rate	0.06	0.08	–	–
Employer Contributions to the Plan	5.00	8.60	–	–
Benefits Paid	(13.93)	(15.17)	–	–
<b>Balance at the end of the year</b>	<b>128.24</b>	<b>128.09</b>	<b>–</b>	<b>–</b>

### 47.2.7 The amount recognised in the Balance Sheet

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Present value of Defined Benefit Obligation	134.06	122.24	0.64	0.66
Fair Value of Plan Assets	128.24	128.09	–	–
<b>Net Asset/(Liability) recognised in the Balance Sheet</b>	<b>(5.82)</b>	<b>5.85</b>	<b>(0.64)</b>	<b>(0.66)</b>

### 47.2.8 Expenses recognised in Profit and Loss

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Current Service Cost	7.24	6.75	–	–
Interest Cost	8.42	8.64	0.04	0.04
Interest Income on Plan Assets	(9.02)	(9.16)	–	–
<b>Total Expenses recognised in Profit and Loss</b>	<b>6.64</b>	<b>6.23</b>	<b>0.04</b>	<b>0.04</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 47.2.9 Remeasurements (gain)/ loss recognised in Other Comprehensive Income

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Actuarial (gain)/ loss on Defined Benefit Obligation	10.09	(0.78)	0.06	0.09
Return on Plan Assets (greater)/ lesser than discount rate	(0.06)	(0.08)	–	–
<b>Total remeasurements (gain)/loss recognised in Other Comprehensive Income</b>	<b>10.03</b>	<b>(0.86)</b>	<b>0.06</b>	<b>0.09</b>

### 47.2.10 Major Categories of Plan Assets

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Qualified Insurance Policy	100%	100%	–	–

The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India, Cap Assure Group Gratuity Scheme offered by SBI Life Insurance Co. Limited, HDFC Life Group variable employee benefit plan offered by HDFC Standard Life Insurance Company Limited, IndiaFirst New Corporate Benefit plan for gratuity offered by IndiaFirst Life Insurance Company Limited and Bajaj Allianz Group Employee Care plan offered by Bajaj Allianz Life Insurance Company Ltd. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available.

### 47.2.11 Asset-Liability Matching Strategy

The Company's investment is in Cash Accumulation Plan/Traditional Plan of various Insurance Companies, the investments are being managed by these Insurance Companies and at the year end interest is being credited to the fund value. The Company has not changed the process used to manage its risk from previous periods. The Company's investments are fully secured and would be sufficient to cover its obligations.

### 47.2.12 Actuarials Assumptions

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
<b>Financial Assumptions</b>				
Discount Rate	6.50% to 6.70%	7.30%	6.50%	7.30%
Salary Escalation Rate	5% to 8%	5% to 8%	–	–
<b>Demographic Assumptions</b>				
Mortality Rate	IAL (2006–08) Modified Ultimate	IAL (2006–08) Modified Ultimate	LIC (1996–1998) Ultimate	LIC (1996–1998) Ultimate
Withdrawal Rate	2.00%	2.00%	–	–

**47.2.13** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**47.2.14** As on 31st March 2020, the weighted average duration of the Defined Benefit Obligation is 2 to 10 years (previous year 3 to 10 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on (undiscounted)	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Within 1 Year	15.64	16.81	0.10	0.10
1 to 2 Year	12.66	11.42	0.10	0.10
2 to 3 Year	13.38	12.37	0.10	0.10
3 to 4 Year	14.69	13.30	0.10	0.10
4 to 5 Year	15.32	14.32	0.10	0.10
More than 5 Years	77.60	77.42	0.41	0.41



## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**47.2.15** The Company expects to contribute ₹ 10.00 Crores (previous year ₹ 2.00 Crores) to its gratuity fund in 2020-21.

**47.2.16 The following payments are expected contributions to the defined benefit plan in future years:**

Expected contributions	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Within next 12 months (next annual reporting period)	10.00	2.00	–	–
Between 2 and 5 years	8.00	5.00	–	–
Between 5 and 10 years	8.00	7.00	–	–
Beyond 10 years	10.00	10.00	–	–

### 47.2.17 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Effect on DBO due to 1% increase in Discount Rate	(8.70)	(7.59)	(0.03)	(0.03)
Effect on DBO due to 1% decrease in Discount Rate	10.03	8.70	0.03	0.03
Effect on DBO due to 1% increase in Salary Escalation Rate	5.66	8.63	–	–
Effect on DBO due to 1% decrease in Salary Escalation Rate	(12.31)	(7.62)	–	–

Sensitivity due to mortality and withdrawal rate are being insignificant, hence ignored.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 47.2.18 Provident Fund

Provident fund for certain eligible employees is managed by the Company through the various Provident Fund Trusts, namely “M P Birla Group Provident Fund Institution”, “Satna Cement Works Employees’ Provident Fund Trust”, “Birla Cement Works Staff Provident Fund Trust”, “Birla Jute Mills Workers’ Provident Fund Trust”, “Soorah Jute Mills Employees’ Provident Fund Trust”, “Durgapur Cement Works Employees’ Provident Fund Trust” and “Birla Industries Provident Fund”, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Company has an obligation to fund any shortfall on the yield of the trust’s investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Trust has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall, except in one particular Trust, there is shortfall of ₹ 0.59 Crore & ₹ 0.76 Crore as at 31st March, 2020 and as at 31st March, 2019 respectively.

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 31 March, 2020	333.03	343.58	10.55
As at 31 March, 2019	312.14	318.29	6.15

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31st March, 2020	31st March, 2019
Discount Rate (per annum)	6.50%	7.30%
Expected Rate of Return on Plan Assets (per annum)	8.25%	9.13%

The Company contributed ₹ 6.70 Crores and ₹ 6.13 Crores during the year ended 31st March, 2020 and 31st March, 2019 respectively.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**48** In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by The Institute of Chartered Accountants of India the requisite disclosure are as follows:

48.1 Particulars	For the year ended on	
	31st March, 2020	31st March, 2019
Gross Amount required to be spent by the Company during the year	3.12	3.41
Related Party transactions as per Ind AS 24 in relation to CSR Expenditure	NIL	NIL
Provision made in relation to CSR Expenditure	NIL	NIL

### 48.2 Amount spent during the year on :

Sl. No.	Particulars	For the year ended on 31st March, 2020			For the year ended on 31st March, 2019		
		In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
i	Construction/ Acquisition of any asset	–	–	–	–	–	–
ii	On purposes other than (i) above	3.48	–	3.48	3.45	0.02	3.47

**49** The Board of Directors of the Company at its meeting held on 25th July, 2013 had approved the Scheme of Amalgamation to amalgamate Talavadi Cements Limited, a 98% subsidiary, with the Company with an appointed date of 1st April, 2013. The Scheme is pending for approval of the National Company Law Tribunal, Kolkata.

**50** The Bikram Coal Block, the allocation of which was cancelled in view of the decision of the Hon’ble Supreme Court on 24th September, 2014 has been allocated by the Ministry of Coal through E-Auction process vide CMDPA (Coal Mine Development and Production Agreement) dated 18th December, 2019 and Vesting Order dated 10th February, 2020. The amount carried forward in the books of the Company amounting to ₹ 3.71 Crores (towards geological and other studies), being claimed as compensation from the Government of India, has been transferred to capital work in progress, related to the development of said Block.

**51** As a policy, the Company annually assesses the impairment of property plant and equipment (PPE) and other non-current assets by comparing the carrying value of PPE and other non-current assets with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Management has concluded that there is no impairment of PPE and other assets during the year.

**51.1** Certain Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation. In the opinion of the management, the value of Trade Receivables and Loans & Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

**52** The Company’s Unit Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.

**52.1** The Company’s Unit Birla Vinoleum and Auto Trim Division at Birlapur, are under Suspension of Operations since 18th February, 2014.

**52.2** In respect of mining matter of Chanderia before the Hon’ble Supreme Court, a comprehensive report has been submitted by Central Building Research Institute (CBRI) on full scale mining. The matter is in the final stage of hearing. Further, Principal Bench of National Green Tribunal on 8th March, 2019 has ordered to stop all mining activities which are being carried on within the municipal limites of Chittorgarh City and within 10 km of Bassi Wild Life Sanctuary or within Eco-Sensitive Zone of Bassi Wild Life Sanctuary, if finally notified. In the opinion of the management, there is no material impact of such order on the current mining operations of the Company.

### 53 Fair Value Measurement:

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### 53.1 The following methods and assumptions were used to estimate the fair values:

**53.1.1** The bonds and government securities being listed, the fair value has been taken at the market rates of the same as on the reporting dates. They are classified as Level 1 fair values in fair value hierarchy.

**53.1.2** The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. Debentures are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

**53.1.3** The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 53.2 Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

### 53.3 The following table provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities:

#### 53.3.1 Disclosure for the year ended 31st March, 2020

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Investment					
- Government Securities	0.00	0.00	-	-	-
Trade Receivables	179.32	179.32	-	-	-
Loan Receivables	1.57	1.57	-	-	-
Cash and Cash Equivalents	37.89	37.89	-	-	-
Other Bank Balances	171.75	171.75	-	-	-
Security Deposits	35.07	35.07	-	-	-
Other Deposits and Advances	7.23	7.23	-	-	-
Interest Accrued on Deposits	5.57	5.57	-	-	-
Fixed Deposits maturing after 12 months from Balance Sheet date	0.03	0.03	-	-	-
Other Financial Assets	2.38	2.38	-	-	-
Incentive and Subsidy Receivable	189.50	189.50	-	-	-
<b>Sub Total</b>	<b>630.31</b>	<b>630.31</b>	-	-	-
<b>Financial Assets at fair value through Profit &amp; Loss</b>					
Investments					
- Unlisted Preference Shares	122.50	122.50	-	-	122.50
- Mutual Funds	582.45	582.45	582.45	-	-
Derivative Instrument	5.49	5.49	-	5.49	-
<b>Sub Total</b>	<b>710.44</b>	<b>710.44</b>	<b>582.45</b>	<b>5.49</b>	<b>122.50</b>
<b>Financial Assets at fair value through Other Comprehensive Income</b>					
Investments					
- Listed Equity Instrument	151.11	151.11	151.11	-	-
- Unlisted Equity Instrument	0.06	0.06	-	-	0.06
- Bonds	7.64	7.64	7.64	-	-
- Government Securities	1.19	1.19	1.19	-	-
<b>Sub Total</b>	<b>160.00</b>	<b>160.00</b>	<b>159.94</b>	-	<b>0.06</b>
<b>Total Financial Assets</b>	<b>1,500.75</b>	<b>1,500.75</b>	<b>742.39</b>	<b>5.49</b>	<b>122.56</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>(2) Financial Liabilities</b>					
<b>Financial Liabilities at amortised cost</b>					
<b>Long Term Borrowings</b>					
Fixed Rate					
- Debentures	530.00	538.70	-	-	538.70
Floating Rate					
- Rupee Term Loan	918.00	918.00	-	-	-
- Foreign Currency Term Loan	150.88	150.88	-	-	-
- Finance Lease Obligation	-	-	-	-	-
Others - Rupee Term Loan	7.73	7.73	-	-	-
Short Term Borrowings	63.17	63.17	-	-	-
Lease Liabilities	5.42	5.42	-	-	-
Trade Payables	355.45	355.45	-	-	-
Trade & Security Deposits	373.50	373.50	-	-	-
Amount Payable for Capital Goods	19.80	19.80	-	-	-
Interest accrued but not due on Borrowings	28.11	28.11	-	-	-
Interest accrued and due on Borrowings	2.64	2.64	-	-	-
Employees Related Liabilities	25.33	25.33	-	-	-
Other Financial Liabilities	317.21	317.21	-	-	-
<b>Sub Total</b>	<b>2,797.24</b>	<b>2,805.94</b>	-	-	<b>538.70</b>
<b>Financial Liabilities at fair value through Profit &amp; Loss</b>					
Derivative Instrument	-	-	-	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>2,797.24</b>	<b>2,805.94</b>	<b>-</b>	<b>-</b>	<b>538.70</b>

#### 53.3.2 Disclosure for the year ended 31st March, 2019

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Investment					
- Government Securities	0.00	0.00	-	-	-
Trade Receivables	190.09	190.09	-	-	-
Loan Receivables	2.97	2.97	-	-	-
Cash and Cash Equivalents	65.93	65.93	-	-	-
Other Bank Balances	41.53	41.53	-	-	-
Security Deposits	34.73	34.73	-	-	-
Other Deposits and Advances	5.94	5.94	-	-	-
Interest accrued on Deposits	1.91	1.91	-	-	-
Fixed Deposits maturing after 12 months from Balance Sheet date	0.48	0.48	-	-	-
Other Financial Assets	2.37	2.37	-	-	-
Incentive and Subsidy Receivable	183.36	183.36	-	-	-
<b>Sub Total</b>	<b>529.31</b>	<b>529.31</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>Financial Assets at fair value through Profit &amp; Loss</b>					
Investments					
- Unlisted Preference Shares	117.48	117.48	–	–	117.48
- Mutual Funds	496.78	496.78	496.78	–	–
Derivative Instrument	–	–	–	–	–
<b>Sub Total</b>	<b>614.26</b>	<b>614.26</b>	<b>496.78</b>	<b>–</b>	<b>117.48</b>
<b>Financial Assets at fair value through Other Comprehensive Income</b>					
Investments					
- Listed Equity Instrument	269.15	269.15	269.15	–	–
- Unlisted Equity Instrument	0.06	0.06	–	–	0.06
- Bonds	7.20	7.20	7.20	–	–
- Government Securities	1.00	1.00	1.00	–	–
<b>Sub Total</b>	<b>277.41</b>	<b>277.41</b>	<b>277.35</b>	<b>–</b>	<b>0.06</b>
<b>Total Financial Assets</b>	<b>1,420.98</b>	<b>1,420.98</b>	<b>774.13</b>	<b>–</b>	<b>117.54</b>
<b>(2) Financial Liabilities</b>					
<b>Financial Liabilities at amortised cost</b>					
<b>Long Term Borrowings</b>					
Fixed Rate					
- Debentures	680.00	689.53	–	–	689.53
Floating Rate					
- Rupee Term Loan	866.73	866.73	–	–	–
- Foreign Currency Term Loan	274.99	274.99	–	–	–
- Finance Lease Obligation	0.13	0.13	–	–	–
Others - Rupee Term Loan	7.07	7.07	–	–	–
Short Term Borrowings	25.22	25.22	–	–	–
Trade Payables	424.38	424.38	–	–	–
Trade & Security Deposits	347.31	347.31	–	–	–
Amount Payable for Capital Goods	11.60	11.60	–	–	–
Interest accrued but not due on Borrowings	28.16	28.16	–	–	–
Employees Related Liabilities	21.87	21.87	–	–	–
Other Financial Liabilities	191.01	191.01	–	–	–
<b>Sub Total</b>	<b>2,878.47</b>	<b>2,888.00</b>	<b>–</b>	<b>–</b>	<b>689.53</b>
<b>Financial Liabilities at fair value through Profit &amp; Loss</b>					
Derivative Instrument	6.17	6.17	–	6.17	–
<b>Sub Total</b>	<b>6.17</b>	<b>6.17</b>	<b>–</b>	<b>6.17</b>	<b>–</b>
<b>Total Financial Liabilities</b>	<b>2,884.64</b>	<b>2,894.17</b>	<b>–</b>	<b>6.17</b>	<b>689.53</b>

**53.4 Description of significant unobservable inputs to Valuation**

Particulars	Significant Unobservable Inputs	Fair value as at		Sensitivity of the Input to Fair Value
		31st March, 2020	31st March, 2019	
Unquoted Preference Shares	Risk Adjusted Discount Rate (8.88%, Previous Year: 11.61%)	122.50	117.48	Increase in Risk adjusted discount rate by 50 bps would lead to a decrease in fair value by ₹ 1.32 Crores (Previous Year: ₹ 1.14 Crores) whereas a decline by 50 bps would increase the fair value by ₹1.34 Crores (Previous Year: ₹ 1.16 Crores).

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**53.5** During the year ended 31st March, 2020 and 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**54 Financial Risk Management**

The Company has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the Board of Directors. The different types of risk impacting the fair value of financial instruments are as below:

**54.1 Credit Risk**

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

**a) Trade Receivables**
**As at 31st March, 2020**

Ageing schedule	Not due	0-30 days past due	31-60 days past due	61-90 days past due	Above 90 days
Gross carrying amount	4.24	89.03	52.26	13.99	30.70
Expected loss rate	0.00%	0.00%	0.00%	0.00%	35.50%
Expected credit losses (Loss allowance provision)	–	–	–	–	10.90
Carrying amount of trade receivables (net of impairment)	4.24	89.03	52.26	13.99	19.80

**As at 31st March, 2019**

Ageing schedule	Not due	0-30 days past due	31-60 days past due	61-90 days past due	Above 90 days
Gross carrying amount	32.67	119.25	12.41	6.08	31.18
Expected loss rate	0.00%	0.00%	0.00%	0.00%	36.88%
Expected credit losses (Loss allowance provision)	–	–	–	–	11.50
Carrying amount of trade receivables (net of impairment)	32.67	119.25	12.41	6.08	19.68

**Reconciliation of loss allowance provision for Trade Receivable:**

Particulars	2019-20	2018-19
Loss allowance as at beginning	11.50	12.05
Changes in loss allowance (Net)	(0.60)	(0.55)
Loss allowance as at Year end	10.90	11.50

There is no customer (Previous Year Nil) who represents more than 10% of the total balance of trade receivables.

**54.2 Liquidity Risk**

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 54.2.1 Maturity Analysis for financial liabilities

#### a) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2020 :

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
<b>Non-derivative</b>						
Trade payables	–	355.45	–	–	–	355.45
Borrowings						
Redeemable Debentures (Refer Note No. 22.1 (a))						
2500 9.25% NCD 2026	–	–	–	75.00	175.00	250.00
1500 9.15% NCD 2021	–	–	–	150.00	–	150.00
1300 9.05% NCD 2020	–	–	130.00	–	–	130.00
Rupee Term Loan from bank (Refer Note No. 22.1 (b))	–	31.65	37.66	535.80	316.37	921.48
Foreign Currency Term Loan (Refer Note no. 22.1 (c))	–	75.58	75.58	–	–	151.16
Rupee Term Loan from other (Refer Note No. 22.1 (d))	–	–	–	5.24	6.67	11.91
Finance lease obligations (Refer Note No. 22.2)	–	–	–	–	–	–
Short Term Borrowings	63.17	–	–	–	–	63.17
Other financial liabilities						
Lease Liabilities	–	–	0.06	0.30	5.06	5.42
Trade & Security Deposits*	–	–	–	–	373.50	373.50
Amount Payable for Capital Goods	–	19.80	–	–	–	19.80
Interest accrued but not due on Borrowings	–	22.60	5.51	–	–	28.11
Interest accrued and due on Borrowings	–	2.64	–	–	–	2.64
Employees Related Liabilities	–	25.33	–	–	–	25.33
Others Financial Liabilities	59.01	250.64	–	7.56	–	317.21
<b>Total</b>	<b>122.18</b>	<b>783.69</b>	<b>248.81</b>	<b>773.90</b>	<b>876.60</b>	<b>2,805.18</b>
<b>Derivative</b>						
Foreign Exchange forwards contracts	–	–	–	–	–	–

\* Based on management assumption.

#### b) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2019:

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
<b>Non-derivative</b>						
Trade payables	–	424.38	–	–	–	424.38
Borrowings						
Redeemable Debentures (Refer Note No. 22.1 (a))						
2500 9.25% NCD 2026	–	–	–	–	250.00	250.00
1500 9.15% NCD 2021	–	–	–	150.00	–	150.00
1300 9.05% NCD 2020	–	–	–	130.00	–	130.00
1500 9.10% NCD 2020	–	–	150.00	–	–	150.00
Rupee Term Loan from bank (Refer Note No. 22.1 (b))	–	7.84	7.84	410.62	445.86	872.16
Foreign Currency Term Loan (Refer Note no. 22.1 (c))	–	–	69.16	207.48	–	276.64
Rupee Term Loan from other (Refer Note No. 22.1 (d))	–	–	–	–	11.91	11.91

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Finance lease obligations (Refer Note No. 22.2)	–	0.00	0.01	0.04	0.08	0.13
Short Term Borrowings	15.96	9.26	–	–	–	25.22
Other financial liabilities						
Trade & Security Deposits*	0.10	–	–	–	347.21	347.31
Amount Payable for Capital Goods	–	11.60	–	–	–	11.60
Interest accrued but not due on Borrowings	–	22.57	5.59	–	–	28.16
Employees Related Liabilities	–	21.87	–	–	–	21.87
Others Financial Liabilities	1.48	181.68	–	7.86	–	191.02
<b>Total</b>	<b>17.54</b>	<b>679.20</b>	<b>232.60</b>	<b>906.00</b>	<b>1,055.06</b>	<b>2,890.40</b>
<b>Derivative</b>						
Foreign Exchange forwards contracts	–	3.53	2.64	–	–	6.17

\* Based on management assumption.

- c) The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

### 54.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four type of risks: Commodity Price Risk, Foreign Currency Risk, Interest Rate Risk and Other Price Risk.

#### 54.3.1 Commodity Price Risk

The Company primarily imports coal, pet coke, gypsum and raw jute. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary.

#### 54.3.2 Foreign Currency Risk

The Company has Foreign Currency Exchange Risk on imports of input materials, capital equipments and also borrows funds in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

#### a) Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

#### i) Unhedged Foreign Currency Exposure (Amount in Crores)

Particulars	As at 31st March, 2020			
	USD	INR	EUR	INR
<b>Financial Assets</b>				
Trade Receivables	–	–	–	–
<b>Financial Liabilities</b>				
Foreign Currency Term Loan	1.00	75.58	–	–
Trade Payables & Others (*)	0.00	0.12	0.01	0.51
<b>Net Exposure (Liability)</b>	<b>1.00</b>	<b>75.70</b>	<b>0.01</b>	<b>0.51</b>

(\*) Does not includes CHF 3,060 and GBP 4,900 equivalent to ₹ 0.02 Crore and ₹ 0.05 Crore respectively.



**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Crores)

Particulars	As at 31st March, 2019			
	USD	INR	EUR	INR
<b>Financial Assets</b>				
Trade Receivables	–	–	–	–
<b>Financial Liabilities</b>				
Foreign Currency Term Loan	2.40	165.98	–	–
Trade Payables & Others (*)	0.03	2.28	0.01	0.54
<b>Net Exposure (Liability)</b>	<b>2.43</b>	<b>168.26</b>	<b>0.01</b>	<b>0.54</b>

(\*) Does not includes CHF 3,060 and GBP 4,900 equivalent to ₹ 0.02 Crore and ₹ 0.04 Crore respectively.

 ii) **Hegde Foreign Currency Exposure** (Amount in Crores)

Particulars	As at 31st March, 2020					
	USD	INR	EUR	INR	GBP	INR
<b>Derivative Assets</b>						
Forward Contract against Trade Receivable	0.06	4.32	–	–	–	–
Forward Contract against Firm Commitments	0.08	6.33	–	–	–	–
<b>Derivative Liabilities</b>						
Forward Contract - Against Payable	1.09	82.43	0.00	0.40	–	–
Forward Contract - Against Firm Commitments	0.84	63.14	–	–	0.01	0.61
<b>Net Exposure (Liability)</b>	<b>1.79</b>	<b>134.92</b>	<b>0.00</b>	<b>0.40</b>	<b>0.01</b>	<b>0.61</b>

(Amount in Crores)

Particulars	As at 31st March, 2019					
	USD	INR	EUR	INR	JPY	INR
<b>Derivative Assets</b>						
Forward Contract against Trade Receivable	0.05	3.46	–	–	–	–
Forward Contract against Firm Commitments	0.02	1.66	–	–	–	–
<b>Derivative Liabilities</b>						
Forward Contract - Against Payable	2.32	160.38	0.02	1.24	–	–
Forward Contract - Against Firm Commitments	1.33	91.84	0.03	2.25	–	–
<b>Net Exposure (Liability)</b>	<b>3.58</b>	<b>247.10</b>	<b>0.05</b>	<b>3.49</b>	–	–

b) The Company uses interest rate swaps to hedge the Interest rate of External Commercial Borrowings of Nil (Previous Year USD 10 Mn).

 c) **Sensitivity Analysis**

The Analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure. The following table demonstrates the sensitivity in the USD, EUR, CHF and GBP to the Indian Rupee with all other variables held constant.

Particulars	31st March, 2020			31st March, 2019		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit Before Tax	Other Equity		Profit Before Tax	Other Equity
USD Sensitivity Increase	5%	(3.79)	(2.46)	5%	(8.41)	(5.47)
USD Sensitivity Decrease	5%	3.79	2.46	5%	8.41	5.47
EUR Sensitivity Increase	5%	(0.03)	(0.02)	5%	(0.03)	(0.02)
EUR Sensitivity Decrease	5%	0.03	0.02	5%	0.03	0.02

Sensitivity analysis for CHF and GBP are insignificant, hence ignored.

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

 54.3.3 **Interest Rate Risk**

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and Investments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

 a) **Exposure to Interest Rate Risk**

Particulars	31st March, 2020	31st March, 2019
<b>Fixed Rate Instruments</b>		
Financial Assets	–	–
Financial Liabilities	530.00	680.00
	<b>530.00</b>	<b>680.00</b>
<b>Variable Rate Instruments</b>		
Financial Assets	–	–
Financial Liabilities	1,072.64	1,148.80
	<b>1,072.64</b>	<b>1,148.80</b>

 b) **Interest Rate Sensitivity**

A Change in 50 bps in interest rate would have following impact on Profit Before Tax and Other Equity:

Particulars	31st March, 2020			31st March, 2019		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit Before Tax	Other Equity		Profit Before Tax	Other Equity
Interest Rate Increase by	0.50%	(5.36)	(3.49)	0.50%	(5.74)	(3.74)
Interest Rate Decrease by	0.50%	5.36	3.49	0.50%	5.74	3.74

 54.3.4 **Other Price Risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance Sheet either at fair value through OCI or at fair value through profit and loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

 a) **Exposure to other market price risk**

Particulars	31st March, 2020	31st March, 2019
Investment in Equity Instruments - quoted	151.11	269.15
Investment in Mutual Funds	582.45	496.78
Investment In Bonds	7.64	7.20
Investment in Government Securities	1.19	1.00
	<b>742.39</b>	<b>774.13</b>

 b) **Sensitivity Analysis**

The Analysis is based on assumption that the increase/decrease by 5% with all other variables held constant.

Particulars	31st March, 2020			31st March, 2019		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit Before Tax	Other Equity		Profit Before Tax	Other Equity
Market rate Increase	5%	37.12	24.15	5%	38.71	25.18
Market rate Decrease	5%	(37.12)	(24.15)	5%	(38.71)	(25.18)

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 55 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments, cash and cash equivalents and other bank balances) to equity ratio is used to monitor capital.

Particulars	31st March, 2020	31st March, 2019
Debt Equity Ratio	0.21	0.30

### 56 Government grants during the year comprising Incentive and Subsidies include:

- 56.1** Tax incentive for capital investments under various State Investment Promotion Schemes of ₹ 17.48 Crores (Previous Year ₹ 16.79 Crores).
- 56.2** Amortisation of the deferred revenue of ₹ 0.75 Crore (Previous Year ₹ 0.69 Crore) arising due to difference between the fair value & nominal value of interest free loan granted under State Investment Promotion Scheme.
- 56.3** Amortisation of the deferred revenue of ₹ 0.58 Crore (Previous Year ₹ 0.91 Crore) on account of investment in plant & machineries under various State Investment Promotion Schemes.
- 56.4** Renewable energy certificates for generation of power from solar power plant under Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 of ₹ 0.27 Crore (Previous Year ₹ 0.26 Crore).

### 57 Segment Reporting

#### A) Primary Segment Information

Particulars	2019-20				2018-19			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Business Segment</b>								
<b>Segment Revenue</b>								
(a) External Sales	4,412.30	333.26	1.04	4,746.60	4,090.90	331.19	1.49	4,423.58
(b) Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Total</b>	<b>4,413.34</b>	<b>333.27</b>	<b>8.21</b>	<b>4,754.82</b>	<b>4,091.65</b>	<b>331.20</b>	<b>6.73</b>	<b>4,429.58</b>
Less : Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Revenue from Operations</b>	<b>4,412.30</b>	<b>333.26</b>	<b>1.04</b>	<b>4,746.60</b>	<b>4,090.90</b>	<b>331.19</b>	<b>1.49</b>	<b>4,423.58</b>
<b>Segment Result</b>	<b>573.12</b>	<b>13.52</b>	<b>(2.54)</b>	<b>584.10</b>	<b>314.88</b>	<b>10.50</b>	<b>(2.88)</b>	<b>322.50</b>
Add:								
(i) Interest Income				18.06				21.24
(ii) Unallocated Income net of unallocated Expense				4.19				(5.67)
Less :								
(i) Interest Expense				185.23				178.06
<b>Profit before Tax</b>				<b>421.12</b>				<b>160.01</b>
Tax Expenses								
Current Tax				75.25				40.26
Deferred Tax				48.30				2.52
Income Tax for earlier years				(18.27)				(20.55)
<b>Profit after tax</b>				<b>315.84</b>				<b>137.78</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

Particulars	2019-20				2018-19			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Other Information</b>								
<b>Segment Assets</b>	3,309.30	946.48	145.82	4,401.60	3,314.25	939.74	146.59	4,400.58
Unallocated assets				3,454.56				3,399.87
<b>Total Assets</b>				<b>7,856.16</b>				<b>7,800.45</b>
<b>Segment Liabilities</b>	919.07	26.41	1.49	946.97	936.46	25.80	1.55	963.81
Unallocated liabilities				2,560.78				2,610.67
<b>Total Liabilities</b>				<b>3,507.75</b>				<b>3,574.48</b>
<b>Segment Capital Expenditure</b>	210.14	8.34	0.19	218.67	138.89	7.53	0.06	146.48
Common Capital Expenditure				5.57				5.79
<b>Total Capital Expenditure</b>				<b>224.24</b>				<b>152.27</b>
<b>Segment Depreciation</b>	139.06	7.80	0.89	147.75	135.99	8.62	1.06	145.67
Common Depreciation				3.43				2.86
<b>Total Depreciation</b>				<b>151.18</b>				<b>148.53</b>

### B) Secondary (Geographical) Segment Information

Geographical segment is identified as the secondary segment and details are given below:

Particulars	2019-20	2018-19
1. Revenue from external customers		
– Within India	4,707.02	4,390.20
– Outside India	39.58	33.38
<b>Total</b>	<b>4,746.60</b>	<b>4,423.58</b>

2. The company does not have any tangible, intangible assets and non current operating assets located outside India.
3. During the year as well as previous year, No customer contributed 10% or more to the company's revenue from operations.

### C) Other Disclosures

The Company's operations predominantly relate to Cement and other products are Jute Goods, Auto Trims and Steel Castings. Accordingly, these business segments comprise the primary basis of segmental information set out in the standalone financial statements.

Inter-segment transfers are based on prevailing market prices except for Iron & Steel Castings which is based on cost plus profit.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company.

### 58 Related Party Disclosures

#### 58.1 As defined in Indian Accounting Standard (Ind AS)-24, the Company has a related party relationship in the nature of control over its subsidiaries namely :

Name of the Entity	Place of Incorporation	Ownership Interest held by the Company	
		31st March, 2020	31st March, 2019
Birla Corporation Cement Manufacturing PLC (Under Voluntary Winding-up)	Ethiopia	100%	100%
Birla Jute Supply Company Limited	India	100%	100%
Talavadi Cements Limited	India	98.01%	98.01%
Lok Cement Limited	India	100%	100%
Budge Budge Floorcoverings Ltd.	India	100%	100%
Birla Cement (Assam) Ltd.	India	100%	100%
M. P. Birla Group Services Pvt. Ltd.	India	100%	100%
RCCPL Private Ltd.	India	100%	100%

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**58.2** Other related parties with whom transactions have taken place during the year and previous year are:

Nature	Name of the Company	
Entities exercising significant influence over the Company	Vindhya Telelinks Ltd.	
	August Agents Ltd.	
	Insilco Agents Ltd.	
	Laneseda Agents Ltd.	
Nature	Name of the Company	
Associates	Birla Readymix Private Limited (Dissolved w.e.f. 7th February, 2019 )	
	Birla Odessa Industries Private Limited (Dissolved w.e.f. 18th January, 2019)	
Nature	Name	Designation
Key Management Personnels	Mr. Harsh V. Lodha	Chairman
	Mr. Bachh Raj Nahar	Managing Director (ceased to be Managing Director w.e.f. 3rd August, 2019)
	Mr. Pracheta Majumdar	Wholetime Director and Chief Executive Officer
	Mr. Vikram Swarup	Directors
	Mr. Bachh Raj Nahar (ceased to be the Director w.e.f. 13th August, 2019 due to retirement by rotation)	
	Mr. Anand Bordia	
	Mr. Brij Behari Tandon	
	Mr. Dhruba Narayan Ghosh	
	Mr. Deepak Nayyar	
	Ms. Shailaja Chandra	
	Mr. Dilip Ganesh Karnik	
Nature	Name of the Company	
Post Employment Benefit Plan Trust	Satna Cement Works Employees' Provident Fund	
	Soorah Jute Mills Employees' Provident Fund Trust	
	M P Birla Group Provident Fund Institution	
	Birla Cement Works Staff Provident Fund	
	Birla Jute Mills Workers' Provident Fund Trust	
	Durgapur Cement Works Employees' Provident Fund	
	Birla Corporation Limited, Employees Gratuity Fund	
	Birla DLW Ltd. Employees Gratuity Fund	
	Birla Corporation Superannuation Fund	

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**58.3** Transactions during the year

Particulars	2019-20					2018-19				
	Subsidiaries	Associates	Entities exercising significant influence over the Company	Key Management Personnel	Post Employment Benefit Plan Trust	Subsidiaries	Associates	Entities exercising significant influence over the Company	Key Management Personnel	Post Employment Benefit Plan Trust
Sales of goods/services provided	265.60	–	–	–	–	193.83	–	0.04	–	–
Purchase of goods/ services received	298.39	–	1.53	–	–	288.37	–	1.09	–	–
Gain on restatement of investment in Preference Shares ( Mark to Market )	5.02	–	–	–	–	9.09	–	–	–	–
Payment of rent	0.09	–	–	–	–	0.09	–	–	–	–
Receipt of rent	0.00	–	0.06	–	–	0.00	–	0.06	–	–
Advances given	0.34	–	–	–	2.00	0.42	–	–	–	–
Advances recovered	0.33	–	–	–	2.00	0.41	–	–	–	–
Advances written off	2.75	–	–	–	–	–	–	–	–	–
Interest income	0.04	–	–	–	–	0.04	–	–	–	–
Provision for doubtful advances	–	–	–	–	–	1.36	–	–	–	–
Provision for doubtful advances written back	1.36	–	–	–	–	–	–	–	–	–
Paid to Trust-Employees Provident Fund Contribution	–	–	–	–	6.70	–	–	–	–	6.13
Paid to Trust-Employees Gratuity Fund Contribution	–	–	–	–	5.00	–	–	–	–	8.60
Paid to Trust-Employees Superannuation Fund Contribution	–	–	–	–	2.94	–	–	–	–	3.23
Remuneration, Perquisites & Others (Refer Note No. 58.3.1)	–	–	–	5.74	–	–	–	–	6.99	–
Change in the Corporate Guarantee (to the extent of changes in loan outstanding)	(15.07)	–	–	–	–	(13.52)	–	–	–	–
Dividend Paid	–	–	–	–	–	–	–	15.86	–	–
Dividend Received	–	–	0.00	–	–	–	–	0.00	–	–

### 58.3.1 Key Management Personnel compensation

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Short-Term Employee Benefits	2.65	5.58
Post-Employment Benefits	1.38	0.52
Long-Term Employee Benefits	1.11	0.12
Director's sitting fees	0.60	0.77
Director's Commission	0.00	–
<b>Total Compensation</b>	<b>5.74</b>	<b>6.99</b>

\* Amount related to current year includes earlier year's accumulated amount of Gratuity and Leave encashment, paid at the time of retirement.

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**58.4 Balance Outstanding as at the balance sheet date**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Trade Payables</b>		
Subsidiaries	0.02	–
Entities exercising significant influence over the Company	0.04	0.02
<b>Provision for Employees benefit</b>		
Post employment benefit plan Trust	3.45	0.52
<b>Trade Receivables</b>		
Subsidiaries	7.64	12.91
<b>Other Receivables</b>		
Entities exercising significant influence over the Company	0.01	–
<b>Advances Given</b>		
Subsidiaries	0.07	2.78
<b>Corporate Guarantee Outstanding (to the extent of loan outstanding)</b>		
Subsidiaries	378.12	393.19
<b>Provision for Doubtful Advances</b>		
Subsidiaries	0.07	1.43
<b>Short-term employee benefits</b>		
Key Management Personnel	0.00	0.80

**58.5 Terms and Conditions of transactions with Related Parties:**

All Related Party Transactions are net off taxes and duties. The sales to and purchases from related party are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The Loans and Advances as well as Corporate Guarantee issued to related parties are on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash, the Company has recorded the receivable relating to amount due from related parties net of impairment (if any). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates.

**59** During the year, the Company has made an investment in AMP Solar Clean Power Private Limited ('AMP') by way of purchase of 2,27,040 fully paid up equity shares having face value of ₹ 10 each, amounting of ₹ 0.23 Crore (7.80% holding in AMP) and in 20,433 compulsorily convertible debentures having face value of ₹ 1000 each, amounting of ₹ 2.04 Crores under Share Purchase, Subscription and Shareholders Agreement. Further, the Company has entered into a long term power purchase agreement ('PPA') with the AMP which is engaged in setting up a solar power plant. The PPA has a lock-in period of 15 years wherein the Company (alongwith the subsidiary company) is required to purchase the entire contracted power capacity from the said plant.

Taking into consideration the terms and conditions of PPA, it is considered that the arrangement in respect of long term power purchase agreement satisfies all the conditions of the lease as per Ind AS 116. However, the plant is under construction as on 31st March, 2020. Consequently, Right of Use Assets and Lease Liabilities will be recognized on the Commencement date of Solar Power Plant.

The investment in equity shares in AMP together with the Subsidiary Company is 26%. Considering the substance of the transactions, in the opinion of the management, it is not considered as a related party under Ind AS 24/28. Accordingly, the investment in equity shares and compulsorily convertible debentures is recognized at amortised cost under "Deposits" as per the provision of Ind AS 109 and the difference between amortised cost and investment value on initial recognition is recognized under "Capital Advance".

**NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

**60** During the year, lockdown was declared across the country by the Central/ State Government(s) in response to COVID-19 pandemic on various dates between 22nd March, 2020 and 25th March, 2020. Consequently, Company's manufacturing and sales operations at all the locations were impacted due to such lockdown during the period from 22nd March, 2020 to 31st March, 2020. The operations have since commenced in a phased manner since April/ May, 2020 conforming to the guidelines of regulatory authorities. While Company's sales and profitability for the period were adversely impacted due to lockdown, it is not possible to ascertain the impact thereof. As per the current assessment of the Company, no material impact is expected due to COVID-19 on the carrying values of assets and liabilities at the year ended 31st March, 2020. The Company has taken into consideration external and internal information for developing various assumption for assessing the fair value of assets and liabilities, the impact whereof may differ from the estimates taken as on the date of approval of financial statements. Any changes due to the changes in situation and circumstances will be taken into consideration if necessary as and when it materialises.

**61 Previous year figures have been regrouped/ rearranged/ reclassified wherever necessary. Further, there are no material regroupings/ reclassifications during the year.**

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

**For and on behalf of the Board of Directors**

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020



Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part “A”: Subsidiaries

(₹ in Crores)

Sl. No.	Name of the Subsidiary	RCCPL Pvt. Ltd.	Birla Jute Supply Co. Ltd.	Talavadi Cements Ltd.	Lok Cement Ltd.	Budge Budge Floor-coverings Ltd.	Birla Cement (Assam) Ltd.	M.P. Birla Group Services Pvt. Ltd.
1.	Share Capital	312.82	0.06	6.00	1.00	4.00	0.05	0.02
2.	Reserve & Surplus	2,404.43	1.30	3.24	(0.69)	(2.19)	(0.02)	(0.02)
3.	Total Assets	6,718.89	1.44	9.40	0.32	1.96	0.03	0.00
4.	Total Liabilities	4,001.64	0.08	0.16	0.01	0.16	0.00	0.00
5.	Investments	92.91	–	0.68	–	0.13	–	–
6.	Turnover	2,477.69	–	–	–	–	–	–
7.	Profit before Taxation	251.06	0.06	0.25	2.71	(0.02)	(0.00)	(0.00)
8.	Provision for Taxation	71.07	0.02	0.00	–	(0.02)	–	–
9.	Profit After Taxation	179.99	0.05	0.25	2.71	(0.00)	(0.00)	(0.00)
10.	Proposed Dividend	–	–	–	–	–	–	–
11.	% of Shareholding	100%	100%	98.01%	100%	100%	100%	100%

- Note :**
1. None of the subsidiaries have reporting period different from the holding Company.
  2. None of the above mentioned subsidiaries are foreign subsidiaries.
  3. a) Subsidiaries which are yet to commence operations:
    - i) Lok Cement Ltd.
    - ii) Birla Cement (Assam) Ltd.
    - iii) M. P. Birla Group Services Pvt. Ltd.
  3. b) Subsidiaries which have been liquidated or sold during the year: Nil
  4. PART B of the Form AOC-1 is not applicable as there are no associate companies/ joint ventures of the Company as on 31st March, 2020.

For and on behalf of the Board of Directors

ADITYA SARAOGI  
Chief Financial Officer

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Date: 22nd May, 2020

CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR’S REPORT

### TO THE MEMBERS OF BIRLA CORPORATION LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of **BIRLA CORPORATION LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the consolidated Balance Sheet as at 31st March, 2020 and the consolidated Statement of Profit & Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended, (“the Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2020, its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and consolidated changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s 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 consolidated 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 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor’s Response
<b>Recoverability of MAT Credit Entitlement in future - Relating to Group:</b>  The Group has recognised deferred tax assets mainly on account of tax credit available for set off (Minimum Alternate Tax) under the Income Tax Act, 1961. Under Ind AS 12 – Income Taxes, deferred tax assets shall be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised. The assessment of valuation of deferred tax assets requires significant management judgement and estimation. This include, amongst others, estimation long-term future profitability, future revenue from proposed projects and tax regulations and developments.  As a result, the recognition of the deferred tax asset on above was significant to our audit.  The disclosures relating to the above are included in Note No. 25 of the consolidated financial statements.	 Audit procedures included, among others, review of: <ul style="list-style-type: none"><li>• The appropriateness of the methodology applied by the Group with applicable Indian accounting standards and applicable taxation laws along with the future business forecast of taxable profits.</li><li>• The likelihood of the Group to utilize the available MAT credit entitlements in the future with underlying projections and assumptions relating to future estimated profits, future capitalizations and depreciation allowance thereon and future estimates of taxable income.</li><li>• The adequacy of the Group’s disclosures in the financials on deferred tax assets and assumptions used.</li></ul>

#### Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors’ Report and Management Discussion and Analysis, Business Responsibility Report and the Report on Corporate Governance, 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

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective board of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free

from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### Auditor’s Responsibilities for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company

and its subsidiary companies has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### Other Matters

We did not audit the financial statements of six subsidiaries whose financial statements reflect the total assets of Rs. 13.16 Crores as at 31st March, 2020, total revenues of Rs. 3.87 Crores and net cash flow amounting of Rs. 0.36 Crore 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.

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 the our reliance on the work done and the reports of the other auditors and explanation provided by the Management.

#### Report on Other Legal and Regulatory Requirements

- 1 As required by section 143(3) of the Act, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under section 133 of the Act, read with relevant rules made thereunder;
- e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2020 and taken on record by the Board of Directors of the Holding Company and the reports of Statutory Auditors of its subsidiary companies, none of the Directors of the Group Companies, is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the Holding Company and a Subsidiary Companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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 and based on the consideration of the report of the other auditors on financial statements of the subsidiaries:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 40.1 to 40.4 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding Company and its subsidiary Companies.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)  
Partner (M. No: 024282)  
UDIN: 20024282AAAABM7418

Place : New Delhi  
Date : 22nd May, 2020

**Annexure-A referred to in the Independent Auditors’ report to the Members of Birla Corporation Limited on the consolidated accounts for the year ended 31st March, 2020.**

We have audited the internal financial controls over financial reporting of **BIRLA CORPORATION LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (collectively referred to as “the Group”), as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit and those conducted by other auditors. We and other auditors conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by ICAI. Those Standards and the Guidance Note require that ourselves and other auditors (We) comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

The audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. The audit of internal financial controls over financial reporting

included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanation given to us and based on the reports of other auditors, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matter**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal finance controls over financial reporting in so far as it relates to six subsidiary companies is based on the corresponding reports of the other auditors of the subsidiary companies. Our opinion is not qualified in respect of this matter.

**For V. Sankar Aiyar & Co.**

Chartered Accountants  
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)

Partner (M. No: 024282)

Place : New Delhi

Date : 22nd May, 2020

UDIN: 20024282AAAABM7418



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Crores)

	Note No.	As at 31st March, 2020		As at 31st March, 2019	
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, Plant and Equipment	6	6,373.25		6,293.10	
Capital Work-In-Progress	6	1,601.98		911.94	
Investment Property	7	0.16		0.17	
Goodwill on Consolidation		0.03		0.03	
Intangible Assets	8	951.29		970.13	
Intangible Assets under Development	8	1.92		2.11	
Biological Assets other than Bearer Plants	9	0.82		0.87	
Financial Assets					
Investments	10	160.00		276.41	
Loans	11	0.46		0.38	
Other Financial Assets	12	124.32		108.35	
Non-Current Tax Asset (Net)		60.53		78.24	
Other Non-Current Assets	13	206.77	9,481.53	185.37	8,827.10
<b>CURRENT ASSETS</b>					
Inventories	14	787.63		783.02	
Financial Assets					
Investments	15	676.17		600.32	
Trade Receivables	16	250.38		262.20	
Cash and Cash Equivalents	17	46.66		89.43	
Bank Balances other than Note 17	18	209.15		49.53	
Loans	11	1.10		1.24	
Other Financial Assets	12	410.19		461.35	
Other Current Assets	13	311.17		256.79	
Non-Current Assets classified as Held for Sale	19	1.49	2,693.94	0.63	2,504.51
<b>Total Assets</b>			<b>12,175.47</b>		<b>11,331.61</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity Share Capital	20	77.01		77.01	
Other Equity	21	4,729.12	4,806.13	4,418.21	4,495.22
Non-Controlling Interest			0.04		0.04
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Financial Liabilities					
Borrowings	22	3,668.95		3,623.21	
Other Financial Liabilities	23	547.22		488.63	
Provisions	24	50.02		42.13	
Deferred Tax Liabilities (Net)	25	856.79		742.22	
Non-Current Tax Liabilities (Net)		1.35		3.30	
Other Non-Current Liabilities	26	144.89	5,269.22	151.71	5,051.20
<b>CURRENT LIABILITIES</b>					
Financial Liabilities					
Borrowings	27	83.67		25.22	
Trade Payables	28				
- Total outstanding dues of micro enterprises and small enterprises		3.83		7.30	
- Total outstanding dues of creditors other than micro enterprises and small enterprises		518.92		620.01	
Other Financial Liabilities	23	1,282.16		876.88	
Other Current Liabilities	26	194.59		237.31	
Provisions	24	16.89		11.69	
Current Tax Liabilities (Net)		0.02	2,100.08	6.74	1,785.15
<b>Total Equity and Liabilities</b>			<b>12,175.47</b>		<b>11,331.61</b>
Basis of Preparation	2				
Basis of Consolidation	3				
Significant Accounting Policies	4				
Significant Judgements and Key Estimates	5				
The Notes are an integral part of the Consolidated Financial Statements.					

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

For and on behalf of the Board of Directors

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020

## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	29	6,915.69	6,548.73
Other Income	30	85.13	78.47
<b>Total Income</b>		<b>7,000.82</b>	<b>6,627.20</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	31	958.12	961.25
Purchases of Stock-in-Trade	32	16.05	1.45
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	33	(54.91)	(20.91)
Employee Benefits Expense	34	407.88	370.63
Finance Costs	35	387.67	370.52
Depreciation and Amortisation Expense	36	351.91	339.12
Other Expenses	37	4,252.58	4,287.70
<b>Total Expenses</b>		<b>6,319.30</b>	<b>6,309.76</b>
<b>Profit before Exceptional Items and Tax</b>		<b>681.52</b>	<b>317.44</b>
Exceptional Items		-	-
<b>Profit before Tax</b>		<b>681.52</b>	<b>317.44</b>
Tax Expense :	38		
Current Tax		75.29	84.56
Deferred Tax		119.35	(2.26)
Income Tax for earlier years		(18.30)	(20.56)
		176.34	61.74
<b>Profit for the year before share in Profit of Associates and Non-Controlling Interest</b>		<b>505.18</b>	<b>255.70</b>
Less: Share of Profit/(Loss) of Associates (Net of Tax Expense)		-	-
<b>Profit for the year</b>		<b>505.18</b>	<b>255.70</b>
<b>Profit attributable to:</b>			
Owners of the Parent		505.18	255.69
Non-Controlling Interest		0.00	0.01
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss	39.1	(128.70)	19.93
Income tax relating to these Items		4.74	0.52
		(123.96)	20.45
B. Items that will be reclassified to profit or loss	39.2	0.44	(0.24)
Income tax relating to these items		(0.16)	(0.16)
		0.28	(0.40)
		(123.68)	20.05
Other Comprehensive Income for the year (Net of Tax)			
<b>Other Comprehensive Income attributable to:</b>			
Owners of the Parent		(123.68)	20.05
Non-Controlling Interest		-	-
<b>Total Comprehensive Income for the year</b>		<b>381.50</b>	<b>275.75</b>
<b>Total Comprehensive Income attributable to:</b>			
Owners of the Parent		381.50	275.74
Non-Controlling Interest		0.00	0.01
Earnings Per Share (Face value of ₹ 10/- each)			
Basic & Diluted ( ₹ )	46	65.60	33.21
Basis of Preparation	2		
Basis of Consolidation	3		
Significant Accounting Policies	4		
Significant Judgements and Key Estimates	5		
The Notes are an integral part of the Consolidated Financial Statements.			

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

For and on behalf of the Board of Directors

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019	
<b>Cash Flow from Operating Activities:</b>			
<b>Profit after Exceptional Items &amp; before Tax</b>	681.52	317.44	
<b>Adjustments for :</b>			
Depreciation & Amortisation	351.91	339.12	
Investing Activities (Net)	(60.24)	(57.05)	
Provision for doubtful debts	0.03	0.63	
Bad debts	0.06	0.13	
(Profit) / Loss on sale/ discard of Property, Plant and Equipment (Net)	10.98	(2.05)	
Profit on sale of Non Current Assets classified as Held for Sale	(2.70)	(5.80)	
Fair Valuation for Biological Assets other than Bearer Plants	0.04	0.10	
Amortisation of Deferred Revenue	(1.33)	(1.60)	
Goodwill on Consolidation written off	–	0.12	
Excess Liabilities, unclaimed balances and provisions written back (Net)	(13.81)	(5.50)	
Excess Depreciation written back	–	(0.01)	
Effect of Foreign Exchange Fluctuations	7.18	24.07	
Unwinding of interest on Loan	1.04	–	
Finance Costs	387.67	370.52	
<b>Operating Profit before Working Capital changes</b>	<b>1,362.35</b>	<b>980.12</b>	
<b>Adjustments for :</b>			
(Increase) / Decrease in Trade Receivables	13.04	(70.61)	
(Increase) / Decrease in Inventories	(4.61)	(96.06)	
(Increase) / Decrease in Loans, Other Financial Assets & Other Assets	0.35	117.24	
Increase / (Decrease) in Trade Payables & Other Liability	9.81	175.31	
Increase / (Decrease) in Provisions	2.10	5.00	
<b>Cash generated from operations</b>	<b>1,383.04</b>	<b>1,111.00</b>	
Direct Taxes (Paid) / Refund Received (Net)	(41.83)	(46.87)	
<b>Net Cash from Operating Activities</b>	<b>1,341.21</b>	<b>1,064.13</b>	
<b>Cash Flow from Investing Activities:</b>			
Purchase of Tangible & Intangible Assets including CWIP / Capital Advances	(990.68)	(419.71)	
Sale of Tangible Assets	4.70	16.71	
(Purchase) / Sale of Liquid Investments (Net)	266.60	(183.41)	
Purchase of other Current Investments	(438.39)	(415.15)	
Sale of other Current Investments	135.92	446.43	
Purchase of Non current Investments	(8.75)	–	
Sale of Non-Current Investments	–	0.03	
Payment towards Investment in Subsidiary	–	(74.96)	
(Increase)/ Decrease in Other Bank Balances	(163.70)	62.41	
Interest received	7.71	22.41	
Dividend received	2.61	1.86	
<b>Net Cash used in Investing Activities</b>	<b>(1,183.98)</b>	<b>(543.38)</b>	

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019	
<b>Cash Flow from Financing Activities</b>			
Proceeds from Long Term Borrowings	662.92	73.79	
Repayments of Long Term Borrowings	(531.37)	(167.64)	
(Repayments) / Proceeds from Short Term Borrowings (Net)	56.12	(35.89)	
Payment of Lease Liabilities	(1.68)	–	
Interest paid	(387.16)	(344.80)	
Dividend paid	–	(50.05)	
Dividend Distribution Tax paid	–	(10.29)	
<b>Net Cash used in Financing Activities</b>	<b>(201.17)</b>	<b>(534.88)</b>	
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(43.94)</b>	<b>(14.13)</b>	
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>89.43</b>	<b>103.56</b>	
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>45.49</b>	<b>89.43</b>	
<b>Cash and Cash Equivalents as per balance sheet (Closing Balance) (Refer Note No. 17)</b>	<b>46.66</b>	<b>89.43</b>	
Overdraft Balance in Current Account shown under Short Term Borrowings	(1.17)	–	
<b>Cash and Cash Equivalents (Closing Balance) after adjusting Overdraft balance</b>	<b>45.49</b>	<b>89.43</b>	

**Note :**
**a) Reconciliation of Liabilities arising from financing activities**

Financial Liability	Opening	Proceeds	Repayments	Forex Adjustments	Fair Value Changes/other adjustments	Closing
Long Term Borrowings (Including current maturity)	4,023.98	662.92	531.37	39.08	3.67	4,198.28
Short Term Borrowings (Excluding Overdraft Balance in Current Account)	25.22	643.39	587.27	1.16	–	82.50

- b) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- c) The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy No. 4.2.
- d) Figures for the previous year have been re-grouped wherever considered necessary.
- e) Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- f) The Notes are an integral part of Consolidated Financial Statements.

As per our annexed Report of even date  
For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Registration No. 109208W

M. S. BALACHANDRAN  
Partner  
Membership No. 024282

New Delhi  
Date: 22nd May, 2020

**For and on behalf of the Board of Directors**

ADITYA SARAOGI  
Chief Financial Officer

GIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company Secretary

HARSH V. LODHA  
Chairman  
(DIN : 00394094)

PRACHETA MAJUMDAR  
Wholtime Director  
& Chief Executive Officer  
(DIN : 00179118)

Kolkata  
Date: 22nd May, 2020

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>a) Equity Share Capital (Refer Note No. 20)</b>		(₹ in Crores)
Balance as at 1st April, 2018		77.01
Add/(Less): Changes in Equity Share Capital during the year		-
<b>Balance as at 31st March, 2019</b>		<b>77.01</b>
Add/(Less): Changes in Equity Share Capital during the year		-
<b>Balance as at 31st March, 2020</b>		<b>77.01</b>

**b) Other Equity (Refer Note No. 21)**

Particulars	Capital Reserve	Reserve & Surplus				Items of Other Comprehensive Income			Total Attributable to the Owners of the Company	Attributable to Non Controlling Interest	Total
		Capital Reserve on Consolidation	Debt Redemption Reserve	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Revaluation Surplus			
<b>Balance as at 1st April, 2019</b>	<b>1.05</b>	<b>108.21</b>	<b>104.42</b>	<b>2,630.40</b>	<b>513.89</b>	<b>(0.95)</b>	<b>239.78</b>	<b>821.41</b>	<b>4,418.21</b>	<b>0.04</b>	<b>4,418.25</b>
Profit for the Year	-	-	-	-	505.18	-	-	-	505.18	0.00	505.18
Remeasurement Gain/(Loss)	-	-	-	-	(10.66)	-	-	-	(10.66)	-	(10.66)
Mark to Market Gain/(Loss)	-	-	-	-	-	0.44	(118.04)	-	(117.60)	-	(117.60)
Impact of Tax	-	-	-	-	3.68	(0.16)	-	1.06	4.58	-	4.58
Transition Impact of Ind AS 116 - Leases (Refer Note No. 45)	-	-	-	-	(1.17)	-	-	-	(1.17)	-	(1.17)
Impact of Tax thereon	-	-	-	-	0.20	-	-	-	0.20	-	0.20
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>497.23</b>	<b>0.28</b>	<b>(118.04)</b>	<b>1.06</b>	<b>380.53</b>	<b>0.00</b>	<b>380.53</b>
Final Dividend (₹ 7.50 per share) (Refer Note No. 41.2)	-	-	-	-	(57.75)	-	-	-	(57.75)	-	(57.75)
Dividend Distribution Tax on Final Dividend (Refer Note No. 41.2)	-	-	-	-	(11.87)	-	-	-	(11.87)	-	(11.87)
Transfer to Debenture Redemption Reserve	-	-	17.67	-	(17.67)	-	-	-	-	-	-
Transfer to General Reserve	-	-	(37.50)	37.50	-	-	-	-	-	-	-
<b>Total Appropriations / Adjustments</b>	<b>-</b>	<b>-</b>	<b>(19.83)</b>	<b>37.50</b>	<b>(87.29)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69.62)</b>	<b>-</b>	<b>(69.62)</b>
<b>Balance as at 31st March, 2020</b>	<b>1.05</b>	<b>108.21</b>	<b>84.59</b>	<b>2,667.90</b>	<b>923.83</b>	<b>(0.67)</b>	<b>121.74</b>	<b>822.47</b>	<b>4,729.12</b>	<b>0.04</b>	<b>4,729.16</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020 (Contd.)**

Other Equity										(₹ in Crores)	
Particulars	Capital Reserve	Reserve & Surplus				Items of Other Comprehensive Income			Total Attributable to the Owners of the Company	Attributable to Non Controlling Interest	Total
		Capital Reserve on Consolidation	Debt Redemption Reserve	General Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Revaluation Surplus			
Balance as at 1st April, 2018	1.05	108.21	83.00	2,580.40	389.49	(0.55)	220.54	820.67	4,202.81	0.03	4,202.84
Profit for the Year	-	-	-	-	255.69	-	-	-	255.69	0.01	255.70
Remeasurement Gain/(Loss)	-	-	-	-	0.69	-	-	-	0.69	-	0.69
Mark to Market Gain/(Loss)	-	-	-	-	-	(0.24)	19.24	-	19.00	-	19.00
Impact of Tax	-	-	-	-	(0.22)	(0.16)	-	0.74	0.36	-	0.36
Total Comprehensive Income	-	-	-	-	256.16	(0.40)	19.24	0.74	275.74	0.01	275.75
Final Dividends Paid (₹ 6.50 per share)	-	-	-	-	(50.05)	-	-	-	(50.05)	-	(50.05)
Dividend Distribution Tax on Final Dividend	-	-	-	-	(10.29)	-	-	-	(10.29)	-	(10.29)
Transfer to General Reserve	-	-	-	50.00	(50.00)	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	21.42	-	(21.42)	-	-	-	-	-	-
Total Appropriations / Adjustments	-	-	21.42	50.00	(131.76)	-	-	-	(60.34)	-	(60.34)
Balance as at 31st March, 2019	1.05	108.21	104.42	2,630.40	513.89	(0.95)	239.78	821.41	4,418.21	0.04	4,418.25

The Notes are an integral part of the Consolidated Financial Statements.

As per our annexed Report of even date For <b>V. SANKAR AIYAR &amp; CO.</b> Chartered Accountants Firm Registration No. 109208W		<b>For and on behalf of the Board of Directors</b>	
M. S. BALACHANDRAN Partner Membership No. 024282		ADITYA SARAOGI Chief Financial Officer	HARSH V. LODHA Chairman (DIN : 00394094)
		GIRISH SHARMA Joint President (Indirect Taxes) & Company Secretary	PRACHETA MAJUMDAR Wholetime Director & Chief Executive Officer (DIN : 00179118)
New Delhi			Kolkata
Date: 22nd May, 2020			Date: 22nd May, 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1 CORPORATE AND GENERAL INFORMATION

Birla Corporation Limited (the Parent Company) is the flagship company of the M. P. Birla Group. The Parent Company is a Public Limited Listed Company domiciled and incorporated in India having its Registered Office at Kolkata, West Bengal, India. It was incorporated as per the provisions of Companies Act as Birla Jute Manufacturing Company Limited in the year 1919. The Parent Company and its subsidiaries together referred as “the Group”. The Group is primarily engaged in the manufacturing of cement as its core business activity. It has significant presence in the jute industry as well.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These consolidated financial statements (“the financial statements”) have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Group for the year ended 31st March, 2020 have been approved by the Board of Directors in their meeting held on 22nd May, 2020.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

- Financial Assets and Liabilities (including Derivative Instruments) that is measured at fair value / amortised cost;
- Non-Current Assets classified as Held for Sale - measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined Benefit Plans – plan assets measured at fair value;
- Biological assets – At fair value less cost to sell; and
- Freehold Land falling under Property, Plant & Equipment that is measured at fair value.

2.3 Functional and Presentation Currency

The financial statements have been presented in Indian Rupees (INR or ₹), which is also the Group’s functional currency. All financial information presented in INR has been rounded off to the nearest Crores, unless otherwise stated. Wherever the amount represented ₹ “0.00” (Zero) construes value less than Rupees fifty thousand.

2.4 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

2.5 Current Versus Non-Current classification

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

3 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income (‘OCI’) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31st March, 2020. The Group consolidates the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary’s Statement of Profit and Loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the Group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the Subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated Statement of Profit and Loss includes the Group’s share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and associates are eliminated to the extent of the Group’s interest in these entities.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognised capital reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in Statement of Profit and Loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

**4 SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**4.1 Inventories**

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise of all costs of purchase (Net of Input Tax Credit), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

**4.2 Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash in hand, balance with Banks and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value. However, for the purpose of the Cash Flow Statement the same is net of outstanding bank overdrafts.

**4.3 Income Tax**

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**4.3.1 Current Tax**

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

**4.3.2 Deferred Tax**

- Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**4.4 Property, Plant and Equipment****4.4.1 Recognition and Measurement :**

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses (if any) except freehold land where the Group had opted revaluation model, (Refer Note No.6.2).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, directly attributable borrowing costs, any other directly attributable costs of bringing the assets to its working condition and location for its intended use, present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March, 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or Loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

**4.4.2 Subsequent Expenditure**

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection / Repairs / Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

**4.4.3 Depreciation and Amortization**

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. In case of certain components of plant and machineries depreciation has been provided based on the useful life considered at 2-15 years.
- Depreciation and amortization on right of use assets (Lease hold land, Building and Plant & Machinery) is provided on straight line method over the period of lease.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 4.4.4 Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### 4.4.5 Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

### 4.4.6 Capital Work in Progress

Capital work-in-progress is stated at cost less accumulated impairment loss, if any, which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

### 4.4.7 Stripping Cost

The stripping cost incurred during the production phase of a surface mine is recognized as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met.

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity;
- The entity can identify the component of an ore body for which access has been improved; and
- The costs relating to the improved access to that component can be measured reliably.

The stripping activity asset is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and any accumulated impairment loss, if any. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue based on stripping ratio as per the mining plan.

## 4.5 Leases

### 4.5.1 Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### 4.5.2 Group as lessor

- Finance Lease  
Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.
- Operating Lease  
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Group with expected inflationary costs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 4.5.3 Group as Lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

#### ➤ 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 loss, if any, and adjusted for any re-measurement 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 underlying 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 the accounting policies in section 'Impairment of Non-Financial Assets'.

#### ➤ 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, If any.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. 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 re-measured 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 asset.

The Group's lease liabilities are included in other current and non-current financial liabilities.

#### ➤ Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 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 that are considered to be 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.

"Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 4.6 Revenue Recognition

Effective 1st April, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" in respect of recognition of revenue from contracts with customers which provides a control-based revenue recognition model and a five step application approach for revenue recognition

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

as under:

- Identification of the contract(s) with customers;
- Identification of the performance obligations;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations;
- Recognition of the revenue when or as the Company satisfies performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue excludes amounts collected on behalf of third parties.

**4.6.1 Sale of Goods**

Revenue from the sale of goods is recognized when the Group satisfies a performance obligation at a point in time by transferring the goods to customers, i.e., when customers obtain control of the goods. Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and variable considerations i.e. discounts, rebates, sales claim etc.

**4.6.2 Variable Consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates / cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates / cash discount, the Group applies the most likely amount method for contracts with a single volume threshold and the expected value method for contracts with more than one volume threshold that best predicts the amount of variable consideration.

**4.6.3 Interest Income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**4.6.4 Dividend Income**

Dividend Income from investments is recognized when the Group's right to receive payment has been established.

**4.7 Employee Benefits****4.7.1 Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**4.7.2 Other Long Term Employee Benefits**

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) rates at the end of the reporting period that have terms approximating to the terms of related obligation. Re-measurements as the result of experience adjustment and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****4.7.3 Post Employment Benefits**

The Group operates the following post-employment schemes:

**➤ Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Re-measurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

**➤ Defined Contribution Plan**

Contributions to defined contribution plans such as provident fund contribution to government administered fund in respect of certain employees are charged to the Statement of Profit and Loss as and when incurred. Such benefits are classified as defined contribution plans as the Group does not carry any further obligations, apart from the contributions made on monthly basis.

Further in respect of other employees, provident fund contributions are made to various non government administered trusts. The interest rates payable to the members of the trust cannot not be lower than the statutory rate of interest notified by the government. The Group has an obligation to make good the shortfall in the interest amount, if any. In view of the Group's obligation to meet the shortfall, the same has been considered as the defined benefit plan. The expenses on account of provident fund maintained by the trusts are based on actuarial valuation using projected unit credit method.

**4.7.4 Termination Benefit**

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit and Loss immediately.

**4.8 Government Grants**

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

**4.9 Foreign Currency Transactions**

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in the Statement of Profit and Loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).
- The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011), which is continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March, 2016. Accordingly, exchange differences relating to long term monetary items, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

#### 4.10 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Group considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

#### 4.11 Financial Instruments

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

##### 4.11.1 Financial Assets

- **Recognition and Initial Measurement:**  
  
All financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of the financial asset.
- **Classification and Subsequent Measurement:**  
  
For purposes of subsequent measurement, financial assets are classified in four categories:
  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

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.

  - Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
    - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
    - 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.
  - Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
    - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
    - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on re-measurement recognized in other comprehensive income, except

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.
- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to the Statement of Profit and Loss, even on sale of investment.
- **Derecognition**  
  
The Group derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.
- **Impairment of Financial Assets**  
  
The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.
- 4.11.2 Financial Liabilities**
  - **Recognition and Initial Measurement:**  
  
Financial liabilities are classified, at initial recognition, as at fair value through Profit or Loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
  - **Subsequent Measurement:**  
  
Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as 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 recognized in the Statement of Profit and Loss. Other financial liabilities including borrowings and payables are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.
  - **Financial Guarantee Contracts**  
  
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.
  - **Derecognition**  
  
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.
  - **Offsetting financial instruments**  
  
Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

**4.11.3 Derivative financial instruments:**

The Group enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Profit or Loss immediately.

**4.12 Impairment of Non-Financial Assets**

- The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**4.13 Provisions, Contingent Liabilities and Contingent Assets****4.13.1 Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 recognized as finance cost.

- **Restoration (including Mine closure), rehabilitation and decommissioning**

It includes the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas for mines. This provision is based on all regulatory requirements and related estimated cost based on best available information. Restoration/ Rehabilitation/ Decommissioning costs are provided for in the accounting period when the obligation arises based on the net present value of the estimated future costs of restoration to be incurred and are reviewed at each Balance Sheet date.

- **Onerous Contracts:**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

**4.13.2 Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and 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 but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to financial statements.

**4.13.3 Contingent Assets**

Contingent assets are not recognised in Financial Statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**4.14 Intangible Assets****4.14.1 Recognition and Measurement**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**4.14.1.1 Mining Rights**

Mining Rights are initially recognized at cost and subsequently at cost less accumulated amortization and accumulated impairment loss, if any.

Acquisition Cost i.e., cost associated with acquisition of licenses, and rights to explore including related professional fees, payment towards statutory forestry clearances, as and when incurred, are treated as addition to the Mining Right.

**4.14.1.2 Other Intangible Assets**

Software which is not an integral part of related hardware is treated as intangible asset and stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

**4.14.1.3 Intangible Assets acquired through Business Combination**

Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**4.14.2 Subsequent Expenditure**

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss.

**4.14.3 Amortization**

- Mining Rights are amortized on the basis of annual production to the total estimated mineable reserves. In case the mining rights are not renewed, the balance related cost will be charged to revenue in the year of decision of non-renewal.
- Supplier's Agreements are amortized over the period of five to twenty years.
- Useful life of Trade Mark is taken as indefinite.
- Other Intangible assets are amortized over a period of three years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

**4.14.4 Intangible Assets under Development**

Intangible Assets under development is stated at cost less accumulated impairment losses (if any). Cost includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

**4.15 Investment properties**

- Investment Property is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, use in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the Statement of Profit and Loss.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of de-recognition.

**4.16 Biological Assets other than Bearer Plants**

Biological Assets other than Bearer Plants are recognized when the Group controls the asset as a result of past events and it is probable that future economic benefits associated with the asset will flow to the entity and the fair value or cost of the asset can be measured reliably. A Biological Asset other than Bearer Plants is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 4.17 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the Balance Sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in Statement of Profit and Loss.

### 4.18 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. 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 other components of the Group and for which discrete financial information is available. Operating segments of the Group comprises three segments Cement, Jute and Others. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

### 4.19 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### 4.20 Standards Issued/amended but not yet effective

There is no standards that is issued but not yet effective on March 31, 2020.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 5 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Leases:** The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Restoration (including Mine closure), rehabilitation and decommissioning:** Estimation of restoration/ rehabilitation/ decommissioning costs requires interpretation of scientific and legal data, in addition to assumptions about probability of future costs.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment 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 doubtful debts expenses in the period in which such estimate has been changed.
- **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 valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Revenue Recognition:** The Group's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts rebates etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. Estimates of discounts and rebates are sensitive to changes in circumstances and the Group's past experience regarding returns, discount and rebate entitlements and may not be representative of customers' actual returns, discount and rebate entitlements in the future.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

## 6 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Year Ended 31st March, 2020																
	Gross Carrying Amount									Accumulated Depreciation							Net Carrying Amount
	As at 1st April, 2019	Reclassified on adoption of Ind AS 116 "Leases"	Transition impact on adoption of Ind AS 116 "Leases"	Additions	Transfer	Disposals	Re-valuation	Other Adjust-ments	As at 31st March, 2020	As at 1st April, 2019	Reclassified on adoption of Ind AS 116 "Leases"	Charged during the year	Transfer	Deductions	Other Adjust-ments	As at 31st March, 2020	As at 31st March, 2020
Leasehold Land (Refer Note No. 6.6)	152.35	(152.35)	—	—	—	—	—	—	—	5.41	(5.41)	—	—	—	—	—	—
Freehold Land (Refer Note No. 6.1 to 6.2)	2,004.33	—	—	9.94	—	—	—	—	2,014.27	18.39	—	7.35	—	—	—	25.74	1,988.53
<b>Sub-Total</b>	<b>2,156.68</b>	<b>(152.35)</b>	<b>—</b>	<b>9.94</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,014.27</b>	<b>23.80</b>	<b>(5.41)</b>	<b>7.35</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>25.74</b>	<b>1,988.53</b>
Buildings (Refer Note No. 6.1)	639.20	—	—	24.60	—	—	—	1.46	665.26	74.30	—	25.49	—	—	—	99.79	565.47
Plant and Machinery (Refer Note No. 6.5 and 6.6)	4,340.90	(3.02)	—	328.17	—	4.24	—	5.86	4,667.67	855.06	(0.05)	265.39	—	3.34	(0.61)	1,116.45	3,551.22
Furniture and Fittings	10.67	—	—	1.12	—	0.01	—	—	11.78	3.98	—	1.21	—	0.01	—	5.18	6.60
Vehicles	23.21	—	—	3.92	—	0.64	—	—	26.49	9.14	—	2.86	—	0.58	—	11.42	15.07
Office Equipments	30.29	—	—	6.47	—	0.13	—	—	36.63	15.59	—	4.95	—	0.11	—	20.43	16.20
Railway Sidings	91.62	—	—	2.51	—	—	—	—	94.13	17.60	—	6.60	—	—	—	24.20	69.93
Right of Use Assets (Refer Note No. 45)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
- Leasehold Land	—	146.94	8.80	—	—	—	—	—	155.74	—	—	2.38	—	—	—	2.38	153.36
- Buildings	—	—	4.70	—	—	—	—	—	4.70	—	—	0.68	—	—	—	0.68	4.02
- Plant and Machinery	—	2.97	—	—	—	—	—	—	2.97	—	—	0.12	—	—	—	0.12	2.85
<b>Total</b>	<b>7,292.57</b>	<b>(5.46)</b>	<b>13.50</b>	<b>376.73</b>	<b>—</b>	<b>5.02</b>	<b>—</b>	<b>7.32</b>	<b>7,679.64</b>	<b>999.47</b>	<b>(5.46)</b>	<b>317.03</b>	<b>—</b>	<b>4.04</b>	<b>(0.61)</b>	<b>1,306.39</b>	<b>6,373.25</b>
<b>Capital Work-In-Progress</b>	<b>911.94</b>	<b>—</b>	<b>—</b>	<b>760.29</b>	<b>76.02</b>	<b>11.38</b>	<b>—</b>	<b>17.15</b>	<b>1,601.98</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,601.98</b>

Particulars	Year Ended 31st March, 2019													
	Gross Carrying Amount							Accumulated Depreciation						Net Carrying Amount
	As at 1st April, 2018	Additions	Transfer	Disposals	Revaluation	Other Adjust-ments	As at 31st March, 2019	As at 1st April, 2018	Charged during the year	Transfer	Deductions	Other Adjust-ments	As at 31st March, 2019	As at 31st March, 2019
Leasehold Land	152.35	—	—	—	—	—	152.35	3.34	2.07	—	—	—	5.41	146.94
Freehold Land (Refer Note No. 6.1 to 6.2)	1,996.91	7.42	—	—	—	—	2,004.33	10.73	7.66	—	—	—	18.39	1,985.94
<b>Sub-Total</b>	<b>2,149.26</b>	<b>7.42</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,156.68</b>	<b>14.07</b>	<b>9.73</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>23.80</b>	<b>2,132.88</b>
Buildings (Refer note 6.1)	616.63	23.05	—	0.71	—	0.23	639.20	49.04	25.38	—	0.12	—	74.30	564.90
Plant and Machinery (Refer Note No. 6.5 and 6.6)	4,155.27	188.28	—	8.56	—	5.91	4,340.90	597.01	259.03	—	0.98	—	855.06	3,485.84
Furniture and Fittings	10.01	0.68	—	0.02	—	—	10.67	2.81	1.18	—	0.01	—	3.98	6.69
Vehicles	20.31	3.48	—	0.60	—	0.02	23.21	6.92	2.60	—	0.38	—	9.14	14.07
Office Equipments	23.30	7.11	—	0.12	—	—	30.29	10.95	4.71	—	0.07	—	15.59	14.70
Railway Sidings	89.74	1.83	—	—	—	0.05	91.62	11.10	6.50	—	—	—	17.60	74.02
<b>Total</b>	<b>7,064.52</b>	<b>231.85</b>	<b>—</b>	<b>10.01</b>	<b>—</b>	<b>6.21</b>	<b>7,292.57</b>	<b>691.90</b>	<b>309.13</b>	<b>—</b>	<b>1.56</b>	<b>—</b>	<b>999.47</b>	<b>6,293.10</b>
<b>Capital Work-in-Progress</b>	<b>759.94</b>	<b>224.64</b>	<b>72.73</b>	<b>—</b>	<b>—</b>	<b>0.09</b>	<b>911.94</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>911.94</b>

## Notes :

- 6.1** Gross Carrying Amount includes ₹ 1.59 Crores (Previous Year ₹ 1.59 Crores) in Land and ₹ 7.00 Crores (Previous Year ₹ 7.00 Crores) in Building under Co-ownership basis and also ₹ 0.00 Crore (Previous Year ₹ 0.00 Crore) being value of investments in Shares of a Private Limited Company.
- 6.2** In the financial year 2017-18, the Group had adopted revaluation model for one class of assets i.e. Freehold Land and accordingly freehold land was revalued (as on 1st April, 2017) on the basis of valuation report made by independent valuers. Carrying amount as on 1st April, 2019 includes revaluation surplus of ₹ 1,054.92 Crores. In the opinion of the management, as there is no significant change in the fair value indicators, no fair valuation is done as on 31st March, 2020.

The fair valuation was based on current prices in the active market for similar properties. The main inputs used were quantum, area, location, demand, restrictive entry to the land. This valuation was based on valuations performed by accredited independent valuers. Fair valuation was based on depreciated open market price method. The fair value measurement was categorized in level 2 fair value hierarchy.

- 6.3** Other Adjustments include adjustment on account of foreign exchange differences pursuant to using the optional exemption available under Para

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

D13AA of Ind AS 101 "First Time Adoption" for continuing with the policy adopted for accounting for exchange difference on the Long Term Foreign Exchange Monetary Items recognized under previous GAAP as described in note no. 37.2 to the consolidated financial statement. Accordingly, the amount capitalized during the year with the Property, Plant and Equipment amounts to ₹ 9.41 Crores (Previous Year capitalized ₹ 16.87 Crores).

- 6.4** Other Adjustments also include finance costs capitalized during the year on the qualifying assets as required by Ind AS 23 Borrowing Costs amounting to ₹ 17.15 Crores (Previous Year ₹ 14.71 Crores), (Refer Note No. 35).
- 6.5** Other Adjustments related to Plant & Machinery represents Gross carrying Amount of ₹ 2.09 Crores (Previous Year ₹ Nil) and Accumulated Depreciation thereon of ₹ 0.61 Crore (Previous Year ₹ Nil) related to the assets transfer to "Non-Current Assets classified as Held for Sale", (Refer Note No. 19).
- 6.6** The net block of Leasehold Land of ₹ 146.94 Crores (Gross Block of ₹ 152.35 Crores and Accumulated Depreciation of ₹ 5.41 Crores) and Plant and Machinery of ₹ 2.97 Crores (Gross Block of ₹ 3.02 Crores and Accumulated Depreciation of ₹ 0.05 Crore) has been reclassified to "Right of Use Assets" on account of adoption of Ind AS 116 "Leases".
- 6.7** Right of Use Assets includes "Leasehold Land" represents land obtained on long term lease from various Government and other authorities.
- 6.8** Refer Note No. 42 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment .
- 6.9** Refer Note No. 43 for information on Property, Plant and Equipment pledged as securities by the Group.

## 7 INVESTMENT PROPERTY

(₹ in Crores)

## Particulars

## Gross Carrying Amount

Opening Gross Carrying Amount

Additions

Disposals

Other Adjustments

## Closing Gross Carrying Amount

## Accumulated Depreciation

Opening Accumulated Depreciation

Depreciation charged during the year

## Closing Accumulated Depreciation

## Net Carrying Amount

- 7.1** The fair value of the Group's investment properties as at 31st March, 2020 and 31st March, 2019 are ₹ 25.09 Crores and ₹ 24.19 Crores respectively. The fair value has been arrived on the basis of valuation performed by independent valuers, who are specialist in valuing these types of investment properties, having appropriate qualifications and recent experience in the valuation of properties in relevant locations.
- 7.2** The fair valuation is based on current prices in the active market for similar properties and rental income of similar type of property in the same locality. The main inputs used are quantum, area, location, demand, restrictive entry to the land and building, age of the building and trend of fair market rent in the locality. This valuation is based on valuations performed by accredited independent valuers. Fair valuation is based on depreciated open market price method and rental method. The fair value measurement is categorized in level 3 fair value hierarchy.

- 7.3** The amounts recognized in the Statement of Profit and Loss in relation to the investment properties:

## Particulars

Rental Income

Direct Operating Expenses in relation to

– Properties generating rental income

- 7.4** The Group has no restriction on the realisability of it's investment properties or the remittance of income and proceeds of disposal. There is no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

## 8 INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Year Ended 31st March, 2020										
	Gross Carrying Amount					Accumulated Amortisation					Net Carrying Amount
	As at 1st April, 2019	Additions	Disposals/ Transfer	Other Adjustments	As at 31st March, 2020	As at 1st April, 2019	Charged during the year	Deductions	Other Adjustments	As at 31st March, 2020	As at 31st March, 2020
Computer Software	9.75	0.78	—	—	10.53	4.79	2.10	—	—	6.89	3.64
Supplier Agreement-Flyash	19.61	—	—	—	19.61	5.02	1.10	—	—	6.12	13.49
Trademark	198.27	—	—	—	198.27	—	—	—	—	—	198.27
Mining Rights (includes site preparation)	816.83	15.42	—	—	832.25	64.52	31.84	—	—	96.36	735.89
<b>Total</b>	<b>1,044.46</b>	<b>16.20</b>	<b>—</b>	<b>—</b>	<b>1,060.66</b>	<b>74.33</b>	<b>35.04</b>	<b>—</b>	<b>—</b>	<b>109.37</b>	<b>951.29</b>
<b>Intangible Assets under Development</b>	<b>2.11</b>	<b>16.01</b>	<b>16.20</b>	<b>—</b>	<b>1.92</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1.92</b>

Particulars	Year Ended 31st March, 2019										
	Gross Carrying Amount					Accumulated Amortisation					Net Carrying Amount
	As at 1st April, 2018	Additions	Disposals/ Transfer	Other Adjustments	As at 31st March, 2019	As at 1st April, 2018	Charged during the year	Deductions	Other Adjustments	As at 31st March, 2019	As at 31st March, 2019
Computer Software	6.61	3.14	—	—	9.75	3.23	1.56	—	—	4.79	4.96
Supplier Agreement-Flyash	19.61	—	—	—	19.61	3.92	1.10	—	—	5.02	14.59
Trademark	198.27	—	—	—	198.27	—	—	—	—	—	198.27
Mining Rights (includes site preparation)	814.61	2.22	—	—	816.83	37.05	27.47	—	—	64.52	752.31
<b>Total</b>	<b>1,039.10</b>	<b>5.36</b>	<b>—</b>	<b>—</b>	<b>1,044.46</b>	<b>44.20</b>	<b>30.13</b>	<b>—</b>	<b>—</b>	<b>74.33</b>	<b>970.13</b>
<b>Intangible Assets under Development</b>	<b>2.36</b>	<b>5.11</b>	<b>5.36</b>	<b>—</b>	<b>2.11</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2.11</b>

8.1 Refer Note No. 42 for disclosure of contractual commitments for the acquisition of Intangible Assets.

8.2 Refer Note No. 43 for information on Intangible Assets pledged as securities by the Group.

## 9 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening Balance	0.87	0.92
Additions/Acquisitions	—	0.05
Disposals	0.01	—
Fair Value Adjustments	(0.04)	(0.10)
<b>Closing Balance</b>	<b>0.82</b>	<b>0.87</b>

9.1 The Group owns bearer biological assets i.e., livestock from which milk is produced. The livestock is maintained by the Parent Company at Satna and Birlapur. The milk produced from the live stock are internally consumed and not sold commercially.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

## 10 NON-CURRENT INVESTMENTS

(₹ in Crores)

	Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
				Qty	Amount	Qty	Amount
<b>A</b>	<b>DEBT INSTRUMENTS AT AMORTISED COST</b>						
	<b>Unquoted</b>						
	National Savings Certificate	10.1	7,500	1	0.00	1	0.00
	National Savings Certificate	10.1	10,000	1	0.00	1	0.00
	<b>Subtotal</b>				<b>0.00</b>		<b>0.00</b>
	<b>TOTAL (A)</b>				<b>0.00</b>		<b>0.00</b>
<b>B</b>	<b>INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>						
	<b>EQUITY INSTRUMENTS (FULLY PAID UP)</b>						
	<b>QUOTED</b>						
	Century Textiles & Industries Ltd.		10	18,07,660	53.52	18,07,660	168.67
	Birla Cables Ltd.		10	53,88,515	17.51	53,88,515	82.79
	Universal Cables Ltd.		10	8,00,157	6.73	8,00,157	17.62
	Hindustan Media Ventures Ltd.		10	4,440	0.02	4,440	0.05
	Rameshwara Jute Mills Ltd.	10.2	10	19,133	0.01	19,133	0.01
	Vindhya Telelinks Ltd.		10	100	0.00	100	0.01
	Birla Precision Technologies Ltd.		2	2,121	0.00	2,121	0.00
	Zenith Birla (I) Ltd.		10	6,362	0.00	6,362	0.00
	UltraTech Cement Limited	10.3	10	2,25,957	73.32	—	—
	<b>Subtotal</b>				<b>151.11</b>		<b>269.15</b>
	<b>UNQUOTED</b>						
	Birla Buildings Ltd.		10	24,000	0.02	24,000	0.02
	Neosym Industry Limited		10	52,000	0.01	52,000	0.01
	Lotus Court Ltd.		10	1	0.01	1	0.01
	Industry House Ltd.		10	600	0.01	600	0.01
	Eastern Economist Ltd.		10	400	0.01	400	0.01
	Woodlands Multispeciality Hospital Ltd.		10	520	0.00	520	0.00
	Twin Star Venus Co-Operative Society Housing Society Ltd.		10	10	0.00	10	0.00
	Elgin Mills Co. Ltd.		10	2,250	0.00	2,250	0.00
	Bally Jute Mills Employees Consumers' Co-operative Stores Limited		10	250	0.00	250	0.00
	Gangangiri Park Co-Operative Society Housing Society Ltd.		10	15	0.00	15	0.00
	Craig Jute Mills Ltd.		3	50	0.00	50	0.00
	<b>Subtotal</b>				<b>0.06</b>		<b>0.06</b>
	<b>Investment in Quoted Government Securities</b>						
	8.97% GOI 2030	10.4	1,00,00,000	1	1.19	—	—
	<b>Subtotal</b>				<b>1.19</b>		<b>—</b>
	<b>Investments In Quoted Bonds</b>						
	9.70% IFCI Ltd. 2030		10,00,000	63	6.25	63	5.95
	9.55% IFCI Ltd. 2025		10,00,000	13	1.39	13	1.25
	<b>Subtotal</b>				<b>7.64</b>		<b>7.20</b>
	<b>TOTAL (B)</b>				<b>160.00</b>		<b>276.41</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

	Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
				Qty	Amount	Qty	Amount
<b>C</b>	<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
	<b>Investment In Preference Shares - Unquoted (Fully paid up)</b>						
	Elgin Mills Co. Ltd. - 5% Preference Shares	10.2	10	100	0.00	100	0.00
	<b>Subtotal</b>				<b>0.00</b>		<b>0.00</b>
	<b>TOTAL (C)</b>				<b>0.00</b>		<b>0.00</b>
	<b>TOTAL NON-CURRENT INVESTMENTS</b>				<b>160.00</b>		<b>276.41</b>
	<b>Aggregate Book Vaue of Quoted Investments</b>				<b>159.94</b>		<b>276.35</b>
	<b>Aggregate Fair Value of Quoted Investments</b>				<b>159.94</b>		<b>276.35</b>
	<b>Aggregate amount of Unquoted Investments</b>				<b>0.06</b>		<b>0.06</b>
	<b>Aggregate amount of Impairment in value of Investments</b>				<b>-</b>		<b>-</b>

**Notes :**

- 10.1** Deposited with Government Department as Security.
- 10.2** Fair valuation not carried out as amount are not significant.
- 10.3** In terms of the Scheme of Demerger of the Cement Divison of Century Textiles & Industries Ltd and acquisition by UltraTech Cement Limited, the Group has received 2,25,957 equity shares of ₹ 10/- each of Ultratech Cement Limited without any consideration in ratio of 1:8 for holding in Century Textiles & Industries Ltd.. The value as on 31st March, 2020 represents Fair Market Value of the Shares.
- 10.4** Lien marked to The Clearing Corporation of India Limited.

**11 LOANS**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Loan &amp; Advances to Related Parties</b>	11.1, 11.2 & 11.3				
Loan Receivables		-	-	0.07	0.07
Less: Provision for Doubtful Receivables		-	-	0.07	0.07
		-	-	-	-
<b>Loans and Advances to Others</b>	11.1, 11.2 & 11.3				
Loan Receivables		0.46	0.38	1.10	1.24
Less: Provision for Doubtful Receivables		-	-	0.00	0.00
		0.46	0.38	1.10	1.24
<b>Total</b>		<b>0.46</b>	<b>0.38</b>	<b>1.10</b>	<b>1.24</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**11.1 Break Up of Loans**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Loan Receivables considered good - Secured		-	-	-	-
Loan Receivables considered good - Unsecured		0.46	0.38	1.10	1.24
Loan Receivables which have significant increase in Credit Risk		-	-	0.07	0.07
Loan Receivables-credit impaired		-	-	-	-
		0.46	0.38	1.17	1.31
Less: Provision for Doubtful Receivables		-	-	0.07	0.07
		<b>0.46</b>	<b>0.38</b>	<b>1.10</b>	<b>1.24</b>

**11.2** No Loans are due from directors or other officers of the Group either severally or jointly with any other person. Nor any Loan due from firms or private companies respectively in which any director of Group is a partner, a director or a member except as disclosed in Note No. 11.3 given below.

**11.3** Details of loans and advances to related parties as required by Sec. 186 of the Companies Act, 2013 read with SEBI (Listing Obligations Disclosure Requirements ) Regulations, 2015:

Particulars	Refer Note No.	Balance Outstanding		Maximum Amount Outstanding	
		As at		For the year ended	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
i. <b>Subsidiary Company (not consolidated)</b>					
Birla Corporation Cement Manufacturing PLC	(ii) (a) & (b)	-	-	0.07	0.07
ii. <b>Purpose for which the advance was provided</b>					
a. Advance given for working capital needs		-	-	-	-
b. Net of Provision for Doubtful Advances		-	-	-	-
iii. <b>Group has not given any Guarantee and for Investments Refer Note No. 10, 15 &amp; 60.</b>					

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**
**12 OTHER FINANCIAL ASSETS**

(₹ in Crores)

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Security Deposits</b>					
Unsecured, considered good	60	50.83	48.89	8.61	8.62
		50.83	48.89	8.61	8.62
Incentive and Subsidy Receivable		64.56	52.93	382.71	448.10
Less : Provision for Doubtful Receivables		–	–	1.44	1.44
		64.56	52.93	381.27	446.66
<b>Other Deposits and Advances</b>					
Unsecured, considered good	12.1	1.64	1.64	5.59	4.30
Unsecured, considered doubtful		–	–	2.01	2.01
		1.64	1.64	7.60	6.31
Less: Provision for Doubtful Advances		–	–	2.01	2.01
		1.64	1.64	5.59	4.30
Deposits with Bank having maturity of more than one year from the balance sheet date		4.92	2.38	1.32	–
Interest accrued on Deposits		0.00	0.14	5.57	1.77
Derivatives Contracts (Net)		–	–	7.82	–
Amount paid under Protest		2.37	2.37	–	–
Others		–	–	0.01	–
		7.29	4.89	14.72	1.77
<b>Total</b>		<b>124.32</b>	<b>108.35</b>	<b>410.19</b>	<b>461.35</b>

**12.1** No other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any other receivables are due from firms or private companies respectively in which any director of Group is a partner, a director or a member, except ₹ Nil (Previous year ₹ 0.01 Crore) are receivable from a private company in which directors of the Group are directors.

**12.2** Represents deposits marked lein in favour of Govt. Authorities / Banks.

**13 OTHER ASSETS**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Advance against supply of Goods and Services		–	–	172.57	206.94
Less : Provision for Doubtful Advances		–	–	0.04	0.04
		–	–	172.53	206.90
Capital Advances	60	119.95	95.21	–	–
Prepaid Expenses		4.44	7.87	8.65	9.05
Amount Paid Under Protest		78.59	74.68	–	–
Balances with Government & Statutory Authorities		0.60	0.73	126.28	28.60
<b>Security Deposits</b>					
Unsecured considered good		1.85	1.89	0.45	0.41
Other Advances (Including Balance with Gratuity Fund)		1.34	4.99	3.26	11.83
<b>Total</b>		<b>206.77</b>	<b>185.37</b>	<b>311.17</b>	<b>256.79</b>

No other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor other receivables are due from firms or private companies respectively in which any director of Group is a partner, a director or a member except ₹ 0.01 Crore (Previous year ₹ 1.81 Crores) are receivable from private companies in which directors of the Group are directors.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**
**14 INVENTORIES**

(₹ in Crores)

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
(As valued and certified by the Management)	4.1		
Raw Materials	14.1	114.06	123.68
Work-In-Progress	14.1	107.02	133.78
Finished Goods	14.1	199.99	119.11
Stock-In-Trade	14.1	0.93	0.15
Stores and Spares	14.1	236.03	219.32
Fuels	14.1	119.81	172.40
Packing Materials		9.79	14.58
<b>Total</b>		<b>787.63</b>	<b>783.02</b>

<b>14.1</b> The above includes goods-in-transit as under:			
Raw Materials		1.22	13.92
Work-in-Progress		0.55	0.42
Finished Goods		6.26	10.27
Stock-in-Trade		–	0.15
Stores and Spares		0.40	1.98
Fuels		0.70	0.20
<b>Total</b>		<b>9.13</b>	<b>26.94</b>

**14.2** Amount of write down of inventories carried at net realisable value and recognised as expenses : ₹ 0.23 Crore (Previous Year ₹ 1.15 Crores).

**14.3** Refer Note No. 43 for information on amount of inventories pledged as securities by the Group.

**15 CURRENT INVESTMENTS**

Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
			Qty	Amount	Qty	Amount
<b>A INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>						
Investment in Quoted Government Securities		100	–	–	1,00,000	1.00
6.90% GOI 2019				–		1.00
<b>TOTAL (A)</b>				–		–
<b>B INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS</b>						
<b>Investments in Mutual Funds</b>						
<b>QUOTED</b>						
Kotak Monthly Interval Plan Series 4 - Direct Plan Growth			–	–	1,00,00,000	10.03
<b>Subtotal</b>				–		<b>10.03</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

Particulars	Refer Note No.	Face Value	As at 31st March, 2020		As at 31st March, 2019	
			Qty	Amount	Qty	Amount
<b>UNQUOTED</b>						
Axis Liquid Fund - Direct Growth			58,262	12.84	2,39,442	49.66
Axis Treasury Advantage Fund - Direct Growth			1,67,736	39.00	–	–
Axis Short Term Fund- Direct Plan -Growth			21,50,898	5.03	–	–
Baroda Liquid Fund Plan B - Growth			65,719	15.04	2,05,290	44.17
DSP Liquidity Fund - Direct Plan- Growth			66,768	18.97	49,008	13.11
DSP Low Duration Fund- Direct Plan -Growth			1,83,17,379	27.30	–	–
Invesco India Liquid Fund -Direct Plan Growth			–	–	1,45,011	37.30
Invesco India Treasury Advantage Fund- Direct Plan Growth			60,004	17.17	–	–
Invesco India Money Market Fund- Direct Plan Growth			15,173	3.51	–	–
HSBC Ultra Short Duration Fund Direct Growth			50,000	5.05	–	–
HDFC Short Term Debt Fund -Direct Plan-Growth Option			43,84,273	10.04	–	–
HDFC Floating Rate Debt Fund- Direct Plan- Growth Option			60,96,981	21.57	–	–
HDFC Ultra Short Term Fund - Direct Plan - Growth Option			7,67,60,143	86.43	7,67,60,143	80.40
HDFC Liquid Fund -Direct Plan- Growth Option			20,562	8.03	–	–
HDFC Overnight Fund-Direct Plan -Growth Option			3,368	1.00	–	–
IDFC Ultra Short Term Fund Direct Plan Growth			6,58,69,212	75.13	3,87,76,130	41.12
IDFC Low Duration Fund -Growth- (Direct Plan)			66,66,760	19.26	–	–
IDFC Corporate Bond Fund Direct Plan -Growth			1,50,37,795	21.00	–	–
ICICI Prudential Savings Fund - Direct Plan- Growth			9,75,574	38.09	–	–
ICICI Prudential Liquid Fund - Direct Plan -Growth			3,40,582	10.01	17,20,202	47.55
ICICI Prudential Money Market Fund- Direct Plan Growth			–	–	9,654	0.26
ICICI Prudential Corporate Bond Fund Direct Plan Growth			–	–	1,53,685	0.30
Kotak Savings Fund - Direct Plan -Growth			1,67,08,622	54.89	74,93,231	22.89
Kotak Liquid Fund Direct Plan- Growth			–	–	52,186	19.75
LIC MF Liquid Fund -Direct Plan- Growth			15,185	5.47	–	–
L & T Liquid Fund Direct Plan - Growth			36,758	10.00	70,553	18.08
L & T Short Term Bond Fund Direct Plan- Growth			61,29,465	12.34	–	–
L & T Ultra Short Term Fund Direct Plan Growth			1,15,26,884	38.53	1,15,26,884	35.89
L & T Money Market Fund Direct Plan Growth			24,64,135	5.04	–	–
Nippon India Liquid Fund - Direct Plan - Growth Plan -Growth Option (Previously known as Reliance Liquid Fund Direct Plan Growth)			18	0.01	76,360	34.83
Nippon India Money Market Fund - Direct Growth Plan Growth Option			1,09,710	33.49	–	–
Nippon India Low Duration Fund- Direct Growth Plan Growth Option (Previously known as Reliance Low Duration Fund- Direct Plan Growth )			–	–	1,258	0.33
Nippon India Low Duration Fund- Retail Option Growth Plan (Previously kown as Reliance Low Duration Fund- Retail Option Growth Plan)			476	0.13	476	0.12
SBI Magnum Low Duration Fund Direct Plan Growth	15.1		1,03,038	27.10	53,270	12.95
Sundaram Money Fund Direct Growth			38,80,150	16.25	–	–
SBI Liquid Fund Direct Growth			58,943	18.33	72,098	21.11
Tata Money Market Fund Direct Plan- Growth			29,207	10.12	–	–
Tata Liquid Fund Direct Plan- Growth			31,941	10.00	1,93,036	56.84
UTI Liquid Cash Plan - Institutional Plan - Direct Plan Growth			–	–	1,06,345	32.55
Yes Liquid Fund Direct-Growth			–	–	1,97,852	20.08
<b>Sub total</b>				<b>676.17</b>		<b>589.29</b>
<b>TOTAL (B)</b>				<b>676.17</b>		<b>599.32</b>
<b>TOTAL CURRENT INVESTMENTS</b>				<b>676.17</b>		<b>600.32</b>
Aggregate Book value of Quoted Investments				–		11.03
Aggregate Fair Value of Quoted Investments				–		11.03
Aggregate amount of Unquoted Investments				676.17		589.29
Aggregate amount of impariment in value of investments				–		–

15.1 Out of the same 45,930 units (Previous year: 45930 units) are held as margin in favour of State Bank of India against bank guarantee.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

## 16 TRADE RECEIVABLES

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables	16.1 & 16.2	265.36	278.45
Less: Provision for Doubtful Receivables		14.98	16.25
<b>Total</b>		<b>250.38</b>	<b>262.20</b>
<b>Break Up of Trade Receivables</b>			
Trade Receivables considered good - Secured		133.55	142.56
Trade Receivables considered good - Unsecured		116.83	119.64
Trade Receivables which have significant increase in Credit Risk		14.98	16.25
Trade Receivables-Credit Impaired		–	–
<b>Total</b>		<b>265.36</b>	<b>278.45</b>
Less: Provision for Doubtful Receivables		14.98	16.25
<b>Total</b>		<b>250.38</b>	<b>262.20</b>

16.1 Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

16.2 No trade receivables are due from directors or other officers 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 of Group is a partner, a director or a member.

## 17 CASH AND CASH EQUIVALENTS

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Balances With Banks :			
In Current/ Cash Credit Account		46.37	57.22
In Deposit Accounts with Original Maturity of less than three months		–	20.00
Cheques/ Drafts on Hand		0.09	11.97
Cash on Hand		0.20	0.24
<b>Total</b>		<b>46.66</b>	<b>89.43</b>

## 18 BANK BALANCES (OTHER THAN NOTE : 17)

Balance in Unpaid Dividend Account	18.1	1.26	1.48
Other Fixed Deposit with Banks		207.89	48.05
<b>Total</b>		<b>209.15</b>	<b>49.53</b>

18.1 Includes deposits marked lien in favour of Govt. Authorities and Banks.

		0.49	2.15
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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 19 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Plant & Machinery	19.1	1.49	0.63
<b>Total</b>		<b>1.49</b>	<b>0.63</b>

#### 19.1 Plant & Machinery related to:

**Unit Birla Carbide & Gases:** Suspension of operations was declared of the Parent Company's unit Birla Carbide & Gases, Birlapur, West Bengal w.e.f. 29th October, 2001. Subsequently, closure of the Unit was declared w.e.f. 31st January, 2005. A resolution was passed by Board of Directors of the Parent Company on 4th November, 2015 for disposal of assets of the Unit. All Plant & Machineries, except some insignificant portion thereof, were disposed off till March, 2020 and it is expected that the sale for the remaining portion will be completed by March, 2021. The assets of the unit comprising remaining Plant & Machineries are presented within total assets of the "Unallocated Corporate Assets" under Segment Reporting.

**Unit Chanderia:** During the previous year 2018-19, the Parent Company decided to dispose of the old Thermal Power Plants and DG Sets at Chanderia unit being not in use for more than ten years. An online auction process was initiated in December, 2018 based on which the buyer finalised. Dismantling and sale of Plant & Machineries started in January, 2019 but could not completed by March, 2019. Now the sale has been completed in current financial year and no such assets remain unsold on 31st March, 2020.

**Unit Auto Trim Division:** Suspension of operations was declared of the Parent Company's unit Auto Trim Division at Birlapur, West Bengal w.e.f. 18th February, 2014. There have been no operations at Gurgaon plant, Haryana and at Chakan plant, Maharastra since November, 2007 and August, 2007 respectively. All Plant & Machineries, except some Machineries were transferred to other units of the Parent Company till April, 2019. A resolution was passed by Board of Directors of the Parent Company on 3rd May, 2019 for disposal of remaining assets of the Unit. It is expected that the sale of the assets will be completed by March, 2021. The assets of the unit comprising remaining Plant & Machineries are presented within total assets of the "Others Segment Assets" under Segment Reporting.

#### Non recurring fair value measurements

The fair value value of the Plant & Machineries, classified as Held for Sale, was determined using the sales comparison approach. This is level 2 measurement as per the fair value hierarchy set out in accounting policies related to fair value measurement. The key inputs under this approach are price of the similar Plant & Machineries at the same location, condition and age.

### 20 EQUITY SHARE CAPITAL

Particulars	Refer Note No.	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	Amount	No. of Shares	Amount
<b>20.1 Authorised Share Capital</b>					
Ordinary Shares of ₹10/- each		9,00,00,000	90.00	9,00,00,000	90.00
Preference Shares of ₹100/- each		10,00,000	10.00	10,00,000	10.00
<b>Total</b>		<b>9,10,00,000</b>	<b>100.00</b>	<b>9,10,00,000</b>	<b>100.00</b>
<b>20.2 Issued Share Capital</b>					
Ordinary Shares of ₹10/- each		7,70,13,416	77.01	7,70,13,416	77.01
<b>Total</b>		<b>7,70,13,416</b>	<b>77.01</b>	<b>7,70,13,416</b>	<b>77.01</b>
<b>20.3 Subscribed and Paid-up Share Capital</b>					
Ordinary Shares of ₹10/- each fully paid-up		7,70,05,347	77.01	7,70,05,347	77.01
Add: Forfeited Ordinary Shares (Amount originally paid-up)		-	0.00	-	0.00
<b>Total</b>		<b>7,70,05,347</b>	<b>77.01</b>	<b>7,70,05,347</b>	<b>77.01</b>

#### 20.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 20.5 Terms/ Rights attached to Equity Shares :

The Parent Company has only one class of issued shares i.e., Ordinary Shares having par value of ₹ 10 per share. Each holder of the Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Group after payment of all preferential amounts, in proportion to their shareholding.

### 20.6 Shareholding Pattern in respect of Holding or Ultimate Holding Company

The Parent Company does not have any Holding Company or Ultimate Holding Company.

### 20.7 Details of Equity Shareholders holding more than 5% shares in the Group

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Ordinary Shares of ₹ 10/- each fully paid</b>				
Hindustan Medical Institution	71,59,460	9.30	71,59,460	9.30
Vindhya Telelinks Limited	63,80,243	8.29	63,80,243	8.29
August Agents Limited	60,15,912	7.81	60,15,912	7.81
Insilco Agents Limited	60,04,080	7.80	60,04,080	7.80
Laneseda Agents Limited	59,94,680	7.78	59,94,680	7.78
The Punjab Produce & Trading Co. (P) Ltd.	45,20,572	5.87	45,20,572	5.87
Reliance Capital Trustee Company Limited (Shares held in their various scheme)	41,04,723	5.33	54,15,705	7.03

**20.8** No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

**20.9** The Parent Company has neither allotted any equity shares against consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

**20.10** No securities convertible into Equity/ Preference shares have been issued by the Parent Company during the year.

**20.11** No calls are unpaid by any Director or Officer of the Group during the year.

### 21 OTHER EQUITY (Refer Statement of Change in Equity)

**The Description of the nature and purpose of each reserve within equity is as follows:**

- Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.
- Capital Reserve on Consolidation:** This reserve arises on account of consolidation of the financials of subsidiaries.
- Debenture Redemption Reserve (DRR):** The Parent Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits of the Parent Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.
- General Reserve:** The general reserve is created out of retained earnings and use for appropriation purposes.
- Retained Earnings:** Retained earnings represents the undistributed profit of the Group.
- Debt Instrument through Other Comprehensive Income:** This reserve is created on account of fair valuation of selected debt instrument and will be transferred to statement of profit and loss on liquidation of respective instruments.
- Equity Instruments through Other Comprehensive Income :** This reserve is created on account of fair valuation of equity instruments. This will be directly transferred to retained earnings on disposal of respective equity instruments.
- Revaluation Surplus:** Revaluation surplus arises on account of fair valuation of freehold land. This will be directly transferred to retained earnings at the time of sale/disposal/transfer (if any) of the respective portion of freehold land.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

## 22 LONG TERM BORROWINGS

Particulars	Refer Note No.	Non-Current Portion		Current Maturities	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Non-Convertible Debentures (NCD)</b> <b>(Face Value of ₹ 10,00,000/- each)</b>	22.1 (a)				
2500 (Previous Year -2500) 9.25% NCD 2026		250.00	250.00	—	—
1500 (Previous Year -1500) 9.15% NCD 2021		150.00	150.00	—	—
1300 (Previous Year -1300) 9.05% NCD 2020		—	130.00	130.00	—
Nil (Previous Year - 1500) 9.10% NCD 2020		—	—	—	150.00
		<b>400.00</b>	<b>530.00</b>	<b>130.00</b>	<b>150.00</b>
<b>Term Loans</b>					
<b>From Banks:</b>					
Rupee Loans	22.1(b)	3,168.00	2,719.74	169.37	105.58
Foreign Currency Loans	22.1(c)	93.22	363.29	229.96	145.15
<b>From Others:</b>					
Rupee Loans		7.73	7.07	—	—
		3,268.95	3,090.10	399.33	250.73
Finance lease obligations	22.2	—	3.11	—	0.04
<b>Total</b>		<b>3,668.95</b>	<b>3,623.21</b>	<b>529.33</b>	<b>400.77</b>
Amount disclosed under the head "Other Financial Liabilities"	23	—	—	(529.33)	(400.77)
<b>Total</b>		<b>3,668.95</b>	<b>3,623.21</b>	<b>—</b>	<b>—</b>
<b>Break Up of Security Details</b>					
Secured		3,531.28	3,537.55	506.78	380.10
Unsecured		137.67	85.66	22.55	20.67
<b>Total</b>		<b>3,668.95</b>	<b>3,623.21</b>	<b>529.33</b>	<b>400.77</b>

## 22.1 Terms and Conditions of Long Term Borrowings :

	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>a) Non-Convertible Debentures</b>			
i) 9.25% NCD 2026	22.1 (e) (i)	250.00	250.00
ii) 9.15% NCD 2021	22.1 (e) (ii)	150.00	150.00
iii) 9.05% NCD 2020	22.1 (e) (iii)	130.00	130.00
iv) 9.10% NCD 2020		—	150.00
<b>b) Rupee Term Loan- From Banks- in Indian Rupees</b>	22.1 (f)	3,359.71	2,846.07
<b>c) Foreign Currency Loan - From Banks - in Foreign Currency</b>	22.1 (g)	323.82	510.62
<b>d) Rupee Term Loan - From Others - in Indian Rupees</b>	22.1 (h)	11.91	11.91

## e) Non-Convertible Debentures are redeemable fully at par as under :-

- i) 9.25% NCD 2026 of ₹ 250.00 Crores, includes ₹ 60.00 Crores repayable in August 2024, ₹ 15.00 Crores repayable in September 2024, ₹ 60.00 Crores repayable in August 2025, ₹ 15.00 Crores repayable in September 2025, ₹ 80.00 Crores repayable in August 2026, ₹ 20.00 Crores repayable in September 2026.
- ii) 9.15% NCD 2021 repayable in August 2021.
- iii) 9.05% NCD 2020 repayable in October 2020.

The Debentures are secured by first charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Parent Company's Cement Division, ranking pari-passu with other term lenders.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

## f) Rupee Loan from Banks :

Term Loan ₹ 3359.71 Crores, (Rate of Interest MCLR 6M/12M Plus spread upto 0.50% and Repo rate Plus spread of 2.85%)

## i) ₹ 534.88 Crores are repayable as under:

- ₹ 27.45 Crores payable in 2 equal quarterly installments from May/June 2020 to August/September 2020.
- ₹ 32.05 Crores payable in 2 equal quarterly installments from November/December 2020 to February/March 2021.
- ₹ 36.56 Crores payable in 2 equal quarterly installments from May/June 2021 to August/September 2021.
- ₹ 164.68 Crores payable in 8 equal quarterly installments from November/December 2021 to August/September 2023.
- ₹ 137.28 Crores payable in 6 equal quarterly installments from November/December 2023 to February/March 2025.
- ₹ 114.45 Crores payable in 5 equal quarterly installments from May/June 2025 to May/June 2026.
- ₹ 22.41 Crores payable in August/September 2026.

These Rupee Term Loans are secured by first ranking pari-passu charge on movable and immovable Property, Plant and Equipment & Intangible Assets of the Parent Company's Jute Division and land situated at Birlapur and Narkeldanga.

## ii) ₹ 271.60 Crores are repayable as under:

- ₹ 8.40 Crores payable in 4 equal quarterly installments from June 2020 to March 2021.
- ₹ 11.20 Crores payable in 4 equal quarterly installments from June 2021 to March 2022.
- ₹ 56.00 Crores payable in 8 equal quarterly installments from June 2022 to March 2024.
- ₹ 70.00 Crores payable in 8 equal quarterly installments from June 2024 to March 2026.
- ₹ 84.00 Crores payable in 8 equal quarterly installments from June 2026 to March 2028.
- ₹ 42.00 Crores payable in 2 equal quarterly installments from June 2028 to September 2028.

The Rupee Term Loan are secured by first charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Parent Company's Cement Division, ranking pari-passu with other term lenders.

## iii) ₹ 45 Crores are repayable as under:

- ₹ 11.28 Crores payable in 8 equal quarterly installments from Feb 2021 to November 2022.
- ₹ 32.11 Crores payable in 19 equal quarterly installments from February 2023 to August 2027
- ₹ 1.61 Crores payable in November 2027.

The Rupee Term Loan are secured by first charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Parent Company's Cement Division, ranking pari-passu with other term lenders.

## iv) ₹ 70 Crores are repayable as under:

- ₹ 35 Crores payable in April 2021.
- ₹ 35 Crores payable in March 2022.

The above loan is unsecured loan

## v) ₹ 1,534.63 crores are repayable as under:

- ₹ 79.87 Crores repayable in 4 equal quarterly installments from June, 2020 to March, 2021.
- ₹ 127.79 Crores repayable in 4 equal quarterly installments from June, 2021 to March, 2022.
- ₹ 159.74 Crores repayable in 4 equal quarterly installments from June, 2022 to March, 2023.
- ₹ 351.42 Crores repayable in 8 equal quarterly installments from June 2023 to March 2025.
- ₹ 670.92 Crores repayable in 14 equal quarterly installments from June 2025 to September 2028.
- ₹ 144.89 Crores repayable in December 2028.

The Rupee Term Loans are secured by way of first charge on all present and future movable and immovable Property, Plant and Equipment and Intangible Assets pertaining to Maihar, Madhya Pradesh and Kundanganj, Uttar Pradesh and Coal mines located at Sial Ghogri, Madhya Pradesh, ranking pari passu with other lender banks and second charge on entire current assets of the subsidiary Company ranking pari passu with other lender banks.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

## vi) ₹ 287.90 Crores are repayable as under:

- ₹ 4.06 Crores repayable in 2 equal quarterly installments from May 2020 to August 2020.
- ₹ 8.12 Crores repayable in 2 equal quarterly installments from November 2020 to February 2021.
- ₹ 24.36 Crores repayable in 4 equal quarterly installments from May 2021 to February 2022.
- ₹ 48.72 Crores repayable in 6 equal quarterly installments from May 2022 to August 2023.
- ₹ 20.01 Crores repayable in 2 equal quarterly installments from November 2023 to February 2024.
- ₹ 172.55 Crores repayable in 17 equal quarterly installments from May 2024 to May 2028.
- ₹ 10.08 Crores repayable in August 2028.

The Rupee Term Loans is secured by way of subservient charge on all present and future movable and immovable Property, Plant and Equipment and Intangible Assets of the Subsidiary Company except assets relating to Maihar, Madhya Pradesh and Kundanganj, Uttar Pradesh.

## vii) ₹ 542.70 Crores outstanding as on 31st March, 2020 against sanctioned amount of ₹ 1,625 Crores, balance amount to be drawn in future. Sanction amount of ₹ 1,625 Crores are repayable as under:

- ₹ 4.06 Crores repayable in 1 quarterly installment in September, 2022
- ₹ 12.26 Crores repayable in 3 equal quarterly installments from December, 2022 to June, 2023
- ₹ 20.26 Crores repayable in 1 quarterly installment in September, 2023
- ₹ 61.19 Crores repayable in 3 equal quarterly installments from December, 2023 to June, 2024
- ₹ 32.40 Crores repayable in 1 quarterly installment in September, 2024
- ₹ 97.89 Crores repayable in 3 equal quarterly installments from December, 2024 to June, 2025
- ₹ 161.98 Crores repayable in 4 equal quarterly installments from September, 2025 to June, 2026
- ₹ 163.14 Crores repayable in 4 equal quarterly installments from September, 2026 to June, 2027
- ₹ 105.30 Crores repayable in 2 equal quarterly installments from September, 2027 to December, 2027
- ₹ 53.03 Crores repayable in 1 quarterly installment in March, 2028
- ₹ 53.23 Crores repayable in 1 quarterly installment in June, 2028
- ₹ 311.71 Crores repayable in 4 equal quarterly installments from September, 2028 to June, 2029
- ₹ 326.28 Crores repayable in 4 equal quarterly installments from September, 2029 to June, 2030
- ₹ 111.15 Crores repayable in 1 quarterly installment in September, 2030
- ₹ 111.12 Crores repayable in 1 quarterly installment in December, 2030

The Rupee Term Loan is secured by way of first pari-passu charge on fixed assets of the cement plant (present & future) at Mukutban, Maharashtra and first pari passu charge on movable fixed assets of Butibori Plant of the subsidiary Company. 2nd pari-passu charge on entire current assets (both present & future) of the subsidiary company.

## viii) ₹ 73.00 Crores are repayable as under:

The loan will be repayable in 35 equal quarterly installments of ₹ 2.00 Crores each from June, 2020 to December, 2028 and balance ₹ 3.00 Crores repayable on March, 2029. The Rupee Term Loan is secured by way of first charge on all present and future movable and immovable Property, Plant and Equipment and Intangible Assets pertaining to Maihar in Madhya Pradesh, ranking pari passu with other lenders.

## g) Foreign Currency Loans from Banks are repayable as under:-

Term Loan ₹ 323.82 Crores (Rate of Interest LIBOR 1M/6M Plus spread of 130 bps to 175 bps).

## i) ₹ 151.16 Crores repayable in 4 equal quarterly installments starting from April 2020 to January 2021.

The above loans are secured by first charge on the movable and immovable Property, Plant and Equipment and Intangible Assets of the Parent Company's Cement Division, ranking pari-passu with Debenture holders and other term lenders.

## ii) ₹ 51.83 Crores repayable in remaining 8 equal quartely installments from June 2020 to March 2022.

The above loan is secured by way of first charge on all present and future movable and immovable Property, Plant and Equipment and Intangible Assets pertaining to Maihar and Gondavali in Madhya Pradesh, Kundanganj in Uttar Pradesh, ranking pari passu with other lender banks and second charge on entire current assets of the Maihar and Kundanganj ranking pari passu with other lender banks.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores))

## iii) ₹ 30.61 Crores is repayable in 3 equal quarterly installments from June 2020 to December 2020.

The above loan is secured by way of of first charge on all present and future movable and immovable Property, Plant and Equipment and Intangible Assets pertaining to Maihar and Gondavali in Madhya Pradesh and Kundanganj in Uttar Pradesh ranking pari passu with other lender banks and second charge on entire current assets of the Maihar and Kundanganj ranking pari passu with other lender banks.

## iv) ₹ 90.22 Crores repayable in remaining 8 semi-annual installments from September 2020 to March 2024.

## h) Rupee Loan from Other is repayable as under:

Interest Free Term Loan of ₹ 11.91 Crores from Pradeshiya Industrial & Investment Corporation of U.P. Ltd.

## i) ₹ 11.91 Crores includes, ₹ 2.82 Crores repayable in January 2025, ₹ 2.42 Crores repayable in March 2025 and ₹ 6.67 Crores repayable in May 2025.

The above loan is secured by Bank Guarantees.

## 22.2 Finance lease obligations

The Group has entered into various finance lease arrangements mainly for land, Building and Plant and Equipments for terms ranging up to 99 years. The legal title to these items vests with the respective lessors . There are no significant restrictions imposed by lease arrangements. There are no sub-lease arrangements entered in to by the Group for these leases..

The Group has finance lease contracts and the obligation under finance lease are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease contracts together with the present value of the net minimum lease payments are disclosed as below:

Particulars	31st March, 2020		31st March, 2019	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	1.80	0.70	0.34	0.03
After one year but not more than five years	7.52	3.73	1.38	0.17
More than five years	19.09	8.85	7.17	2.95
<b>Total minimum lease payments</b>	<b>28.41</b>	<b>13.28</b>	<b>8.89</b>	<b>3.15</b>
Less: Amounts representing finance charges	15.13	–	5.74	–
<b>Present value of minimum lease payments</b>	<b>13.28</b>	<b>13.28</b>	<b>3.15</b>	<b>3.15</b>

As on 1st April 2019, the Finance Lease obligation is reclassified to Lease liabilities under "Other Financial Liabilities" on account of adoption of Ind AS 116 "Leases".

## 23 OTHER FINANCIAL LIABILITIES

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of Long Term Debt	22	–	–	529.33	400.73
Current Maturities of Finance Lease Obligations	22	–	–	–	0.04
Lease Liabilities	22.2 & 45	12.58	–	0.70	–
Trade & Security Deposits (Unsecured)		527.08	480.77	–	0.10
Interest Accrued but not due on Borrowings		–	–	28.48	34.47
Interest accrued and due on Borrowings		–	–	2.64	–
Unpaid and Unclaimed dividends	41.2	–	–	59.01	1.48
Employees Related Liabilities		–	–	45.51	37.73
Amount Payable for Capital Goods		–	–	160.99	54.73
Derivative Contracts (Net)		–	–	–	6.35
Other Payables (Including rebates and discounts)		–	–	455.50	341.25
		539.66	480.77	1,282.16	876.88
Liability Under Litigation		30.12	28.69	–	–
Less: Paid Under Protest		22.56	20.83	–	–
		7.56	7.86	–	–
<b>Total</b>		<b>547.22</b>	<b>488.63</b>	<b>1,282.16</b>	<b>876.88</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**24 PROVISIONS**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits	24.1	45.27	37.79	10.30	5.09
Provision for Mines Restoration		4.75	4.34	6.59	6.60
<b>Total</b>		<b>50.02</b>	<b>42.13</b>	<b>16.89</b>	<b>11.69</b>

**24.1 Movement of Provision :**

Particulars	Non Current		Current	
	Provision for Mines Restoration		Provision for Mines Restoration	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Balance as at year beginning</b>	4.34	3.98	6.60	5.35
Provision made during the year	0.41	0.36	–	1.25
Provision utilised / written back during the year	–	–	0.01	–
<b>Balance as at the year end</b>	<b>4.75</b>	<b>4.34</b>	<b>6.59</b>	<b>6.60</b>

The Group has an obligation to restore the mines after extracting of reserves. Therefore provision has been recognised for the estimated decommissioning and restoration cost in accordance with the mines closure plan.

**25 DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Depreciation	999.35	1,177.92
Revaluation Surplus	232.44	233.50
Remeasurement of the Defined Benefit Plans	–	0.02
Mark to Market Gain on Investments	11.53	5.61
Others	1.36	2.08
	<b>1,244.68</b>	<b>1,419.13</b>
<b>Less: Deferred Tax Assets</b>		
Arising on account of :		
Mat Credit Entitlement	182.25	277.24
Items u/s 43B of Income Tax Act, 1961	58.88	70.49
Unused Tax Credit	137.14	318.26
Others	9.62	10.92
	<b>387.89</b>	<b>676.91</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>856.79</b>	<b>742.22</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**25.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020**

Particulars	As at 1st April, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized in Retained Earnings (Directly)	As at 31st March, 2020
<b>Deferred Tax Liabilities</b>					
Depreciation	1,177.92	(178.37)	–	(0.20)	999.35
Revaluation Surplus	233.50	–	(1.06)	–	232.44
Remeasurement of the Defined Benefit Plans	0.02	3.66	(3.68)	–	–
Mark to Market Gain on Investments	5.61	5.76	0.16	–	11.53
Others	2.08	(0.72)	–	–	1.36
	<b>1,419.13</b>	<b>(169.67)</b>	<b>(4.58)</b>	<b>(0.20)</b>	<b>1,244.68</b>
<b>Deferred Tax Assets</b>					
Mat Credit Entitlement	277.24	(94.99)	–	–	182.25
Items u/s 43B of Income Tax Act, 1961	70.49	(11.61)	–	–	58.88
Unused Tax Credit	318.26	(181.12)	–	–	137.14
Others	10.92	(1.30)	–	–	9.62
	<b>676.91</b>	<b>(289.02)</b>	<b>–</b>	<b>–</b>	<b>387.89</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>742.22</b>	<b>119.35</b>	<b>(4.58)</b>	<b>(0.20)</b>	<b>856.79</b>

Particulars	As at 1st April, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized in Retained Earnings (Directly)	As at 31st March, 2019
<b>Deferred Income Tax Liabilities</b>					
Depreciation	1,152.36	25.56	–	–	1,177.92
Revaluation Surplus	234.25	–	(0.75)	–	233.50
Remeasurement of the Defined Benefit Plans	0.08	(0.28)	0.22	–	0.02
Mark to Market Gain on Investments	4.23	1.22	0.16	–	5.61
Others	2.26	(0.18)	–	–	2.08
	<b>1,393.18</b>	<b>26.32</b>	<b>(0.37)</b>	<b>–</b>	<b>1,419.13</b>
<b>Deferred Income Tax Assets</b>					
Mat Credit Entitlement	189.14	88.10	–	–	277.24
Items u/s 43B of Income Tax Act, 1961	76.51	(6.02)	–	–	70.49
Unused Tax Credit	364.57	(46.31)	–	–	318.26
Others	18.11	(7.19)	–	–	10.92
	<b>648.33</b>	<b>28.58</b>	<b>–</b>	<b>–</b>	<b>676.91</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>744.85</b>	<b>(2.26)</b>	<b>(0.37)</b>	<b>–</b>	<b>742.22</b>

**25.2** Deferred tax assets and Deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

**25.3** The Group has not recognized deferred tax assets on unused tax credits (MAT credit entitlements) of ₹ 46.88 Crores (Previous year ₹ 46.88 Crores) related to F.Y. 2010-11 and 2011-12 on account of prudence.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**26 OTHER LIABILITIES**

Particulars	Refer Note No.	Non Current		Current	
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Liabilities Under Litigation		289.92	299.76	–	–
Less : Paid Under Protest		154.21	158.23	–	–
		135.71	141.53	–	–
Advance Received from Customers		–	–	93.59	82.59
Statutory Dues		–	–	90.47	143.47
Bonus Liability		–	–	9.20	9.59
Deferred Revenue	26.1	4.29	5.29	1.33	1.66
Others		4.89	4.89	0.00	0.00
<b>Total</b>		<b>144.89</b>	<b>151.71</b>	<b>194.59</b>	<b>237.31</b>

**26.1 Movement of Deferred Revenue**

Particulars	2019-20	2018-19
Opening Balace	6.95	5.27
Grants Received during the year	–	3.28
Less: Released to the Statement of Profit & Loss	1.33	1.60
<b>Closing Balance</b>	<b>5.62</b>	<b>6.95</b>
Current portion	1.33	1.66
Non Current portion	4.29	5.29

**27 SHORT TERM BORROWINGS**

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>Loans Repayable on Demand</b>			
From Banks			
Rupee Loans	27.1	63.17	15.96
<b>Other Loans</b>			
From Banks			
Suppliers' Credit in Foreign Currency	27.2	20.50	–
Rupee Loan		–	0.91
Packing Credit in Indian Currency		–	8.35
<b>Total</b>		<b>83.67</b>	<b>25.22</b>
<b>The above amount includes</b>			
Secured Borrowings		83.67	16.87
Unsecured Borrowings		–	8.35
		<b>83.67</b>	<b>25.22</b>

**27.1** The above short term borrowings are Working Capital Loans from Banks of ₹ 63.17 Crores which are secured by way of first charge on hypothecation of Parent Company's Current Assets viz. Raw Materials, Stock-in-Trade, Consumable Stores and Books Debts, both present & future and further secured by way of second charge on pari-passu basis on Movable and Immovable Property, Plant and Equipment and Intangible Assets of the Parent Company's Cement Division.

**27.2** The above short term borrowings are Working Capital Loans of ₹ 20.50 Crores from banks which are secured by ranking pari passu hypothecation of Subsidiary Company's Current Assets viz. Raw Material, Stock in trade, Consumable Stores and Books Debts, both Present & Future and further by way of second charge on movable and immovable fixed assets pertaining to Maihar / Madhya Pradesh, Kundanganj / Uttar Pradesh and Coal mines located at Sial Ghogri, Madhya Pradesh, ranking pari passu with other lender banks.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**28 TRADE PAYABLES**

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Trade Payables for goods and services			
- Total outstanding dues of micro enterprises and small enterprises	44	3.83	7.30
- Total outstanding dues of creditors other than micro enterprises and small enterprises		518.92	620.01
<b>Total</b>		<b>522.75</b>	<b>627.31</b>

**29 REVENUE FROM OPERATIONS**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products	29.1 to 29.4	6,724.12	6,360.50
		6,724.12	6,360.50
Other Operating Revenues			
Incentives & Subsidies		179.38	168.09
Export Benefits		2.29	2.34
Insurance and Other Claims (Net)		1.44	1.91
Miscellaneous Sale		8.46	15.89
		191.57	188.23
<b>Total</b>		<b>6,915.69</b>	<b>6,548.73</b>

**29.1 Disaggregated Revenue Information**

a) Disaggregation of the Group's Revenue from Contracts with Customers:

Particulars	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Sale of Products</b>								
Manufactured Goods	6,374.90	328.20	0.99	6,704.09	6,030.55	326.57	1.45	6,358.57
Traded Goods	18.48	1.55	–	20.03	1.60	0.33	–	1.93
<b>Total Revenue from Contracts with Customers</b>	<b>6,393.38</b>	<b>329.75</b>	<b>0.99</b>	<b>6,724.12</b>	<b>6,032.15</b>	<b>326.90</b>	<b>1.45</b>	<b>6,360.50</b>
<b>Other Operating Revenues</b>								
Incentives & Subsidies	178.86	0.52	–	179.38	167.24	0.85	–	168.09
Export Benefits	–	2.29	–	2.29	–	2.34	–	2.34
Insurance and Other Claims (Net)	1.44	–	–	1.44	1.91	–	–	1.91
Miscellaneous Sale	7.71	0.70	0.05	8.46	14.75	1.10	0.04	15.89
	<b>188.01</b>	<b>3.51</b>	<b>0.05</b>	<b>191.57</b>	<b>183.90</b>	<b>4.29</b>	<b>0.04</b>	<b>188.23</b>
<b>Total Revenue from Operations</b>	<b>6,581.39</b>	<b>333.26</b>	<b>1.04</b>	<b>6,915.69</b>	<b>6,216.05</b>	<b>331.19</b>	<b>1.49</b>	<b>6,548.73</b>
Within India	6,580.89	294.18	1.04	6,876.11	6,212.11	301.75	1.49	6,515.35
Outside India	0.50	39.08	–	39.58	3.94	29.44	–	33.38
<b>Total Revenue from Operations</b>	<b>6,581.39</b>	<b>333.26</b>	<b>1.04</b>	<b>6,915.69</b>	<b>6,216.05</b>	<b>331.19</b>	<b>1.49</b>	<b>6,548.73</b>
<b>Timing of Revenue Recognition</b>								
Goods or Services transferred at a point in time	6,581.39	333.26	1.04	6,915.69	6,216.05	331.19	1.49	6,548.73
<b>Total Revenue from Operations</b>	<b>6,581.39</b>	<b>333.26</b>	<b>1.04</b>	<b>6,915.69</b>	<b>6,216.05</b>	<b>331.19</b>	<b>1.49</b>	<b>6,548.73</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

b) Reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information:

Particulars	For the year ended 31st March, 2020				For the year ended 31st March, 2019			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Revenue</b>								
External Sales	6,581.39	333.26	1.04	6,915.69	6,216.05	331.19	1.49	6,548.73
Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Total</b>	<b>6,582.43</b>	<b>333.27</b>	<b>8.21</b>	<b>6,923.91</b>	<b>6,216.80</b>	<b>331.20</b>	<b>6.73</b>	<b>6,554.73</b>
Less : Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Revenue from Operations</b>	<b>6,581.39</b>	<b>333.26</b>	<b>1.04</b>	<b>6,915.69</b>	<b>6,216.05</b>	<b>331.19</b>	<b>1.49</b>	<b>6,548.73</b>

### 29.2 Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Trade Receivables	16	250.38	262.20
<u>Contract Liabilities</u>			
Advances from Customers	26	93.59	82.59

### 29.3 Reconciling the amount of Revenue recognised in the Statement of Profit and Loss with the Contracted Price:

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Revenue as per contracted price</b>		7,237.20	6,786.05
Less: Sales Claims		0.45	0.44
Less: Rebate & Discounts		512.63	425.11
<b>Total Revenue from Contracts with Customers</b>		6,724.12	6,360.50
Other Operating Revenues		191.57	188.23
<b>Revenue from Operations</b>		<b>6,915.69</b>	<b>6,548.73</b>

### 29.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at Balance Sheet date are, as follows:

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Advances from Customers	26	93.59	82.59

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 30 OTHER INCOME

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Interest Income</b>			
On Investments		0.77	0.80
On Banks Deposits		10.60	8.14
On Income Tax Refund		6.22	12.78
On Other Deposits, etc.		2.88	3.06
Dividend Income		2.61	1.86
Net Gain/ (Loss) on sale of Investments measured at fair value through Profit & Loss		18.90	26.48
Net Gain/ (Loss) on restatement of Investments (Mark to Market) measured at fair value through Profit & Loss		21.08	7.00
Transfer of Profit from Other Comprehensive Income related to G-Sec Matured during the year	39.2	0.01	–
<b>Other Non Operating Income</b>			
Profit on sale/discard of Property, Plant and Equipment (Net)		–	2.05
Profit on sale of Non Current Assets classified as Held for Sale		2.70	5.80
Excess Liabilities and Unclaimed Balances written back (Net)		12.50	4.59
Excess Provision written back (Net)		1.31	0.91
Excess Depreciation written back		–	0.01
Insurance and Other Claims (Net)		3.29	1.93
Miscellaneous Income		2.26	3.06
<b>Total</b>		<b>85.13</b>	<b>78.47</b>

### 31 COST OF MATERIALS CONSUMED

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw Materials Consumed		958.12	961.25
<b>Total</b>		<b>958.12</b>	<b>961.25</b>

### 32 PURCHASES OF STOCK IN TRADE

Traded Goods		16.05	1.45
<b>Total</b>		<b>16.05</b>	<b>1.45</b>

### 33 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

<b>Inventories at the beginning of the year</b>			
Finished Goods		119.11	124.47
Stock-In-Trade		0.15	–
Work-In-Progress		133.77	107.66
		253.03	232.13
<b>Inventories at the end of the year</b>			
Finished Goods		199.99	119.11
Stock-In-Trade		0.93	0.15
Work-In-Progress		107.02	133.78
		307.94	253.04
<b>Changes in Inventories</b>		<b>(54.91)</b>	<b>(20.91)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 34 EMPLOYEE BENEFITS EXPENSE

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries & Wages		356.81	328.77
Contribution to Provident and Other Funds		31.92	30.52
Staff Welfare Expenses		19.20	11.36
		407.93	370.65
Less : Amount Capitalized		0.05	0.02
<b>Total</b>		<b>407.88</b>	<b>370.63</b>

### 35 FINANCE COST

<b>Interest Expenses</b>			
To Debenture Holders		62.32	62.27
To Banks on Term Loans, etc.		288.39	271.13
To Banks On Working Capital Loans		6.50	0.99
On Deposits and Others		29.14	24.50
Exchange Differences regarded as an adjustment to Borrowing Costs		15.19	20.90
<b>Other Borrowing Costs</b>			
Other Financial Charges		3.28	5.44
		404.82	385.23
Less : Amount Capitalized	35.1	17.15	14.71
<b>Total</b>		<b>387.67</b>	<b>370.52</b>

35.1 The borrowing cost on specific borrowings has been capitalised at the rate applicable for respective borrowings.

### 36 DEPRECIATION AND AMORTISATION EXPENSE

On Tangible Assets	6	313.85	309.13
On Intangible Assets	8	35.04	30.13
On Investment Property	7	0.01	0.01
On Right of use assets	6	3.18	–
		352.08	339.27
Less: Transferred to Capital Work-in-Progress		0.17	0.15
<b>Total</b>		<b>351.91</b>	<b>339.12</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 37 OTHER EXPENSES

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Manufacturing Expenses</b>			
Stores & Spare Parts Consumed		260.45	238.04
Packing Materials Consumed		244.96	253.94
Power & Fuel		1,380.92	1,485.00
Royalty & Cess		142.54	124.47
Repairs to Buildings		19.76	16.34
Repairs to Machinery		84.85	68.97
Freight & Material Handling on Inter Unit Transfer		250.35	297.08
Other Manufacturing Expenses		111.16	86.67
		2,494.99	2,570.51
<b>Selling and Administration Expenses</b>			
Brokerage & Commission on Sales		36.60	48.67
Transport & Forwarding Expenses		1374.46	1355.84
Insurance		9.53	7.95
Rent		25.29	24.63
Repairs to Other Assets		19.79	16.73
Rates & Taxes		19.33	11.66
Advertisement		60.20	49.46
Corporate Social Responsibility Expenses	48	5.75	3.47
Auditors' Remuneration	37.1	0.98	0.92
Loss on Revaluation of Live Stock (Net)		0.04	0.10
Loss on sale/discard of Property, Plant and Equipment(Net)		10.98	–
Net (Gain)/Loss on Foreign currency transaction and translation	37.2	3.40	19.08
Investment in Associates written off		–	0.01
Goodwill on Consolidation written off			0.12
Net Provision for doubtful debts/advances		0.03	0.63
Bad Debts		0.06	0.13
Directors' Fees and Commission		1.00	1.16
Other Expenses	37.3	190.15	176.63
		1,757.59	1,717.19
Less: Amount Capitalised			
<b>Total</b>		<b>4,252.58</b>	<b>4,287.70</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**37.1 Auditors' Remuneration**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Statutory Auditors			
Audit Fees		0.46	0.43
Tax Audit Fees		0.07	0.07
Limited Review		0.17	0.17
Travelling Expenses		0.04	0.03
Issue of Certificates		0.20	0.17
		0.94	0.87
b) Cost Auditors			
Audit Fees		0.04	0.05
Travelling Expenses		0.00	0.00
		0.04	0.05
<b>Total</b>		<b>0.98</b>	<b>0.92</b>

**37.2 Net (Gain)/Loss on Foreign Currency Transaction and Translation**

Net (Gain)/Loss on foreign currency transaction and translation		12.81	35.95
Less: Amount Capitalised/(Decapitalized)		9.41	16.87
<b>Total</b>		<b>3.40</b>	<b>19.08</b>

**37.3** Other expenses includes ₹ 3.02 Crores (Previous year ₹ Nil) contributed to Electoral Trust Company.

**38 TAX EXPENSE**

Current Tax		75.29	84.56
Deferred Tax			
On Other Items		24.36	85.84
Less : MAT Credit Entitlement		0.01	88.10
Add : MAT Credit Utilized / written off		95.00	–
		119.35	(2.26)
Income Tax for earlier years		(18.30)	(20.56)
<b>Total</b>		<b>176.34</b>	<b>61.74</b>

**38.1 Reconciliation of Estimated Income Tax Expense at Indian Statutory Income Tax Rate to Income Tax Expense reported in Statement of Comprehensive Income**

Income before Income Taxes		681.52	317.44
Indian Statutory Income Tax Rate	38.2	34.944%	34.944%
Estimated Income Tax Expenses		<b>238.15</b>	<b>110.93</b>
<b>Tax Effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:</b>			
Deduction under Chapter VIA		(33.61)	(28.40)
Tax payable at different rate / Capital Gain		(30.20)	(5.40)
Deferred Tax Adjustment		(2.11)	6.65
Permanent Difference		9.71	11.11
MAT Credit Entitlement		(0.04)	(16.70)
Impact on account of opting new tax regime	38.2	8.40	–
IT Order Impact and Others		4.34	4.11
Income Tax for earlier years		(18.30)	(20.56)
		<b>(61.81)</b>	<b>(49.19)</b>
<b>Income Tax expense in the Statement of Profit and Loss</b>		<b>176.34</b>	<b>61.74</b>

**38.2** The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Parent Company has decided to continue under the existing provisions of the Income Tax Act, 1961. However out of seven subsidiaries, three subsidiaries of the Group namely RCCPL Private Limited, Birla Jute Supply Company Limited and Lok Cements Limited have adopted the option of reduced rate and accordingly have recognized Tax Expenses for the year ended 31st March, 2020 and remeasured its deferred tax assets/liabilities at the reduced rate prescribed in the said section.

Applicable Indian Statutory Income Tax Rate for Fiscal Year 2020 is 34.944% (existing provision) and 25.168% (New Tax regime) and for Fiscal Year 2019 is 34.944% .

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**39 OTHER COMPREHENSIVE INCOME**
**39.1 Items that will not be reclassified to profit or loss**

Particulars	Refer Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Changes in revaluation surplus		(10.66)	0.69
Remeasurement of the Defined Benefit Plans		(3.68)	0.22
Less: Tax expense on the above		<b>(6.98)</b>	<b>0.47</b>
Revaluation Surplus	6.2	–	–
Less: Tax expense on the above		(1.06)	(0.74)
		<b>1.06</b>	<b>0.74</b>
Equity Instruments through Other Comprehensive Income		(118.04)	19.24
Less: Tax expense on the above		–	–
		<b>(118.04)</b>	<b>19.24</b>

**39.2 Items that will be reclassified to profit or loss**

Debt Instruments through Other Comprehensive Income		0.45	(0.24)
Less: Amount reclassified to statement of Profit & Loss		0.01	–
		0.44	(0.24)
Less: Tax expense on the above		0.16	0.16
		<b>0.28</b>	<b>(0.40)</b>
<b>Total Other Comprehensive Income for the year (Net of Tax)</b>		<b>(123.68)</b>	<b>20.05</b>

**40 Contingent Liabilities :**
**40.1 Claims/Disputes/Demands against the Group not acknowledged as debt :**

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
a	Sales Tax, VAT, CST and Entry Tax matters	165.54	165.75
b	Excise Duty, Service Tax, Goods & Service Tax and Custom Duty matters	100.82	100.47
c	Income Tax matters	4.56	10.53
d	Electricity Duty and Renewable Energy Surcharge matters	21.52	21.52
e	Royalty on Limestone	67.91	67.91
f	Others (Primarily related to demand for Alleged Impermissible Mining, Water Supply Charges, Stamp Duty, House Tax, Education Cess etc.)	60.71	52.08

**40.2** An Appeal has been filed by Budge Budge Floorcoverings Ltd, a subsidiary, before the Division Bench of the Hon'ble Calcutta High Court, for award against the subsidiary in respect of Suspension of Work and settlement of charter of demand made by the workers. The Division Bench of the Hon'ble Calcutta High Court has stayed the operation of award till further order. The contingent liability could not be ascertained at this stage.

**40.3** In respect of the matters in Note No. 40.1 to 40.2, future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibility of any reimbursements to be made to the Group from any third party.

**40.4 Other Contingent Liabilities**

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
a	Bills discounted with Banks remaining outstanding	2.91	4.31
b	Customs Duty including interest thereon, which may have to be paid on account of non-fulfillment of Export Obligation under EPCG and Advance Licence Scheme	0.15	1.49

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**41** The Board of Directors of the Parent Company at its meeting held on 22nd May, 2020 have recommended a payment of final dividend of ₹ 7.50 per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2020. The same amounts to ₹ 57.75 Crores.

The above is subject to approval at the ensuing Annual General Meeting of the Parent Company and hence is not recognized as a Liability.

**41.1** The Parent Company has proposed final dividend for the financial year 2018-19 aggregating of ₹ 57.75 Crores (₹ 7.50 per equity share of face value of ₹ 10 each), at its Annual General Meeting (AGM) held on 13th August, 2019. However the Parent Company could not publish the voting results of the business transacted at the AGM and make payment of Dividend due to the restriction by the Hon'ble High Court of Calcutta which has since been lifted on 4th May, 2020. As per the voting results published thereafter, the resolution for payment of dividend has been passed by the share holders. As the Dividend was payable in financial year 2019-20, the same has been provided in the current year's accounts.

**42** **Commitments**  
**Capital Commitments**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for	767.71	871.97

**43** **Assets Pledged as Security**

The carrying amounts of Assets Pledged as Security for Current and Non-Current Borrowings are:

Particulars	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>Current</b>			
<b>Financial Assets</b>			
Trade Receivables	16	250.38	262.20
		<b>250.38</b>	<b>262.20</b>
<b>Non-Financial Assets</b>			
Inventories	14	787.38	782.71
Others	13	0.03	0.17
		<b>787.41</b>	<b>782.88</b>
<b>Total Current Assets Pledged as Security</b>		<b>1,037.79</b>	<b>1,045.08</b>
<b>Non-Current</b>			
Land	6	2,043.72	2,038.50
Buildings	6	548.94	547.65
Plant & Machinery	6	3,372.09	3,296.86
Others Tangible Assets	6	1,875.46	1,194.66
Other Non Current Assets	8 & 13	18.69	18.10
<b>Total Non-Current Assets Pledged as Security</b>		<b>7,858.90</b>	<b>7,095.77</b>
<b>Total Assets Pledged as Security</b>		<b>8,896.69</b>	<b>8,140.85</b>

**44** Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4th September, 2015.

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year:		
	<u>Trade Payable</u>		
	Principal	3.83	7.30
	Interest	–	–
	<u>Other Financial Liability</u>		
	Principal	1.61	0.30
	Interest	–	–

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	–	–
	Principal	0.23	–
	Interest	0.01	–
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–

**45** **Leases**

**45.1** **As Lessee**

**45.1.1** The Group's significant leasing arrangements are in respect of leases for premises (residential, manufacturing-facilities, office, stores, godown, etc.). These leasing arrangements which are cancellable ranging between 11 months and 99 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. Effective 1st April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any prepaid and accrued lease payments previously recognised.

**45.1.2** **The following is the summary of practical expedients elected on initial application:**

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognised right of use assets and liabilities for leases with less than 12 months of lease term and low value of assets on the date of initial application.
- Applied the practical expedient by not reassessing whether a contract is, or contains a lease at the date of initial application. Instead applied the standards only to the contract that were previously identified as leases under Ind AS 17.
- Used hindsight in determining the lease term whether the contract contained options to extend or terminate the lease.

**45.1.3** **Following is carrying value of right of use assets recognized on date of transition and the movements thereof during the year ended 31st March, 2020 :**

Particulars	Right of Use Assets			
	Leasehold Land	Building	Plant & Machinery	Total
<b>Balance as at 1st April, 2019</b>	–	–	–	–
Transition impact on account of adoption of Ind AS 116 "Leases" (Refer Note No. 6)	5.35	5.30	–	10.65
Reclassified from Property, Plant and Equipment on account of adoption of Ind AS 116 "Leases" (Refer Note No. 6)	146.94	–	2.97	149.91
Adjustment to Prepaid and accrued lease payments	4.02	–	–	4.02
Adjustment to Retained Earnings on account of Ind AS 116 "Leases"	(0.57)	(0.60)	–	(1.17)
<b>Total Right of Use Assets on the date of transition</b>	<b>155.74</b>	<b>4.70</b>	<b>2.97</b>	<b>163.41</b>
Additions during the year	–	–	–	–
Deletion during the year	–	–	–	–
Depreciation of Right of Use Assets (Refer Note No. 36)	(2.38)	(0.68)	(0.12)	(3.18)
<b>Balance as at 31st March, 2020</b>	<b>153.36</b>	<b>4.02</b>	<b>2.85</b>	<b>160.23</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**45.1.4 The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended 31st March, 2020 :**

Particulars	As at 31st March, 2020
<b>Balance as at 1st April, 2019</b>	3.15
Transition impact on account of adoption of Ind AS 116 "Leases"	10.65
Additions during the year	–
Finance cost accrued during the year	1.16
Deletions	–
Payment of Lease Liabilities	(1.68)
<b>Balance as at 31st March, 2020</b>	<b>13.28</b>
Current maturities of Lease Liability (Refer Note No. 23)	0.70
Non-Current Lease Liability (Refer Note No. 23)	12.58

**45.1.5** The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 2.87 Crores (Increase in Depreciation expense and finance cost by ₹ 3.18 Crores and ₹ 1.16 Crores respectively with corresponding decreases in other expenses by ₹ 1.47 Crores). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financial activities on account of lease payments by ₹ 1.68 Crores each. Total Deferred tax expense and deferred tax liabilities are decreased by ₹ 0.13 Crore.

**45.1.6** The maturity analysis of lease liabilities are disclosed in Note No. 22.2.

**45.1.7** The weighted average incremental borrowing rate applied to lease liabilities w.r.t. Land, Building and Plant and Equipments as at 1st April, 2019 is 8.00%, 10.17% and 7.79% respectively.

**45.1.8** Rental expense recorded for short-term leases amounting to ₹ 25.29 Crores (Previous Year ₹ 24.63 Crores).

**45.1.9** The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when the fall due.

### 45.2 As Lessor

The Group leased out its investment property on operating lease basis on cancellable basis. Rental income earned and direct operating expenses incurred on property letting on lease has been disclosed in Note No 7.

### 46 Earnings Per Share

Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit for the year attributable to owners of the Parent Company	505.18	255.69
Weighted average number of equity shares	7,70,05,347	7,70,05,347
Earnings per share basic and diluted (₹)	65.60	33.21
(Face value of ₹ 10/- per share)		

## 47 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013:

### 47.1 Defined Contribution Plan :

The amount recognized as an expense for the Defined Contribution Plans are as under:

Sl. No.	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a	Provident Fund	3.58	2.96
b	Superannuation Fund	2.98	3.36
c	Pension Fund	7.45	7.58

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 47.2 Defined Benefit Plan:

The following are the types of defined benefit plans:

#### 47.2.1 Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

#### 47.2.2 Pension Plan

Pension is payable to certain categories of employees who are eligible under the Group's Pension Scheme.

#### 47.2.3 Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

#### 47.2.4 Risk Exposure

##### Defined Benefit Plans

Defined benefit plans expose the Group to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

- Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.
- Salary risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefits obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

#### 47.2.5 Reconciliation of the Net Defined Benefit Obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net Defined Benefit Obligation and its components:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Balance at the beginning of the year	129.63	128.95	0.66	0.65
Current Service Cost	8.87	8.13	–	–
Interest Cost on Defined Benefit Obligation	8.95	9.08	0.04	0.04
Actuarial Gain and Losses arising from				
Changes in Demographic Assumptions	–	–	–	–
Changes in Financial Assumptions	7.91	1.73	0.02	0.01
Experience Adjustment	2.86	(2.54)	0.04	0.08
Benefits Paid	(14.30)	(15.72)	(0.12)	(0.12)
<b>Balance at the end of the year</b>	<b>143.92</b>	<b>129.63</b>	<b>0.64</b>	<b>0.66</b>

#### 47.2.6 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its Components:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Balance at the beginning of the year	135.92	131.36	–	–
Interest Income on Plan Assets	9.63	9.66	–	–
Remeasurement of Defined Benefit Obligation:				
Return on Plan Assets greater/ (lesser) than discount rate	0.17	(0.03)	–	–
Employer Contributions to the Plan	6.01	10.10	–	–
Benefits Paid	(13.93)	(15.17)	–	–
<b>Balance at the end of the year</b>	<b>137.80</b>	<b>135.92</b>	<b>–</b>	<b>–</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 47.2.7 The amount recognised in the Balance Sheet

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Present value of Defined Benefit Obligation	143.92	129.63	0.64	0.66
Fair Value of Plan Assets	137.80	135.92	–	–
<b>Net Asset/(Liability) recognised in the Balance Sheet</b>	<b>(6.12)</b>	<b>6.29</b>	<b>(0.64)</b>	<b>(0.66)</b>

### 47.2.8 Expenses recognised in Profit and Loss

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Current Service Cost	8.87	8.13	–	–
Interest Cost	8.95	9.08	0.04	0.04
Interest Income on Plan Assets	(9.63)	(9.66)	–	–
<b>Total Expenses recognised in Profit and Loss</b>	<b>8.19</b>	<b>7.55</b>	<b>0.04</b>	<b>0.04</b>

### 47.2.9 Remeasurements (gain)/ loss recognised in Other Comprehensive Income

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Actuarial (gain)/ Loss on Defined Benefit Obligation	10.77	(0.81)	0.06	0.09
Return on Plan Assets (greater)/ lesser than discount rate	(0.17)	0.03	–	–
<b>Total remeasurements (gain)/loss recognised in Other Comprehensive Income</b>	<b>10.60</b>	<b>(0.78)</b>	<b>0.06</b>	<b>0.09</b>

### 47.2.10 Major Categories of Plan Assets

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Qualified Insurance Policy	100%	100%	–	–
Insurer Managed Funds	100%	100%	–	–

The Gratuity Scheme is invested in a Group Gratuity-cum-Life Assurance Cash accumulation policy offered by Life Insurance Corporation (LIC) of India, Cap Assure Group Gratuity Scheme offered by SBI Life Insurance Co. Limited, HDFC Life Group variable employee benefit plan offered by HDFC Standard Life Insurance Company Limited, IndiaFirst New Corporate Benefit plan for gratuity offered by IndiaFirst Life Insurance Company Limited, Bajaj Allianz Group Employee Care plan offered by Bajaj Allianz Life Insurance Company Ltd and Rel Group Gratuity Plus Plan offered by Reliance Nippon Life Insurance Co. Ltd. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available.

### 47.2.11 Asset-Liability Matching Strategy

The Group's investment is in Cash Accumulation Plan/ Traditional Plan of various Insurance Companies, the investments are being managed by these Insurance Companies and at the year end interest is being credited to the fund value. The Group has not changed the process used to manage its risk from previous periods. The Group's investments are fully secured and would be sufficient to cover its obligations.

### 47.2.12 Actuarials Assumptions

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
<b>Financial Assumptions</b>				
Discount Rate	6.50% to 6.70%	7.30%	6.50%	7.30%
Salary Escalation Rate	5% to 8%	5% to 8%	-	-
<b>Demographic Assumptions</b>				
Mortality Rate	IAL (2006-08) Modified Ultimate	IAL (2006-08) Modified Ultimate	LIC (1996-1998) Ultimate	LIC (1996-1998) Ultimate
Withdrawal Rate	2% to 4%	2% to 4%	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**47.2.13** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**47.2.14** At 31st March 2020, the weighted average duration of the defined benefit obligation is 2 to 10 years (previous year 3 to 10 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on (undiscounted)	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Within 1 Year	16.47	17.32	0.10	0.10
1 to 2 Year	13.34	11.99	0.10	0.10
2 to 3 Year	13.95	13.03	0.10	0.10
3 to 4 Year	15.40	13.97	0.10	0.10
4 to 5 Year	16.55	15.02	0.10	0.10
More than 5 Years	88.76	86.52	0.41	0.41

**47.2.15** The Group expects to contribute ₹ 11 Crores (previous year ₹ 2.25 Crores) to its gratuity fund in 2020-21.

### 47.2.16 The following payments are expected contributions to the defined benefit plan in future years:

Expected contributions	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Within next 12 months (next annual reporting period)	11.00	2.25	–	–
Between 2 and 5 years	9.00	5.55	–	–
Between 5 and 10 years	9.00	7.65	–	–
Beyond 10 years	11.00	11.00	–	–

### 47.2.17 Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Effect on DBO due to 1% increase in Discount Rate	(9.53)	(8.21)	(0.03)	(0.03)
Effect on DBO due to 1% decrease in Discount Rate	10.98	9.42	0.03	0.03
Effect on DBO due to 1% increase in Salary Escalation Rate	6.59	9.33	–	–
Effect on DBO due to 1% decrease in Salary Escalation Rate	(13.13)	(8.24)	–	–

Sensitivity due to mortality and withdrawal rate are being insignificant, hence ignored.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**47.2.18** Provident fund for certain eligible employees is managed by the Parent Company through the various Provident Fund Trusts, namely “M P Birla Group Provident Fund Institution”, “Satna Cement Works Employees’ Provident Fund Trust”, “Birla Cement Works Staff Provident Fund Trust”, “Birla Jute Mills Workers’ Provident Fund Trust”, “Soorah Jute Mills Employees’ Provident Fund Trust”, “Durgapur Cement Works Employees’ Provident Fund Trust” and “Birla Industries Provident Fund”, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Parent Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

The Parent Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Trust has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall, except in one particular Trust, there is shortfall of ₹ 0.59 Crore & ₹ 0.76 Crore as at 31st March, 2020 and as at 31st March, 2019 respectively.

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 31 March, 2020	333.03	343.58	10.55
As at 31 March, 2019	312.14	318.29	6.15

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31st March, 2020	31st March, 2019
Discount Rate (per annum)	6.50%	7.30%
Expected Rate of Return on Plan Assets (per annum)	8.25%	9.13%

The Parent Company contributed ₹ 6.70 Crores and ₹ 6.13 Crores during the year ended 31st March, 2020 and 31st March, 2019 respectively.

**48** In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by The Institute of Chartered Accountants of India the requisite disclosure are as follows:

48.1	Particulars	For the year ended on	
		31st March, 2020	31st March, 2019
	Gross amount required to be spent by the Group Company during the year	5.28	3.41
	Related Party transactions as per Ind AS 24 in relation to CSR Expenditure	NIL	NIL
	Provision made in relation to CSR expenditure	NIL	NIL

**48.2** Amount spent during the year on :

Sl. No.	Particulars	For the year ended on 31st March, 2020			For the year ended on 31st March, 2019		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i	Construction/ Acquisition of any asset	–	–	–	–	–	–
ii	On purposes other than (i) above	5.75	–	5.75	3.45	0.02	3.47

**49** Companies included/not included in Consolidation :

Particulars		2019-20		2018-19	
		Extent of Shareholding	Relationship	Extent of Shareholding	Relationship
<b>A</b>	<b>Companies included in Consolidation</b>				
	<b>Companies incorporated in India</b>				
i	RCCPL Pvt. Ltd.	100.00%	Subsidiary	100.00%	Subsidiary
ii	Birla Jute Supply Company Ltd.	100.00%	Subsidiary	100.00%	Subsidiary
iii	Talavadi Cements Ltd.	98.01%	Subsidiary	98.01%	Subsidiary
iv	Lok Cements Ltd.	100.00%	Subsidiary	100.00%	Subsidiary
v	Budge Budge Floorcoverings Ltd.	100.00%	Subsidiary	100.00%	Subsidiary
vi	Birla Cement (Assam) Ltd.	100.00%	Subsidiary	100.00%	Subsidiary
vii	M.P. Birla Group Services Pvt. Ltd.	100.00%	Subsidiary	100.00%	Subsidiary
<b>B</b>	<b>Companies not included in Consolidation</b>				
	<b>Company incorporated Outside India, Ethiopia</b>				
	<b>Name of the Company</b>				
i	Birla Corporation Cement Manufacturing PLC (Under voluntarily winding up)	100.00%	Subsidiary	100.00%	Subsidiary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

**50** Talavadi Cements Ltd, one of the subsidiary, has been granted Mining Lease for 2130 Hectors in Satna District in the State of Madhya Pradesh. An appeal against the above grant has been filed. Pursuant to order of the Hon'ble Supreme Court, the subsidiary had filed Review Petition before the Hon'ble High Court at Jabalpur. The Hon'ble High Court vide its order dated 23rd October, 2018 dismissed the Review Petition and further directed the subsidiary to raise all questions of Law and facts before the State Government. Aggrieved by the above order the subsidiary again filed a SLP before the Hon'ble Supreme Court. By an order and judgment dated 15th April, 2019 the Hon'ble Supreme Court dismissed the SLP with a direction to the State Government to decide the matter in accordance with Law in terms of the order of the Hon'ble High Court of Jabalpur. Matter is pending before the State Government for adjudication as per direction of Hon'ble Supreme Court as well as Hon'ble High Court, Jabalpur.

**51** The Bikram Coal Block, the allocation of which was cancelled in view of the decision of the Hon'ble Supreme Court on 24th September, 2014 has been allocated by the Ministry of Coal through E-Auction process vide CMDPA (Coal Mine Development and Production Agreement) dated 18th December, 2019 and Vesting Order dated 10th February, 2020. The amount carried forward in the books of the Parent Company amounting to ₹ 3.71 Crores (towards geological and other studies), being claimed as compensation from the Government of India, has been transferred to capital work in progress, related to the development of said Block.

**52** As a policy, the Group annually assesses the impairment of property plant and equipment (PPE) and other non-current assets by comparing the carrying value of PPE and other non-current assets with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Management has concluded that there is no impairment of PPE and other assets during the year.

**52.1** Certain Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation. In the opinion of the management, the value of Trade Receivables and Loans & Advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

**52.2** The Parent Company's unit Soorah Jute mill is under Suspension of Operations since 29th March, 2004.

**52.3** The Parent Company's unit Birla Vinoleum and Auto Trim Division at Birlapur, are under Suspension of Operations since 18th February, 2014.

**52.4** Budge Budge Floorcoverings Ltd, one of the subsidiaries considered for consolidation, is under Suspension of Operations since 29th October, 2003.

**52.5** In respect of mining matter of Parent Company's unit Chanderia before the Hon'ble Supreme Court, a comprehensive report has been submitted by Central Building Research Institute (CBRI) on full scale mining. The matter is in the final stage of hearing. Further, Principal Bench of National Green Tribunal on 8th March, 2019 has ordered to stop all mining activities which are being carried on within the municipal limites of Chittorgarh City and within 10 km of Bassi Wild Life Sanctuary or within Eco-Sensitive Zone of Bassi Wild Life Sanctuary, if finally notified. In the opinion of the management, there is no material impact of such order on the current operations of the Parent Company.

**52.6** Following Subsidiary Company has not been consolidated during the year as these are under voluntarily winding up:

Name of the Company	Accumulated loss	
	As at 31st March, 2020	As at 31st March, 2019
Birla Corporation Cement Manufacturing PLC (Under voluntarily winding up)	0.45	0.45

**53 Fair Value Measurement**

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**53.1 The following methods and assumptions were used to estimate the fair values:**

**53.1.1** The bonds and government securities being listed, the fair value has been taken at the market rates of the same as on the reporting dates. They are classified as Level 1 fair values in fair value hierarchy.

**53.1.2** The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. Debentures are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

**53.1.3** The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**53.2 Fair Value Hierarchy**

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

**53.3 The following table provides classification of financial instruments and the fair value hierarchy of the Group's assets and liabilities:**
**53.3.1 Disclosure for the year ended 31st March, 2020**

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Investment					
- Government Securities	0.00	0.00	-	-	-
Trade Receivables	250.38	250.38	-	-	-
Loan Receivables	1.56	1.56	-	-	-
Cash and Cash Equivalents	46.66	46.66	-	-	-
Other Bank Balances	209.15	209.15	-	-	-
Security Deposits	59.44	59.44	-	-	-
Other Deposits and Advances	7.23	7.23	-	-	-
Interest Accrued on Deposits	5.57	5.57	-	-	-
Fixed Deposits maturing after 12 months from Balance Sheet date	6.24	6.24	-	-	-
Other Financial Assets	2.38	2.38	-	-	-
Incentive and Subsidy Receivable	445.83	445.83	-	-	-
<b>Sub Total</b>	<b>1,034.44</b>	<b>1,034.44</b>	-	-	-
<b>Financial Assets at fair value through Profit &amp; Loss</b>					
Investments					
- Unlisted Preference Shares	0.00	0.00	-	-	0.00
- Mutual Funds	676.17	676.17	676.17	-	-
Derivative Instrument	7.82	7.82	-	7.82	-
<b>Sub Total</b>	<b>683.99</b>	<b>683.99</b>	<b>676.17</b>	<b>7.82</b>	<b>0.00</b>
<b>Financial Assets at fair value through Other Comprehensive Income</b>					
Investments					
- Listed Equity Instrument	151.11	151.11	151.11	-	-
- Unlisted Equity Instrument	0.06	0.06	-	-	0.06
- Bonds	7.64	7.64	7.64	-	-
- Government Securities	1.19	1.19	1.19	-	-
<b>Sub Total</b>	<b>160.00</b>	<b>160.00</b>	<b>159.94</b>	-	<b>0.06</b>
<b>Total Financial Assets</b>	<b>1,878.43</b>	<b>1,878.43</b>	<b>836.11</b>	<b>7.82</b>	<b>0.06</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>(2) Financial Liabilities</b>					
<b>Financial Liabilities at amortised cost</b>	530.00	538.70	-	-	538.70
<b>Long Term Borrowings</b>					
Fixed Rate	3,337.37	3,337.37	-	-	-
- Debentures	323.18	323.18	-	-	-
Floating Rate	7.73	7.73	-	-	-
- Rupee Term Loan	13.28	13.28	-	-	-
- Foreign Currency Term Loan	83.67	83.67	-	-	-
Others - Rupee Term Loan	522.75	522.75	-	-	-
Lease Liabilities	527.08	527.08	-	-	-
Short Term Borrowings	160.99	160.99	-	-	-
Trade Payables	28.48	28.48	-	-	-
Trade & Security Deposits	2.64	2.64	-	-	-
Amount Payable for Capital Goods	45.51	45.51	-	-	-
Interest accrued but not due on Borrowings	522.07	522.07	-	-	-
Interest accrued and due on Borrowings	6,104.75	6,113.45	-	-	538.70
Employees Related Liabilities	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
<b>Sub Total</b>	-	-	-	-	-
<b>Financial Liabilities at fair value through Profit &amp; Loss</b>					
Derivative Instrument				6.35	-
<b>Sub Total</b>				<b>6.35</b>	-
<b>Total Financial Liabilities</b>	<b>6,104.75</b>	<b>6,113.45</b>	-	-	<b>538.70</b>

**53.3.2 Disclosure for the year ended 31st March, 2019**

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>(1) Financial Assets</b>					
<b>Financial Assets at amortised cost</b>					
Investment					
- Government Securities	0.00	0.00	-	-	-
Trade Receivables	262.20	262.20	-	-	-
Loan Receivables	1.62	1.62	-	-	-
Cash and Cash Equivalents	89.43	89.43	-	-	-
Other Bank Balances	49.53	49.53	-	-	-
Security Deposits	57.51	57.51	-	-	-
Other Deposits and Advances	5.94	5.94	-	-	-
Interest Accrued on Deposits	1.91	1.91	-	-	-
Fixed Deposits maturing after 12 months from Balance sheet date	2.38	2.38	-	-	-
Other Financial Assets	2.37	2.37	-	-	-
Incentive and Subsidy Receivable	499.59	499.59	-	-	-
<b>Sub Total</b>	<b>972.48</b>	<b>972.48</b>	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

Particulars	Carrying Value	Fair Value heirarchy			
		Fair Value	Level 1	Level 2	Level 3
<b>Financial Assets at fair value through Profit &amp; Loss</b>					
Investments					
- Unlisted Preference Shares	0.00	0.00	-	-	0.00
- Mutual Funds	599.32	599.32	599.32	-	-
- Derivative Instrument	-	-	-	-	-
<b>Sub Total</b>	<b>599.32</b>	<b>599.32</b>	<b>599.32</b>	<b>-</b>	<b>0.00</b>
<b>Financial Assets at fair value through Other Comprehensive Income</b>					
Investments					
- Listed Equity Instrument	269.15	269.15	269.15	-	-
- Unlisted Equity Instrument	0.06	0.06	-	-	0.06
- Bonds	7.20	7.20	7.20	-	-
- Government Securities	1.00	1.00	1.00	-	-
<b>Sub Total</b>	<b>277.41</b>	<b>277.41</b>	<b>277.35</b>	<b>-</b>	<b>0.06</b>
<b>Total Financial Assets</b>	<b>1,849.21</b>	<b>1,849.21</b>	<b>876.67</b>	<b>-</b>	<b>0.06</b>
<b>(2) Financial Liabilities</b>					
<b>Financial Liabilities at amortised cost</b>					
<b>Long Term Borrowings</b>					
Fixed Rate					
- Debentures	680.00	689.53	-	-	689.53
Floating Rate					
- Rupee Term Loan	2,825.32	2,825.32	-	-	-
- Foreign Currency Term Loan	508.44	508.44	-	-	-
- Finance Lease Obligation	3.15	3.15	-	-	-
Others - Rupee Term Loan	7.07	7.07	-	-	-
Short Term Borrowings	25.22	25.22	-	-	-
Trade Payables	627.31	627.31	-	-	-
Trade & Security Deposits	480.87	480.87	-	-	-
Amount Payable for Capital Goods	54.73	54.73	-	-	-
Interest accrued but not due on Borrowings	34.47	34.47	-	-	-
Employees Related Liabilities	37.73	37.73	-	-	-
Other Financial Liabilities	350.59	350.59	-	-	-
<b>Sub Total</b>	<b>5,634.90</b>	<b>5,644.43</b>	<b>-</b>	<b>-</b>	<b>689.53</b>
<b>Financial Liabilities at fair value through Profit &amp; Loss</b>					
Derivative Instrument	6.35	6.35	-	6.35	-
<b>Sub Total</b>	<b>6.35</b>	<b>6.35</b>	<b>-</b>	<b>6.35</b>	<b>-</b>
<b>Total Financial Liabilities</b>	<b>5,641.25</b>	<b>5,650.78</b>	<b>-</b>	<b>6.35</b>	<b>689.53</b>

**53.4** During the year ended 31st March, 2020 and 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**54 Financial Risk Management**

The Group has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the Board of Directors. The different types of risk impacting the fair value of financial instruments are as below:

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**54.1 Credit Risk**

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

**a) Trade Receivables**

**As at 31st March, 2020**

Ageing schedule	Not due	0-30 days past due	31-60 days past due	61-90 days past due	Above 90 days
Gross carrying amount	46.35	104.63	57.02	17.98	39.38
Expected loss rate	0%	0%	0%	0%	38.04%
Expected credit losses (Loss allowance provision)	-	-	-	-	14.98
Carrying amount of trade receivables (net of impairment)	46.35	104.63	57.02	17.98	24.40

**As at 31st March, 2019**

Ageing schedule	Not due	0-30 days past due	31-60 days past due	61-90 days past due	Above 90 days
Gross carrying amount	92.49	122.04	18.28	7.96	37.68
Expected loss rate	0%	0%	0%	0%	43.14%
Expected credit losses (Loss allowance provision)	-	-	-	-	16.25
Carrying amount of trade receivables (net of impairment)	92.49	122.04	18.28	7.96	21.43

**Reconciliation of loss allowance provision for Trade Receivable:**

Particulars	2019-20	2018-19
Loss allowance as at beginning	16.25	16.81
Changes in loss allowance (Net)	(1.27)	(0.56)
<b>Loss allowance as at Year end</b>	<b>14.98</b>	<b>16.25</b>

There is no customer (Previous Year Nil) who represents more than 10% of the total balance of trade receivables.

**54.2 Liquidity Risk**

The Group determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Group manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**54.2.1 Maturity Analysis for financial liabilities**

The following are the remaining contractual maturities of financial liabilities as at 31st March, 2020 :

a) Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
<b>Non-derivative</b>						
Trade payables	–	522.75	–	–	–	522.75
Borrowings						
Redeemable Debentures ( Refer Note No. 22.1 (a))						
2500 9.25% NCD 2026	–	–	–	75.00	175.00	250.00
1500 9.15% NCD 2021	–	–	–	150.00	–	150.00
1300 9.05% NCD 2020	–	–	130.00	–	–	130.00
Rupee Term Loan (Refer Note No 22.1(b))	–	79.65	89.71	1,405.71	1,784.64	3,359.71
Foreign Currency Term Loan (Refer Note No 22.1(c))	–	120.22	110.02	93.58	–	323.82
Rupee Term Loan - Other (Refer Note No 22.1(d))	–	–	–	5.24	6.67	11.91
Finance lease obligations (Refer Note No. 22.2)	–	–	–	–	–	–
Short Term Borrowings	63.17	20.50	–	–	–	83.67
<b>Other financial liabilities</b>						
Trade & Security Deposits*	–	–	–	11.01	516.07	527.08
Amount Payable for Capital Goods	–	19.80	141.19	–	–	160.99
Lease Liabilities	–	–	0.69	3.72	8.87	13.28
Interest accrued but not due on Borrowings	–	22.97	5.51	–	–	28.48
Interest accrued and due on Borrowings	–	2.64	–	–	–	2.64
Employees related Liabilities	–	45.51	–	–	–	45.51
Others Financial Liabilities	59.01	455.50	–	7.56	–	522.07
<b>Total</b>	<b>122.18</b>	<b>1,289.54</b>	<b>477.11</b>	<b>1,751.82</b>	<b>2,491.25</b>	<b>6,131.90</b>

\* Based on management assumption

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**b) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2019:**

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
<b>Non-derivative</b>						
Trade payables	–	627.31	–	–	–	627.31
Borrowings						
Redeemable Debentures (Refer Note No. 22.1 (a))						
2500 9.25% NCD 2026	–	–	–	–	250.00	250.00
1500 9.15% NCD 2021	–	–	–	150.00	–	150.00
1300 9.05% NCD 2020	–	–	–	130.00	–	130.00
1500 9.10% NCD 2020	–	–	150.00	–	–	150.00
Rupee Term Loan from bank ( Refer Note No. 22.1 (b))	–	51.78	53.80	1,091.01	1,649.48	2,846.07
Foreign Currency Term Loan (Refer Note No. 22.1 ( c))	–	36.18	108.97	365.47	–	510.62
Rupee Term Loan - Other (Refer Note No 22.1(d))	–	–	–	–	11.91	11.91
Finance lease obligations (Refer Note No. 22.2)	–	0.01	0.02	0.17	2.95	3.15
Short Term Borrowings	15.96	9.26	–	–	–	25.22
<b>Other financial liabilities</b>						
Trade & Security Deposits*	0.10	–	–	7.62	473.15	480.87
Amount Payable for Capital Goods	–	11.60	43.13	–	–	54.73
Interest accrued but not due on Borrowings	–	28.88	5.59	–	–	34.47
Employees related Liabilities	–	37.73	–	–	–	37.73
Others Financial Liabilities	1.48	341.25	–	7.86	–	350.59
<b>Total</b>	<b>17.54</b>	<b>1,144.00</b>	<b>361.51</b>	<b>1,752.13</b>	<b>2,387.49</b>	<b>5,662.67</b>
<b>Derivative</b>						
Derivative Instrument	–	3.64	2.71	–	–	6.35

\* Based on management assumption

- c) The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

**54.3 Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four type of risks: Commodity Price Risk, Foreign Currency Risk, Interest Rate Risk and Other Price Risk.

**54.3.1 Commodity Price Risk**

The Group primarily imports coal, pet coke, gypsum and raw jute. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 54.3.2 Foreign Currency Risk

The Group has Foreign Currency Exchange Risk on imports of input materials, capital equipments and also borrows funds in foreign currency for its business. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

#### a) Exposure to currency risk

The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

#### i) Unhedge Foreign Currency Exposure

(Amount in Crores)

Particulars	31st March, 2020			
	USD	INR	EUR	INR
<b>Financial Assets</b>				
Trade Receivables	–	–	–	–
<b>Financial Liabilities</b>				
Foreign Currency Term Loan	3.14	238.30	–	–
Trade Payables & Others (*)	0.01	1.10	0.03	2.20
<b>Net Exposure (Liability)</b>	<b>3.15</b>	<b>239.40</b>	<b>0.03</b>	<b>2.20</b>

(\*) Does not includes CHF 3,060 and GBP 7,350 equivalent to ₹ 0.02 Crore and ₹ 0.08 Crore respectively.

Particulars	31st March, 2019			
	USD	INR	EUR	INR
<b>Financial Assets</b>				
Trade Receivables	–	–	–	–
<b>Financial Liabilities</b>				
Foreign Currency Term Loan	5.78	399.96	–	–
Trade Payables & Others (*)	0.06	4.13	0.04	3.17
<b>Net Exposure (Liability)</b>	<b>5.84</b>	<b>404.09</b>	<b>0.04</b>	<b>3.17</b>

(\*) Does not includes CHF 3,060 and GBP 7,350 equivalent to ₹ 0.02 Crore and ₹ 0.06 Crore respectively.

#### ii) Hedged Foreign Currency Exposure

(Amount in Crores)

Particulars	31st March, 2020					
	USD	INR	EUR	INR	JPY	INR
<b>Derivative Assets</b>						
Forward Contract against Trade Receivable	0.06	4.32	–	–	–	–
Forward Contract against Firm Commitments	0.08	6.33	–	–	–	–
<b>Derivative Liabilities</b>						
Forward Contract - Against Payable	1.50	113.18	0.00	0.40	–	–
Forward Contract - Against Firm Commitments	1.33	100.62	0.02	1.42	0.01	0.61
<b>Net Exposure (Liability)</b>	<b>2.69</b>	<b>203.15</b>	<b>0.02</b>	<b>1.82</b>	<b>0.01</b>	<b>0.61</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

Particulars	31st March, 2019					
	USD	INR	EUR	INR	JPY	INR
<b>Derivative Assets</b>						
Forward Contract against Trade Receivable	0.05	3.46	–	–	–	–
Forward Contract against Firm Commitments	0.02	1.66	–	–	–	–
<b>Derivative Liabilities</b>						
Forward Contract - Against Payable	2.32	160.38	0.02	1.24	–	–
Forward Contract - Against Firm Commitments	2.10	145.31	0.05	4.14	–	–
<b>Net Exposure (Liability)</b>	<b>4.35</b>	<b>300.57</b>	<b>0.07</b>	<b>5.38</b>	<b>–</b>	<b>–</b>

b) The Group uses interest rate swaps to hedge the Interest rate of External Commercial Borrowings of Nil (Previous Year USD 10 Mn).

#### c) Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure. The following table demonstrates the sensitivity in the USD, EUR, CHF and GBP to the Indian Rupee with all other variables held constant.

Particulars	31st March, 2020			31st March, 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
USD Sensitivity Increase	5%	(11.97)	(7.79)	5%	(20.20)	(13.14)
USD Sensitivity Decrease	5%	11.97	7.79	5%	20.20	13.14
EUR Sensitivity Increase	5%	(0.11)	(0.07)	5%	(0.16)	(0.10)
EUR Sensitivity Decrease	5%	0.11	0.07	5%	0.16	0.10

Sensitivity analysis for CHF and GBP are being insignificant, hence ignored.

### 54.3.3 Interest Rate Risk

The Group is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

The Group is also exposed to interest rate risk on surplus funds parked in fixed deposits and Investments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

#### a) Exposure to interest rate risk

Particulars	31st March, 2020	31st March, 2019
Fixed Rate Instruments		
Financial Assets	–	–
Financial Liabilities	530.00	680.00
	<b>530.00</b>	<b>680.00</b>
Variable Rate Instruments		
Financial Assets	–	–
Financial Liabilities	3,683.52	3,356.69
	<b>3,683.52</b>	<b>3,356.69</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### b) Interest rate Sensitivity

A Change in 50 bps in interest rate would have following impact on Profit Before Tax and Other Equity:

Particulars	31st March, 2020			31st March, 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit before tax	Other Equity		Profit before tax	Other Equity
Interest Rate Increase by	0.50%	(18.42)	(11.98)	0.50%	(16.78)	(10.92)
Interest Rate Decrease by	0.50%	18.42	11.98	0.50%	16.78	10.92

### 54.3.4 Other Price Risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance Sheet either at fair value through OCI or at fair value through profit and loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Group, fluctuation in their prices are considered acceptable and do not warrant any management.

### a) Exposure to other market price risk

Particulars	31st March, 2020	31st March, 2019
Investment in Equity Instruments	151.11	269.15
Investment in Mutual Funds	676.17	599.32
Investment In Bonds	7.64	7.20
Investment in Government Securities	1.19	1.00
	<b>836.11</b>	<b>876.67</b>

### b) Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease by 5% with all other variables held constant.

Particulars	31st March, 2020			31st March, 2019		
	Sensitivity Analysis	Impact on		Sensitivity Analysis	Impact on	
		Profit after tax	Other Equity		Profit after tax	Other Equity
Market rate Increase	5%	41.81	27.20	5%	43.83	28.52
Market rate Decrease	5%	(41.81)	(27.20)	5%	(43.83)	(28.52)

### 55 Capital Management

The Group's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments, cash and cash equivalents and other bank balances) to equity ratio is used to monitor capital.

Particulars	31st March, 2020	31st March, 2019
Debt Equity Ratio	0.70	0.74

### 56 Government grants during the year comprising Incentive and Subsidies include:

- 56.1** Tax incentive for Capital investments under various State Investment Promotion Schemes of ₹ 177.78 Crores (Previous Year ₹ 166.23 Crores).
- 56.2** Amortisation of the deferred revenue of ₹ 0.75 Crore (Previous Year ₹ 0.69 Crore) arising due to difference between the fair value & nominal value of interest free loan granted under State Investment Promotion Scheme.
- 56.3** Amortisation of the deferred revenue of ₹ 0.58 Crore (Previous Year ₹ 0.91 Crore) on account of Investment in Plant & Machineries under various State Investment Promotion Schemes.
- 56.4** Renewable Energy Certificates for generation of power from solar power plant under Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 of ₹ 0.27 Crore (Previous Year ₹ 0.26 Crore).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Crores)

### 57 Segment Reporting

#### A) Primary Segment Information

Particulars	2019-20				2018-19			
	Cement	Jute	Others	Total	Cement	Jute	Others	Total
<b>Business Segment</b>								
<b>Segment Revenue</b>								
(a) External Sales	6,581.39	333.26	1.04	6,915.69	6,216.05	331.19	1.49	6,548.73
(b) Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Total</b>	<b>6,582.43</b>	<b>333.27</b>	<b>8.21</b>	<b>6,923.91</b>	<b>6,216.80</b>	<b>331.20</b>	<b>6.73</b>	<b>6,554.73</b>
Less : Inter Segment Revenue	1.04	0.01	7.17	8.22	0.75	0.01	5.24	6.00
<b>Revenue from Operations</b>	<b>6,581.39</b>	<b>333.26</b>	<b>1.04</b>	<b>6,915.69</b>	<b>6,216.05</b>	<b>331.19</b>	<b>1.49</b>	<b>6,548.73</b>
<b>Segment Result</b>	<b>1,046.04</b>	<b>13.59</b>	<b>(2.69)</b>	<b>1,056.94</b>	<b>671.07</b>	<b>10.57</b>	<b>(3.19)</b>	<b>678.45</b>
<b>Add:</b>								
(i) Interest Income				20.47				24.78
(ii) Unallocated Income net of unallocated Expense				(8.22)				(15.27)
<b>Less:</b>								
(i) Interest Expense				387.67				370.52
<b>Profit before Tax</b>				<b>681.52</b>				<b>317.44</b>
Tax Expense								
Current Tax				75.29				84.56
Deferred Tax				119.35				(2.26)
Income Tax for earlier years				(18.30)				(20.56)
<b>Profit after tax</b>				<b>505.18</b>				<b>255.70</b>
<b>Other Information</b>								
<b>Segment Assets</b>	9,850.61	946.88	147.63	10,945.12	9,139.70	940.13	148.38	10,228.21
Unallocated assets				1,230.35				1,103.40
<b>Total Assets</b>				<b>12,175.47</b>				<b>11,331.61</b>
<b>Segment Liabilities</b>	1,530.16	26.41	1.51	1,558.08	1,456.92	25.80	1.58	1,484.30
Unallocated liabilities				5,811.22				5,352.05
<b>Total Liabilities</b>				<b>7,369.30</b>				<b>6,836.35</b>
<b>Segment Capital Expenditure</b>	1,092.99	8.34	0.19	1,101.52	381.84	7.53	0.06	389.43
Common Capital Expenditure				5.57				5.79
<b>Total Capital Expenditure</b>				<b>1,107.09</b>				<b>395.22</b>
<b>Segment Depreciation</b>	339.73	7.80	0.95	348.48	326.49	8.62	1.15	336.26
Common Depreciation				3.43				2.86
<b>Total Depreciation</b>				<b>351.91</b>				<b>339.12</b>

#### B) Secondary (Geographical) Segment Information

Geographical segment is identified as the secondary segment and details are given below:

Particulars	2019-20	2018-19
1. Revenue from external customers		
– Within India	6,876.11	6,515.35
– Outside India	39.58	33.38
<b>Total</b>	<b>6,915.69</b>	<b>6,548.73</b>

2. The Group does not have any tangible, intangible assets and non current operating assets located outside India.
3. During the year as well as previous year, no customer contributed 10% or more to the Group's revenue from operations.

#### C) Other Disclosures

The Group's operations predominantly relate to Cement and other products are Jute Goods, Auto Trims and Steel Castings. Accordingly, these business segments comprise the primary basis of segmental information set out in these financial statements.

Inter-segment transfers are based on prevailing market prices except for Iron &amp; Steel Castings which is based on cost plus profit.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**58 Related Party Disclosures**
**58.1 Other related parties with whom transactions have taken place during the year and previous year are:**

Nature	Name of the Company	
Entities exercising significant influence over the Group	Vindhya Telelinks Ltd.	
	August Agents Ltd.	
	Insilco Agents Ltd.	
	Laneseda Agents Ltd.	
Nature	Name of the Company	
Associates	Birla Readymix Private Limited (Dissolved w.e.f. 7th February, 2019 )	
	Birla Odessa Industries Private Limited (Dissolved w.e.f. 18th January, 2019)	
Nature	Name	Designation
Key Management Personnels	Mr. Harsh V. Lodha	Chairman
	Mr. Bachh Raj Nahar	Managing Director (ceased to be Managing Director w.e.f. 3rd August, 2019)
	Mr. Pracheta Majumdar	Wholetime Director and Chief Executive Officer
	Mr. Vikram Swarup	Director
	Mr. Bachh Raj Nahar (ceased to be the Director w.e.f. 13th August, 2019 due to retirement by rotation)	
	Mr. Anand Bordia	
	Mr. Brij Behari Tandon	
	Mr. Dhruba Narayan Ghosh	
	Mr. Deepak Nayyar	
	Ms. Shailaja Chandra	
	Mr. Dilip Ganesh Karnik	
Nature	Name of the Company	
Post employment benefit plan Trust	Satna Cement Works Employees' Provident Fund	
	Soorah Jute Mills Employees' Provident Fund Trust	
	M P Birla Group Provident Fund Institution	
	Birla Cement Works Staff Provident Fund	
	Birla Jute Mills Workers' Provident Fund Trust	
	Durgapur Cement Works Employees' Provident Fund	
	Birla Corporation Limited, Employees Gratuity Fund	
	Birla DLW Ltd. Employees Gratuity Fund	
	Birla Corporation Superannuation Fund	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**58.2 Transactions during the year**

Particulars	2019-20				2018-19			
	Associates	Entities exercising significant influence over the Group	Key Management Personnel	Post employment benefit plan Trust	Associates	Entities exercising significant influence over the Group	Key Management Personnel	Post employment benefit plan Trust
Sales of goods/ services provided	–	0.06	–	–	–	0.75	–	–
Purchase of goods/ services received	–	1.82	–	–	–	1.87	–	–
Receipt of rent	–	0.06	–	–	–	0.06	–	–
Advances given	–	–	–	2.00	–	–	–	–
Advances recovered	–	–	–	2.00	–	–	–	–
Paid to Trust-Employees Provident Fund Contribution	–	–	–	6.70	–	–	–	6.13
Paid to Trust-Employees Gratuity Fund Contribution	–	–	–	5.00	–	–	–	8.60
Paid to Trust-Employees Superannuation Fund Contribution	–	–	–	2.94	–	–	–	3.23
Remuneration, Perquisites & Others (Refer Note No. 58.2.1)	–	–	5.89	–	–	–	7.15	–
Dividend Paid	–	–	–	–	–	15.86	–	–
Dividend Received	–	0.00	–	–	–	0.00	–	–

**58.2.1 Key Management Personnel compensation**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Short-Term Employee Benefits	2.65	5.58
Post-Employment Benefits	1.38	0.52
Long-Term Employee Benefits	1.11	0.12
Director's Sitting Fees	0.75	0.93
Director's Commission	0.00	–
<b>Total Compensation</b>	<b>5.89</b>	<b>7.15</b>

\* Amount related to current year includes earlier year accumulated amount of Gratuity and Leave encashment, paid at the time of retirement.

**58.3 Balance Outstanding as at the balance sheet date**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Trade Payables</b>		
Entities exercising significant influence over the Group	0.09	0.14
<b>Provision for Employees benefit</b>		
Post employment benefit plan Trust	3.45	0.52
<b>Other Receivables</b>		
Entities exercising significant influence over the Group	0.01	–
<b>Short-term employee benefits</b>		
Key Management Personnel	0.00	0.80

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

**58.4 Terms and Conditions of transactions with Related Parties:**

All Related Party Transactions are net off taxes and duties. The sales to and purchases from related party are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. The Loans and Advances as well as Corporate Guarantee issued to related parties are on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash, the Group has recorded the receivable relating to amount due from related parties net of impairment (if any). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates.

**59 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates:**

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consoli-dated Net Assets	(₹ in Crores)	As % of Consoli-dated Profit or Loss	(₹ in Crores)	As % of Consoli-dated Other Compre-hensive Income	(₹ in Crores)	As % of Total Compre-hensive Income	(₹ in Crores)
<b>Parent</b>								
Birla Corporation Limited	90.48	4,348.41	62.52	315.84	99.66	(123.26)	50.48	192.58
<b>Subsidiaries</b>								
<b>Indian</b>								
1. Birla Jute Supply Co. Ltd.	0.03	1.36	0.01	0.05	0.00	(0.00)	0.01	0.05
2. Talavadi Cements Ltd.	0.19	9.24	0.05	0.25	–	–	0.07	0.25
3. Lok Cements Ltd.	0.01	0.31	0.54	2.71	–	–	0.71	2.71
4. Budge Budge Floor Coverings Ltd.	0.04	1.81	0.00	0.00	(0.02)	0.03	0.01	0.03
5. M.P. Birla Group Services Pvt. Ltd.	0.00	0.00	(0.00)	(0.00)	–	–	(0.00)	(0.00)
6. Birla Cement (Assam) Ltd.	0.00	0.03	(0.00)	(0.00)	–	–	(0.00)	(0.00)
7. RCCPL Pvt. Ltd.	56.53	2717.25	35.62	179.99	0.36	(0.45)	47.06	179.54
<b>Minority Interest in all subsidiaries</b>	0.00	0.04	0.00	0.00	–	–	0.00	0.00
<b>Consolidation adjustments</b>	(47.28)	(2,272.32)	1.26	6.34	–	–	1.66	6.34
<b>Total</b>	<b>100.00</b>	<b>4,806.13</b>	<b>100.00</b>	<b>505.18</b>	<b>100.00</b>	<b>(123.68)</b>	<b>100.00</b>	<b>381.50</b>

**60** During the year, the Group has made an investment in AMP Solar Clean Power Private Limited ('AMP') by way of purchase of 7,56,800 fully paid up equity shares having face value of ₹ 10 each, amounting of ₹ 0.76 Crore (26% holding in AMP) and in 68,112 compulsorily convertible debentures having face value of ₹ 1000 each, amounting of ₹ 6.81 Crores under Share Purchase, Subscription and Shareholders Agreement. Further, the Group has entered into a long term power purchase agreement ('PPA') with the AMP which is engaged in setting up a solar power plant. The PPA has a lock-in period of 15 years wherein the Group is required to purchase the entire contracted power capacity from the said plant.

Taking into consideration the terms and conditions of PPA, it is considered that the arrangement in respect of long term power purchase agreement satisfies all the conditions of the lease as per Ind AS 116. However, the plant is under construction as on 31st March, 2020. Consequently, Right of Use Assets and Lease Liabilities will be recognized on the Commencement date of Solar Power Plant.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in Crores)

The investment in equity shares in AMP is 26%. Considering the substance of the transactions, in the opinion of the management, it is not considered as a related party under Ind AS 24/28. Accordingly, the investment in equity shares and compulsorily convertible debentures is recognized at amortised cost under "Deposits" as per the provision of Ind AS 109 and the difference between amortised cost and investment value on initial recognition is recognized under "Capital Advance".

**61** During the year, lockdown was declared across the country by the Central/ State Government(s) in response to COVID-19 pandemic on various dates between 22nd March, 2020 and 25th March, 2020. Consequently, Group's manufacturing and sales operations at all the locations were impacted due to such lockdown during the period from 22nd March, 2020 to 31st March, 2020. The operations have since commenced in a phased manner since April/ May, 2020 conforming to the guidelines of regulatory authorities. While Group's sales and profitability for the period were adversely impacted due to lockdown, it is not possible to ascertain the impact thereof. As per the current assessment of the Group, no material impact is expected due to COVID-19 on the carrying values of assets and liabilities at the year ended 31st March, 2020. The Group has taken into consideration external and internal information for developing various assumption for assessing the fair value of assets and liabilities, the impact whereof may differ from the estimates taken as on the date of approval of financial statements. Any changes due to the changes in situation and circumstances will be taken into consideration if necessary as and when it materialises.

**62 Previous year figures have been regrouped/rearranged/reclassified wherever necessary. Further, there are no material regroupings/ reclassifications during the year.**

As per our annexed Report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

M. S. BALACHANDRAN

Partner

Membership No. 024282

New Delhi

Date: 22nd May, 2020

**For and on behalf of the Board of Directors**ADITYA SARAOGI  
Chief Financial OfficerGIRISH SHARMA  
Joint President (Indirect Taxes)  
& Company SecretaryHARSH V. LODHA  
Chairman  
(DIN : 00394094)PRACHETA MAJUMDAR  
Wholetime Director  
& Chief Executive Officer  
(DIN : 00179118)Kolkata  
Date: 22nd May, 2020

## NOTES

## NOTES







**BIRLA CORPORATION LIMITED**

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