MP BIRLA GROUP

# BIRLA CORPORATION LIMITED

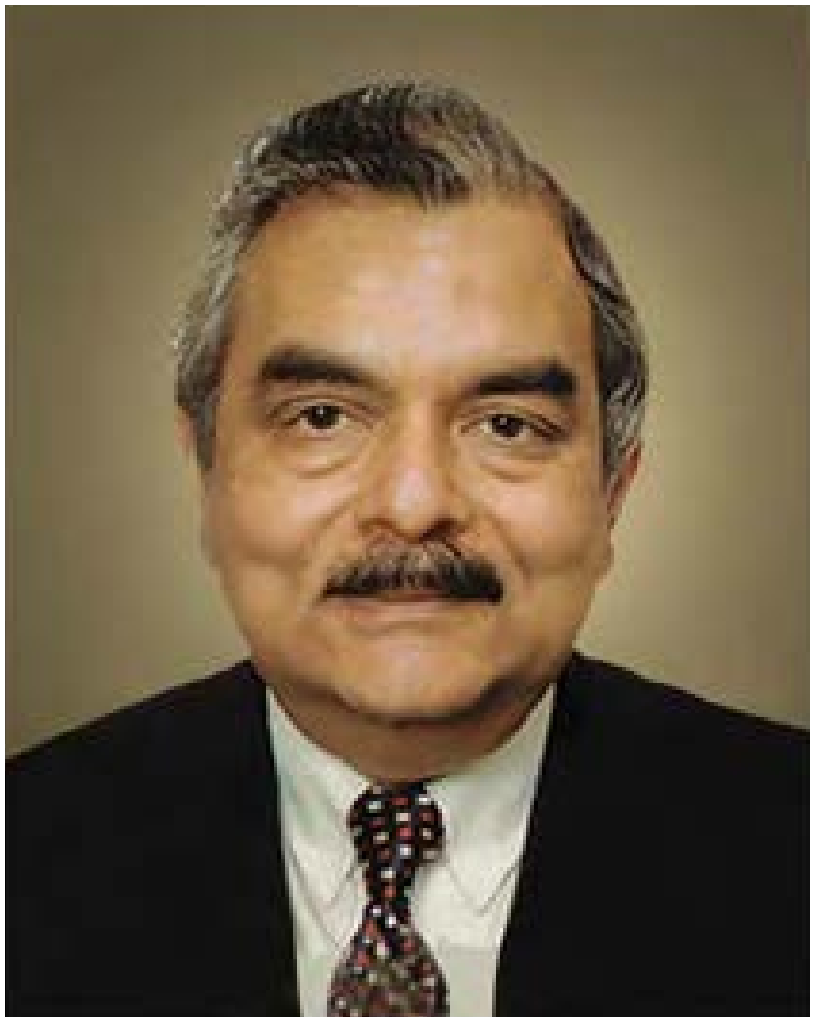
## HEART & STRENGTH

ANNUAL REPORT AND ACCOUNTS 2021-22

# ANNUAL REPORT AND ACCOUNTS 2021-22

## Madhav Prasadji Birla
**(1918-1990)**

## Priyamvadaji Birla
**(1928-2004)**



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

# BOARD OF DIRECTORS

**Shri Harsh V. Lodha,** Chairman

**Shri Vikram Swarup**

**Shri Anand Bordia**

**Shri Brij Behari Tandon**

**Shri Dhruba Narayan Ghosh**

**Dr. Deepak Nayyar**

**Smt. Shailaja Chandra**

**Shri Dilip Ganesh Karnik**

**Shri Arvind Pathak**
Managing Director &
Chief Executive Officer

# BOARD OF DIRECTORS

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

**Shri Vikram Swarup** (DIN 00163543)

**Shri Anand Bordia** (DIN 00679165)

**Shri Brij Behari Tandon** (DIN 00740511)
(up to 11th May 2022)

**Shri Dhruba Narayan Ghosh** (DIN 00012608)

**Dr. Deepak Nayyar** (DIN 00348529)

**Smt. Shailaja Chandra** (DIN 03320688)

**Shri Dilip Ganesh Karnik** (DIN 06419513)

**Shri Arvind Pathak** (DIN 00585588)
Managing Director & Chief Executive Officer

# SENIOR MANAGEMENT TEAM

**Shri Pracheta Majumdar**
Chief Management Advisor

**Shri Asim Chattopadhyay**
Executive President
Operations

**Shri Aditya Saraogi**
Chief Financial Officer

**Shri Dev Banerjee**
President
Sales & Logistics

**Shri Bhaskar Bhattacharya**
Unit Head
Satna

**Shri Sunil Sood**
Unit Head
Chanderia

**Shri Prahlad Kumar Choudhary**
Unit Head
Maihar

**Shri Abhijit Dutta**
Unit Head
Mukutban

**Shri Ghisa Ram Verma**
President
Birla Jute Mills

**Smt. Susmita Bhattacharya**
Head-Corporate (HR)

**Shri Manoj Kumar Mehta**
Company Secretary &
Legal Head

**STATUTORY AUDITORS**
V. Sankar Aiyar & Co.
Chartered Accountants
New Delhi 110 008

**REGISTRAR & SHARE TRANSFER AGENT**
MCS Share Transfer Agent Limited
383, Lake Gardens, 1st Floor
Kolkata 700 045

**CORPORATE OFFICE**
1, Shakespeare Sarani (2nd floor)
Kolkata 700 071
Phone: (033) 6603 3300/01/02

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

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**Guided by the motto of 'Heart and Strength', Birla Corporation Limited works tirelessly to create value for stakeholders and society.**

*Birla Corporation Limited walks a tight path, guided by its founders' vision, even as it encourages innovations. And in all its pursuits, adherence to the highest standards of governance and sustainability is paramount.*

In all its pursuits, Birla Corporation Limited is guided by the MP Birla Group's credo of 'Heart and Strength'. Inspired by its founders, the Company, on the one hand, strives to create incremental value for all its stakeholders every passing day, while on the other, focuses on providing services that make a lasting difference to society.

The pursuit of creating assets to serve society is embedded in the structure of the MP Birla Group, which runs, as non-profits, 12 hospitals and as many knowledge centres across India. In line with the vision of the late Madhav Prasadji Birla, the founder, expansion of these facilities is a constant work-in-progress.

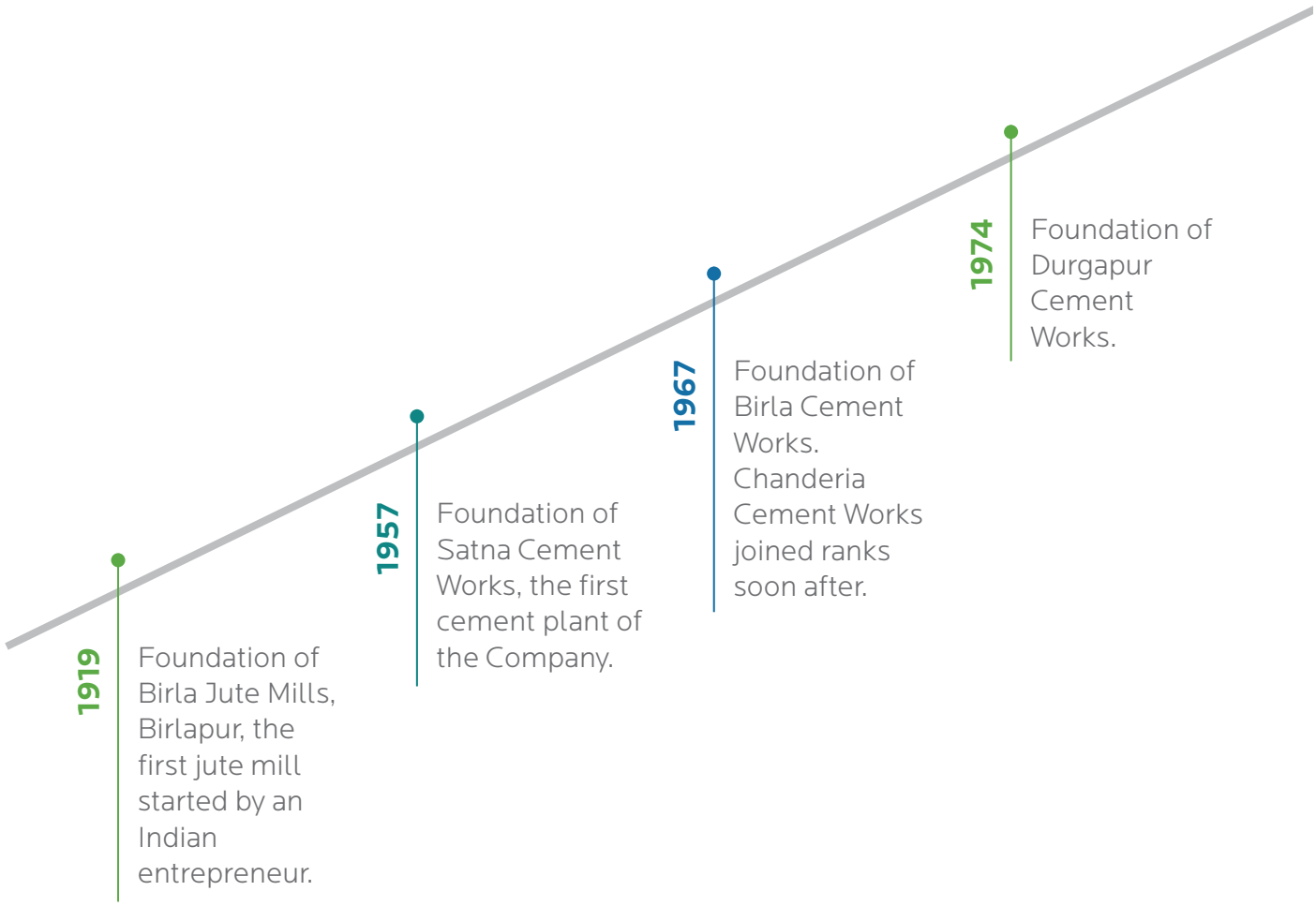
As an enterprise, Birla Corporation Limited started its journey in 1919 as a jute mill— the first jute mill started by an Indian entrepreneur- and has over the decades expanded to become a robust cement and construction materials company. In this long journey of over 100 years, the Company has, at all times, been guided by the core values of its founders of maintaining the highest standards in governance.

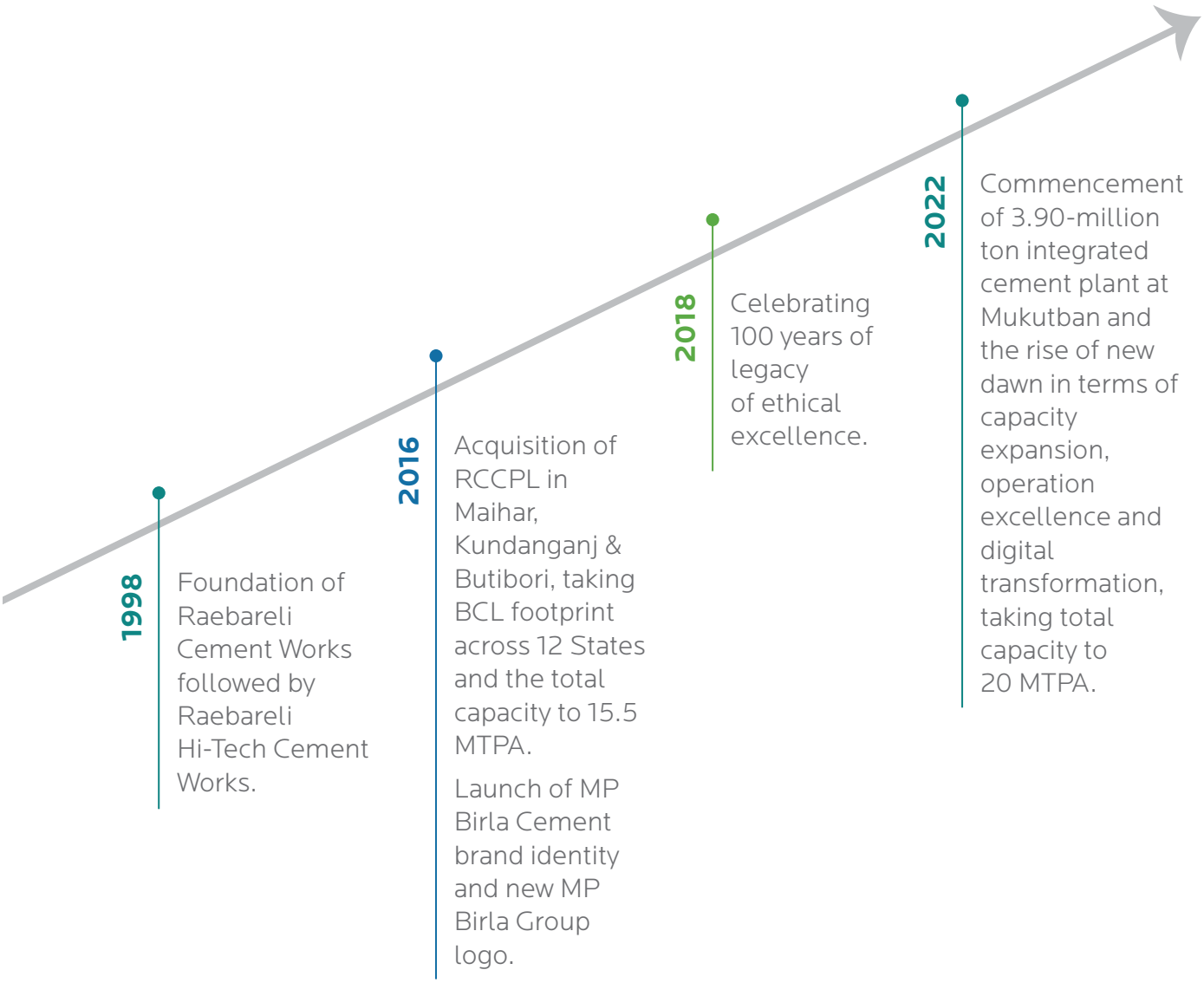
The Company's commitment to all its stakeholders has led to the creation of an ecosystem which helps improve efficiency and competitiveness. The outcome of this approach manifests itself most prominently in the bonds that we have created with our customers and sales channel partners, who stood firmly by our side even amid the most challenging market conditions.

Our business practices are routinely evaluated through the lens of sustainability. As a result, with every passing year, we are improving our performance if judged by parameters such as consumption of fossil fuel and absorption of industrial waste. Our aim is to firmly establish ourselves as a model cement company for our size from the standpoint of efficiency, governance and sustainability.

**Harsh V. Lodha, Chairman, Birla Corporation Limited**

# THE JOURNEY OF HEART & STRENGTH




1998
Foundation of Raebareli Cement Works followed by Raebareli Hi-Tech Cement Works.
2016
Acquisition of RCCPL in Maihar, Kundanganj & Butibori, taking BCL footprint across 12 States and the total capacity to 15.5 MTPA.
Launch of MP Birla Cement brand identity and new MP Birla Group logo.
2018
Celebrating 100 years of legacy of ethical excellence.
2022
Commencement of 3.90-million ton integrated cement plant at Mukutban and the rise of new dawn in terms of capacity expansion, operation excellence and digital transformation, taking total capacity to 20 MTPA.

# OVERVIEW & OUTLOOK

GROUP OVERVIEW

COMPANY OVERVIEW

NUMERICALLY SPEAKING

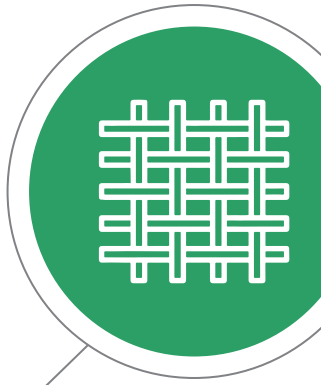
PORTFOLIO

# GROUP OVERVIEW

## MP Birla Group

A LASTING LEGACY OF ETHICAL EXCELLENCE AND CORPORATE RESPONSIBILITY

The foundation stone of the MP Birla Group was laid in 1919 with the institution of Birla Jute Manufacturing Company Limited. The journey that had started with a single jute mill on the banks of the Hooghly river in 1919 has branched out to a multi-location, multi-product conglomerate with footprints across the country.



**Cement**

**Jute**

**Power Cables**

**Telecom Cables**

**Optical Fibre Cable**

**EPC**

**Guar Gum**

**Healthcare**

**Education**

Over the years, we have scripted several stories of excellence all the while staying fiercely committed to uncompromising standards of corporate governance.

# COMPANY OVERVIEW

## Birla Corporation Limited

Birla Corporation Limited, the flagship Company of the MP Birla Group, is one of India's leading cement manufacturers. The Company's Birla Jute Mills is also the first jute mill to be started by an Indian entrepreneur. The Company and its subsidiary, RCCPL Private Limited (formerly Reliance Cement Company Private Limited), have 11 cement plants spread in eight locations across the country, with an annual installed capacity of 20 million tons.

The Company produces an array of cement products, under the MP Birla Cement brand, suited to different climatic conditions as well as consumer segments. It also offers construction chemicals and wall putty.

The Company's retail footprint extends from Rajasthan in the West to Bengal in the East, with a very strong presence in the central heartland of Uttar Pradesh, Madhya Pradesh and the Vidarbha region of Maharashtra.

All the plants of the Company have been extensively modernised, incorporating the latest state-of-the-art technology, to manufacture cement of the finest quality for perfect construction. The plants are ISO 9001:2000 certified, covering the entire range of production and marketing.

**The Mukutban plant of RCCPL Private Limited (formerly Reliance Cement Company Private Limited), wholly owned subsidiary of Birla Corporation Limited is one of the most advanced cement factories in India, in terms of technology and efficiency parameters.**

## 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

# NUMERICALLY SPEAKING

**100+ YEARS**
Legacy of responsible corporate presence

**11** Cement Plants
**1** Jute Plant
**9** Locations
**12** Brands

**20 MN TONS**
Total installed capacity of Cement

**92%**
Cement Division capacity utilisation

**14.22 MN TONS**
Highest ever Cement sales by volume

**3.90 MN TONS**
Capacity expansion with a greenfield facility at Mukutban, Maharashtra

**6**
**OPERATIONAL CAPTIVE LIMESTONE MINES**
yield around 94% of the limestone requirement

**1**
**OPERATIONAL CAPTIVE COAL MINE**

**94 MW**
Captive coal-based power plants' aggregate capacity

**90,994**
Sales promoters, dealers & sub-dealers

**240 Villages**
Community reach out in FY2021-22

**13 STATES**
Marketing presence

**ZERO MAJOR ACCIDENTS**
during commissioning of Mukutban plant.
10-million safe man hours of construction achieved towards completion of the project without a single major accident or fatality

**34.75 MW**
Waste Heat Recovery System plants' capacity

**33.62 MW**
Installed solar power plants' capacity

**7000+**
Total workforce on roll

**1.2X**
Water Positive

# PORTFOLIO

**1. MP BIRLA CEMENT RAKSHAK**
Premium and superior water repellent cement

**2. MP BIRLA CEMENT PERFECT PLUS**
Premium quality, specially engineered PPC Cement for specific applications of foundation, pillar & roofing works

**3. MP BIRLA CEMENT SAMRAT ADVANCED**
Ideal for all constructions with fast setting and high early strength qualities

**4. MP BIRLA CEMENT ULTIMATE ULTRA**
High-quality pozzolanic cement that comes with a guarantee of superior performance

**5. MP BIRLA CEMENT UNIQUE (PSC)**
Excellent quality blended Portland Slag Cement

**6. MP BIRLA CEMENT SAMRAT (PPC)**
Ideal for all constructions, mass concrete and RCC/pre-stressed/precast structure

**7. MP BIRLA CEMENT ULTIMATE (PPC)**
Premium brand of Portland Pozzolana Cement. Twice refined, the product is resistant to corrosion

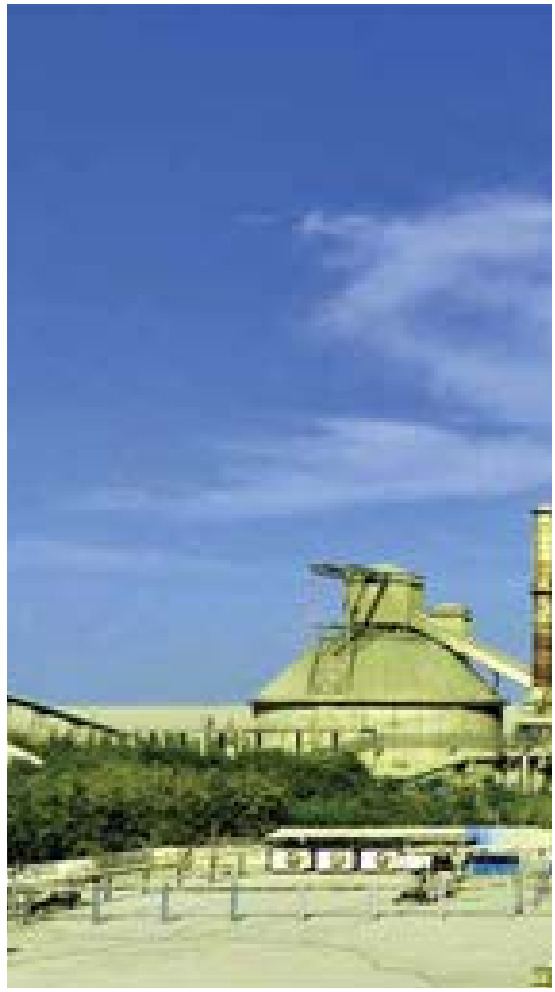
**8. MP BIRLA CEMENT CHETAK (PPC)**
A brand of choice for about five decades. Comes with the promise of strength and durability

**9. MP BIRLA CEMENT (PSC)**
High Blaine Slag Cement, packed in regular HDPE bags, recommended for all types of construction

**10. MP BIRLA CEMENT MULTICEM (PPC)**
BIS-certified PPC cement, specially engineered for infrastructural development

**11. MP BIRLA CEMENT CONCRECEM (OPC)**
Engineered to offer strength, durability and faster construction time

**12. VALUE ADDED PRODUCTS: PERFECT PLUS WALL PUTTY & CONSTRUCTION CHEMICALS**
Integrated Waterproofing Product & SBR Latex



MP BIRLA CEMENT
PERFECT
PLUS
चेतक
MP BIRLA CEMENT
UNIQUE
PSC
MULTICEM

# EXPANSION & EXCELLENCE

NEW PLANTS. NEW PLANS.

OPERATIONAL STRENGTH

FINANCIAL PRUDENCE

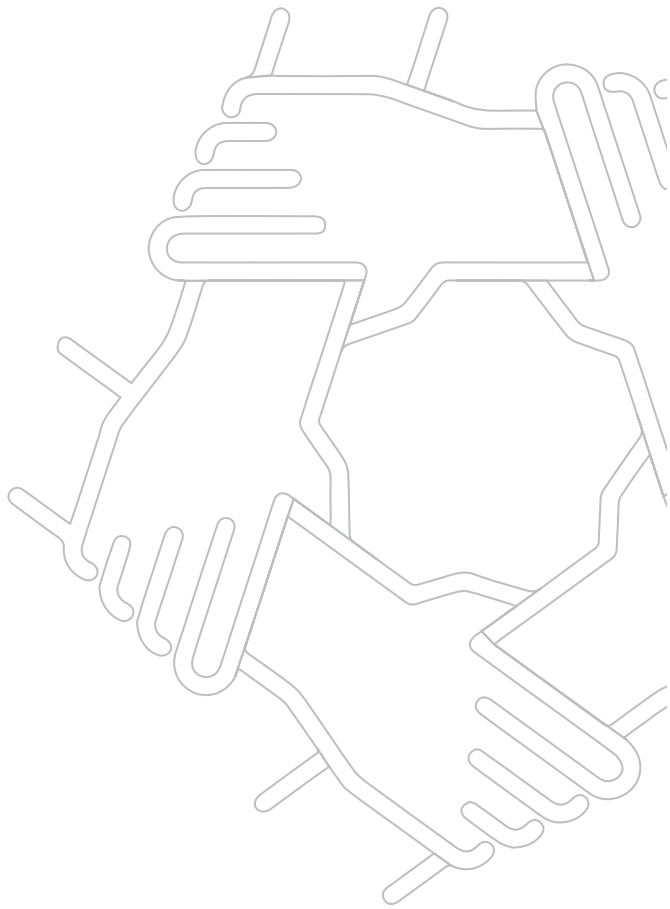
## STRENGTHENING OUR PRESENCE

At Birla Corporation Limited, we are firm believers of the old adage that change is the only constant. Your Company encourages its employees to innovate and come up with disruptive ideas to create new opportunities and growth drivers. This approach has been the key to rapid expansion of markets and helped with scaling up production capacity.

Alongside, your Company has been improving its operational efficiency by focusing on digitisation, automation, cost optimisation, energy conservation and waste management. We are adopting across the organization capabilities and best practices that came into the Company's fold with the acquisition of RCCPL Private Limited.

We are, in a way, going through a transformative phase, using multiple levers, with a sharp focus on sustainability, to make your Company one of the most efficient in its class.

**Expansion & Excellence walk hand-in-hand in Birla Corporation Limited**

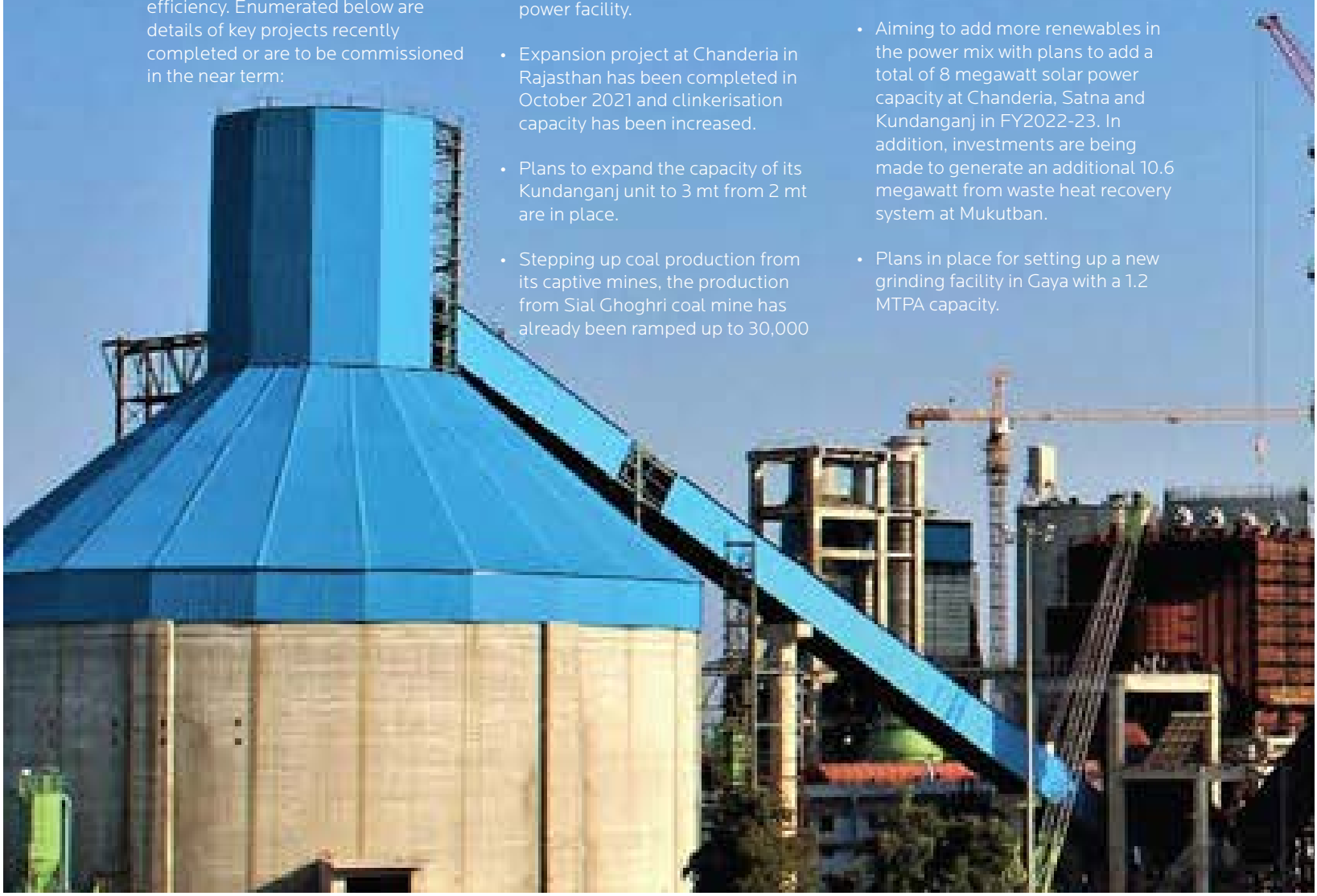


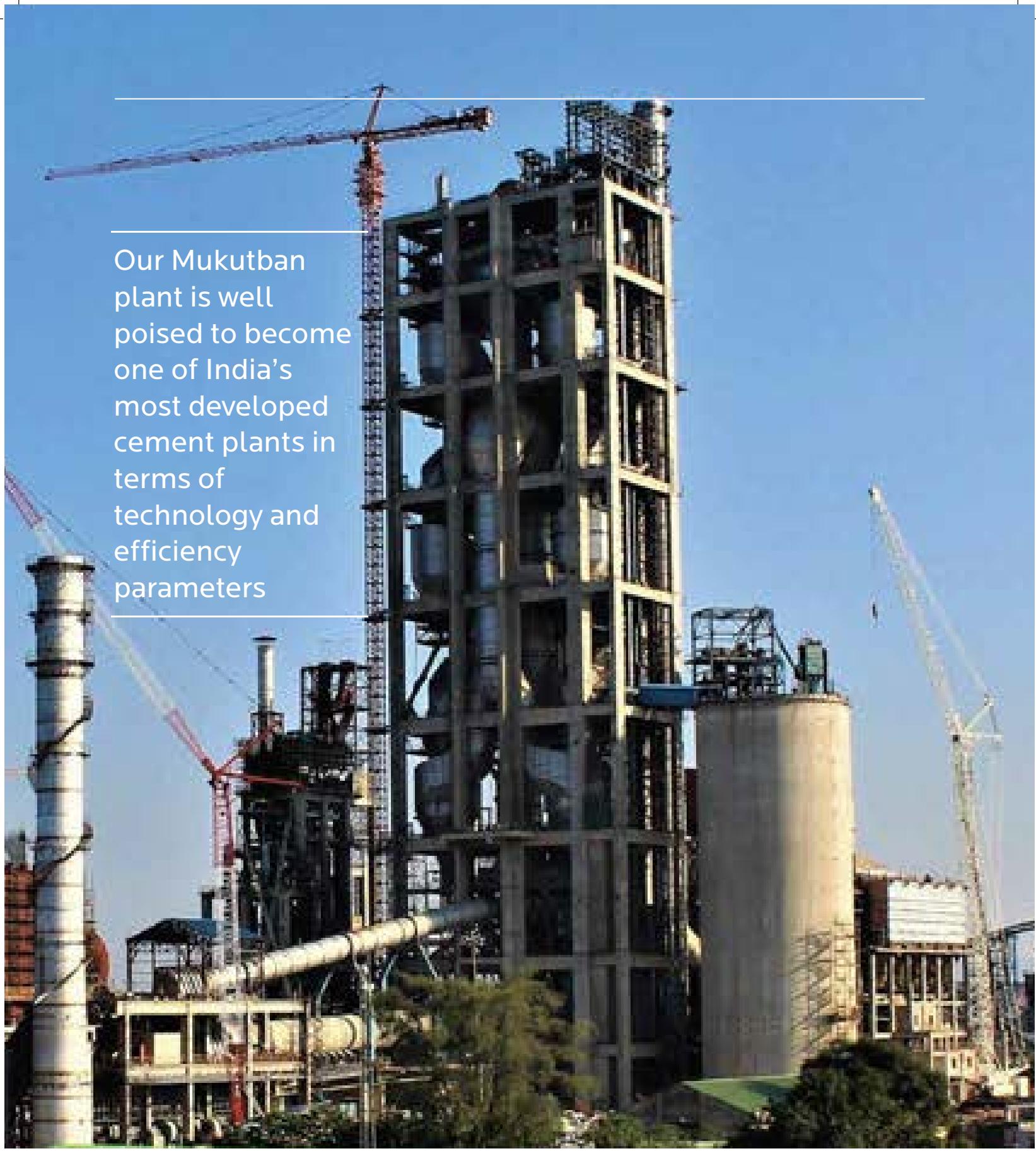
# NEW PLANTS. NEW PLANS.

Birla Corporation Limited is committed to increasing its annual cement production capacity to approximately 30 million tons (mt) by 2030. Our current production capacity stands at 20 million tons.

This ambitious expansion plan promises a buoyant outlook for the Company by ensuring improved profitability and cash flow, and efficiency. Enumerated below are details of key projects recently completed or are to be commissioned in the near term:

- Inaugurated its 3.90-million tonne integrated cement facility at Mukutban, Maharashtra which is the greenfield plant of RCCPL Private Limited, a wholly-owned subsidiary (acquired in 2016). It is the fourth integrated cement plant of the Group and the biggest single line or kiln cement facility in Maharashtra by capacity. It is powered by a 2 x 20-megawatt thermal captive power facility.
- Expansion project at Chanderia in Rajasthan has been completed in October 2021 and clinkerisation capacity has been increased.
- Plans to expand the capacity of its Kundanganj unit to 3 mt from 2 mt are in place.
- Stepping up coal production from its captive mines, the production from Sial Ghoghri coal mine has already been ramped up to 30,000 tons per month, 20% higher than its peak rated capacity. The Company has also accelerated the development of the Bikram coal mine, its production is expected to begin by the end of FY2022-23.
- Allotted two coal mines in Madhya Pradesh (Bikram and Brahmapuri blocks) in the auction conducted by Coal Ministry in December 2019.
- Aiming to add more renewables in the power mix with plans to add a total of 8 megawatt solar power capacity at Chanderia, Satna and Kundanganj in FY2022-23. In addition, investments are being made to generate an additional 10.6 megawatt from waste heat recovery system at Mukutban.
- Plans in place for setting up a new grinding facility in Gaya with a 1.2 MTPA capacity.





Our Mukutban plant is well poised to become one of India's most developed cement plants in terms of technology and efficiency parameters

# OPERATIONAL STRENGTH

Birla Corporation Limited is primarily engaged in the manufacturing of cement as its core business activity. It has a significant presence in the jute goods industry as well. Having acquired 100% shares of RCCPL Private Limited (formerly Reliance Cement Company Private Limited) has become a wholly-owned material subsidiary of BCL. This acquisition provides your Company with the ownership of high-quality assets, augmenting our total capacity in a significant measure.

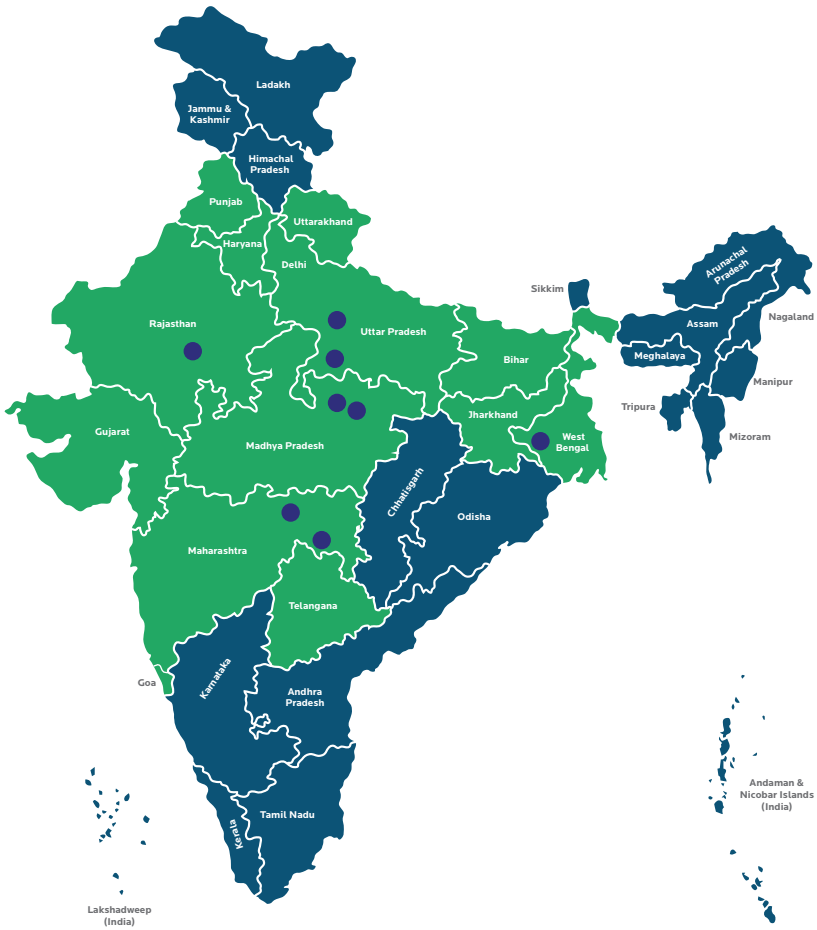
We currently produce cement at eight locations through 11 manufacturing units with a combined capacity of 20 million tons per annum. The production units have been modernised to ensure that the cement is at par with the best. All our manufacturing plants are ISO 9001:2000 certified. Our RCCPL plants are known among the best in India judged by operating parameters. We continually implement new efficiencies throughout our production units to deliver high quality cement to transform blueprints into reality.

## BCL Plants

| LOCATION | OPERATIONAL CAPACITY (MILLION TONS) |
|---|---|
| Satna, Madhya Pradesh | 2.70 |
| Chanderia, Rajasthan | 4.20 |
| Durgapur, West Bengal | 2.05 |
| Raebareli, Uttar Pradesh | 1.24 |
| **Total** | **10.19** |

## RCCPL Plants

| LOCATION | OPERATIONAL CAPACITY (MILLION TONS) |
|---|---|
| Maihar, Madhya Pradesh | 3.20 |
| Mukutban, Maharashtra | 3.90 |
| Kundanganj, Uttar Pradesh | 2.21 |
| Butibori, Maharashtra | 0.50 |
| **Total** | **9.81** |



RCCPL has a captive coal mine at Sial Ghoghri, Madhya Pradesh, which catered to 41% (43% in FY21) of the total coal requirements in FY22 of the Company at stable cost

**BIRLA CORPORATION LIMITED**

**SATNA**
(Cement Plant, Steel Foundry, Hospitals, School)

**CHANDERIA**
(Cement Plants, Hospital, School)

**DURGAPUR**
(Cement Plants)

**RAEBARELI**
(Cement Plants)

**BIRLAPUR**
(Jute Mill, Hospital, School)

**KOLKATA**
(Corporate & Registered Offices, Jute Mill)

**NEW DELHI**
(Office)

**MUMBAI**
(Office)

**RCCPL Private Limited (Formerly Reliance Cement Company Private Limited) plants**

**MAIHAR**
(MP)

**MUKUTBAN**
(Maharashtra)

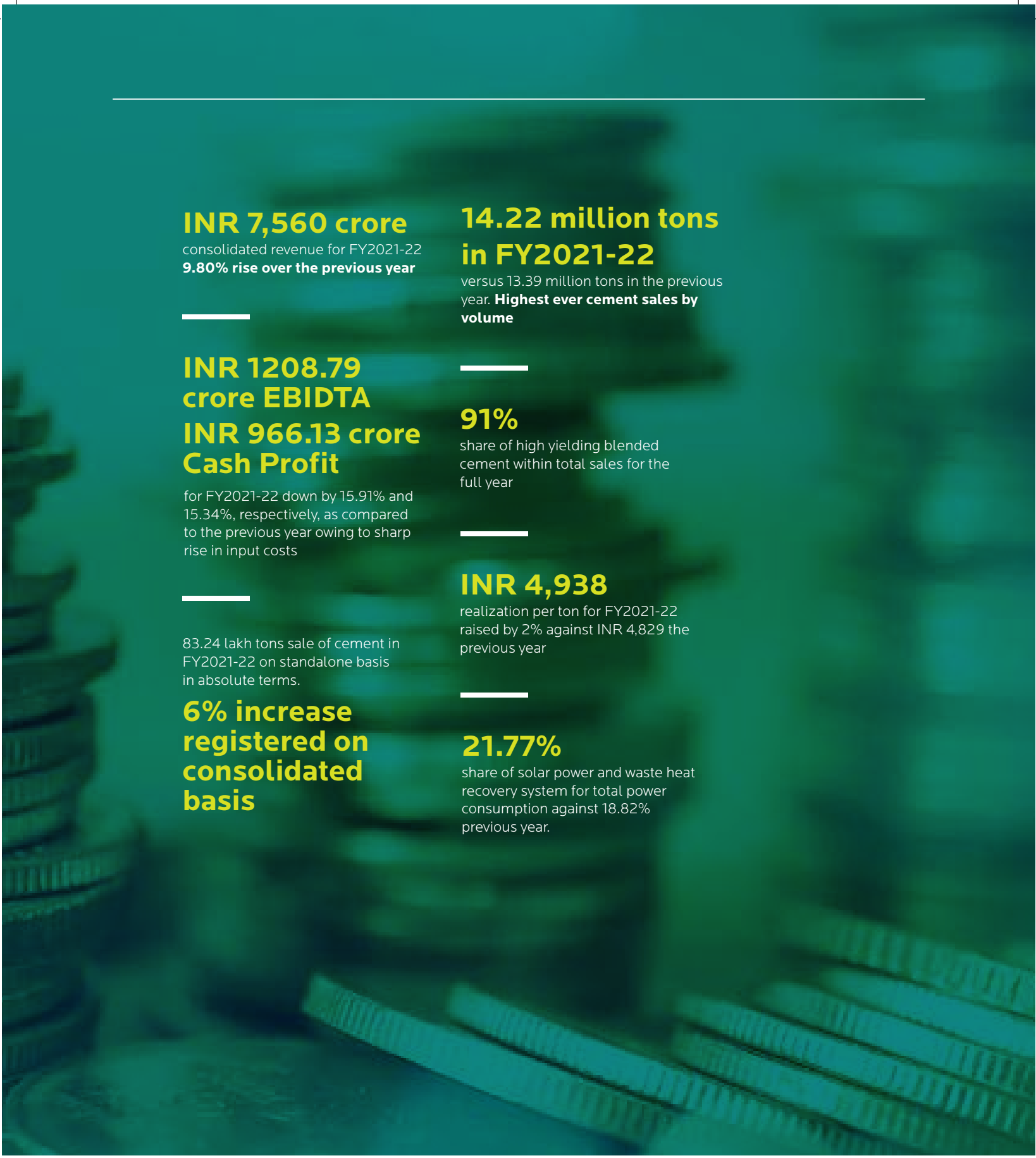
**KUNDANGANJ**
(UP)

**BUTIBORI**
(Maharashtra)

# FINANCIAL PRUDENCE

The financial year 2021-22 was a year of growth stunted by challenges for not just the cement sector, but the nation at large. While the government's impetus on infrastructure development and ensuring affordable housing continued to find momentum, the year began with a spiralling onslaught of the second wave of corona virus putting lives of every citizen of India in peril. This mammoth challenge was followed by a sluggish and cautious return to normalcy in second quarter. Rising crude oil prices, erratic monsoons in mining areas of Australia and Indonesia combined with geopolitical tension lead to increase in input prices. The resource price rise and lack of workmanship combined with unseasonal rainfall in India impacting the cement demand added to the push down of sales and profitability.

But despite the challenges that the pandemic thrust upon us and a sluggish demand through several months till December, your Company achieved its highest ever rise in cement sales by volume in a financial year. Our consolidated revenue grew 9.80% for FY2021-22 over the previous year to INR 7,560 crore. The profitability, however, was dwarfed by increasing input costs and the sector's challenge to raise prices.



## INR 7,560 crore

consolidated revenue for FY2021-22
**9.80% rise over the previous year**

## INR 1208.79 crore EBIDTA

## INR 966.13 crore Cash Profit

for FY2021-22 down by 15.91% and 15.34%, respectively, as compared to the previous year owing to sharp rise in input costs

83.24 lakh tons sale of cement in FY2021-22 on standalone basis in absolute terms.

## 6% increase registered on consolidated basis

## 14.22 million tons in FY2021-22

versus 13.39 million tons in the previous year. **Highest ever cement sales by volume**

## 91%

share of high yielding blended cement within total sales for the full year

## INR 4,938

realization per ton for FY2021-22 raised by 2% against INR 4,829 the previous year

## 21.77%

share of solar power and waste heat recovery system for total power consumption against 18.82% previous year.

# PRODUCT PROWESS

We are committed towards making the best quality cement by maintaining safety, optimising process parameters and using minimum resources.

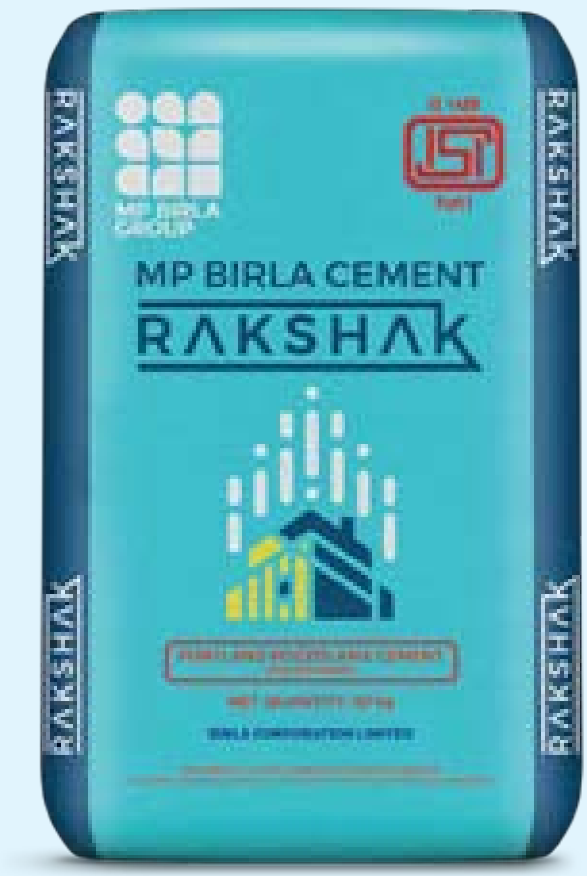
MP Birla Cement offers one of the largest product bouquets in the industry with a range of brands meeting various construction needs, climatic conditions, regional and customer preferences. We manufacture varieties of cement like Ordinary Portland Cement (OPC), 43 & 53 grades fly ash-based Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), Composite Cement and Sulphate Resistant Cement.

**MP BIRLA CEMENT PERFECT PLUS is the national flagship Premium Portland Pozzolona Cement brand. It is a specialised cement used for concreting and meets all construction needs with Perfect Foundation, Pillar and Roof.**

## New Products. New Possibilities.

Your Company launched MP Birla Cement Rakshak in the financial year. Rakshak is the most premium and superior water-repellent cement to have been launched by us. Composed of highly reactive clinker and tailor-made hydrophobic grinding aid, MP Birla Cement Rakshak promises a unique combination of improved strength and moisture resistance, right from the foundation to the roof.

Our new brand has been received very well with sales having gained momentum within months.



## PRODUCT FOOTPRINT

Delhi (NCR) | Uttar Pradesh | Madhya Pradesh | Maharashtra
Rajasthan | Haryana | Gujarat | West Bengal | Jharkhand | Bihar

West Bengal | Bihar | Jharkhand

Bihar | Uttar Pradesh | Madhya Pradesh

West Bengal | Jharkhand

Rajasthan | Haryana | Punjab | Delhi (NCR) | Gujarat | Madhya Pradesh
Uttar Pradesh | Maharashtra | Bihar

West Bengal

Telangana | Uttar Pradesh | Madhya Pradesh | Uttarakhand | Bihar
Jharkhand | West Bengal | Rajasthan

Uttar Pradesh | West Bengal | Bihar | Jharkhand
Rajasthan | Madhya Pradesh | Haryana

Bihar | Uttar Pradesh | Madhya Pradesh
West Bengal - To be launched soon

Delhi (NCR) | Bihar | Uttar Pradesh | Rajasthan | Haryana
Uttarakhand | Gujarat | Maharashtra | Madhya Pradesh

West Bengal | Bihar | Uttar Pradesh | Madhya Pradesh
Maharashtra | Rajasthan | Haryana | Uttarakhand | Gujarat

# CUSTOMER CONNECT

Our brand platform MP Birla Cement promises not just best-in-class products but also the highest standards of customer support, which is the key to building lasting relationships with independent home-builders. We treat customer satisfaction as a cornerstone of our success, and that drives us to bend over backward to provide not just quality cement but also good counsel on how to build homes more efficiently. Below are some of our key consumer connect initiatives:

- **Mr. Perfect:** AI powered virtual assistant, developed as a WhatsApp Chatbot & Website is available in 4 key languages where customers can come and interact with the Company to find detailed information about products & services.
- **Call Centre:** A dedicated helpline to address customer queries and handling of grievances, if any.
- **Armaan Nirman:** An influencer App where masons/contractors can order cement and earn points on their lifting and also redeem accumulated points for various gifts.
- **Club Ultimate:** A dedicated loyalty programme for dealers.
- **Humsafar:** A dealer application is now operational in all relevant States. Over 8,600 dealers are already on board and it has improved their overall ease of doing business with the organisation.
- **Akanksha:** We have recently launched an App for technocrats.

## Beyond Cement: Offering value-added service to our home-building customer base

We believe that our responsibility is not limited to manufacturing high-quality cement. It is our job to assist our consumers through their home-building process. The complementary services include:

- **Engineer site visit**
- **Estimation & costing of the house**
- **Slab supervision**
- **Workability test of concrete (Slump Test)**
- **Rebound hammer test**
- **Sand bulkage test**
- **Silt determination of sand**
- **Test of water**
- **Test for elongation & flakiness of coarse aggregates**

Our teams also undertake customer satisfaction and consumer perception surveys on a periodic basis and address inputs. Such an approach helps us gauge our customer satisfaction quotient and raise the bar of service on a continuous basis.

# Cement se Ghar tak SERVICES

## Expert Advice: 1800 123 1117 / 98315 19191

# SMALL STEPS & BIG LEAPS

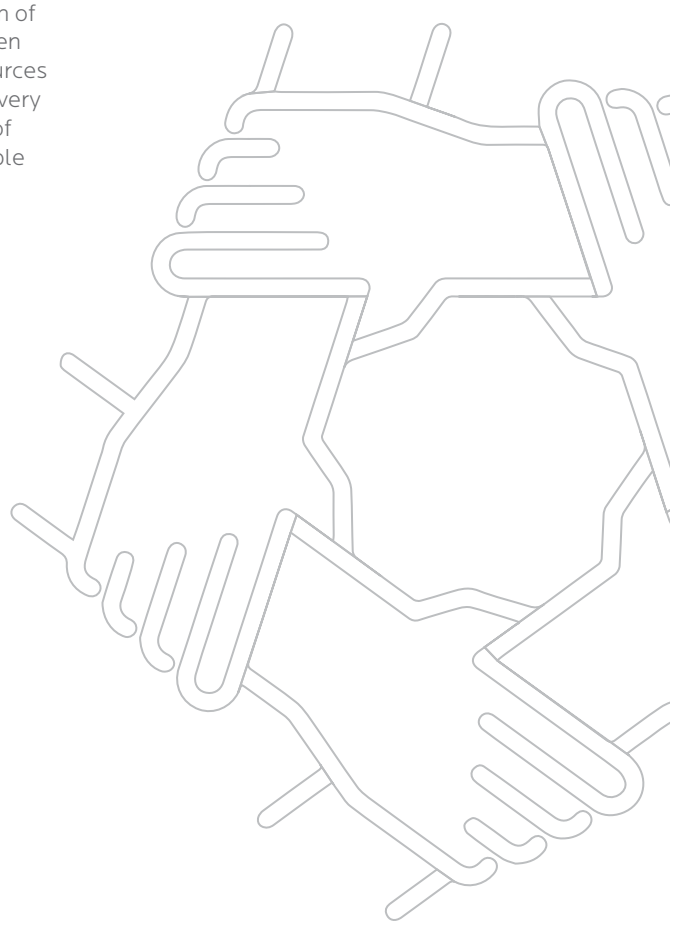
OPERATIONAL EXCELLENCE

DIGITAL TRANSFORMATION

## STRENGTHENING OPERATIONS

Birla Corporation Limited has within its folds 11 cement plants of varying vintage. Some of them, especially the younger ones, are among the best in India by operating parameters. The older ones are slightly behind because of their age, but even so, the overall capacity utilization of the Company has been among the best in the industry for several years. We achieved this by relentlessly following sustainable manufacturing practices and investing in technology, aside from constantly working the nuts and bolts to improve efficiency.

Alongside, the Company has been scaling up limestone and coal mining, while reducing dependence on grid power. Your Company's subsidiary, RCCPL Private Limited, has an underground coal mine at Sial Ghoghri in Madhya Pradesh, where extraction was scaled up to 2.05 lakh tons in FY2021-22. Production at the mine has already exceeded its labelled capacity. Alongside, to reduce consumption of grid power, your Company has been investing in renewable energy sources such as solar and waste heat recovery system. The generation capacity of both is being ramped up at multiple locations.



# OPERATIONAL EXCELLENCE

Sustainable operational excellence ensures multiple advantages - cost efficiency, time management, higher efficiency of natural resources and safe working conditions, thereby leading to producing world-class high-quality products.

At all our plants, teams remain on the lookout for new opportunities of technology absorption, re-engineering approaches, freight management, process automation and resource optimisation.

FY2021-2022 commenced with the challenges of the second wave of COVID-19 resulting in varied restrictions as necessitated by the Government authorities. All our facilities not just conformed to the COVID safety protocols as directed by the Government but also flagged off voluntary precautions to build operational resilience.

## MUKUTBAN

### Strengthening our growth horizon

The financial year marked the commencement of a 3.9 million ton per annum greenfield cement plant at Mukutban, Dist. Yavatmal, in Maharashtra. This plant is equipped with a 40 MW captive power plant and 10.6 MW waste heat recovery system. It marks the largest investment in the history of the Company. Built with state-of-the art technology, the plant is well on its way of being one of the most efficient and environment friendly cement plants in India. Against the backdrop of major disruptions on account of Covid 19 during 2021, the completion of the facility of such magnitude is a significant feat.

The unit has been installed and commissioned at 20 million of construction man-hours with zero major accidents.

The captive power plant was commissioned on 17 January 2022 and the kiln was lit on 21 January 2022. The Unit commenced cement production on 30 April 2022. This unit will increase the Company's overall capacity and profitability. At the same time, the plant will create both direct and indirect employment opportunities in the region with economic multipliers of industrialisation. The unit has undertaken extensive CSR activities in the areas of education, healthcare, infrastructure development and enhancement of livelihood of the rural poor directly, through its staff, with support from reputed NGOs.

**The plant is the fourth integrated cement unit of the Company and the biggest single line/kiln cement plant in Maharashtra, by capacity.**

## CHANDERIA

Adding efficiency to excellence

During the year, Chanderia plants achieved the highest ever limestone crushing of 28.21 lakh tons since inception and recorded lowest ever consumption of outsourced limestone. These milestones have been achieved as a result of optimum utilization of various resources, including manpower & deployment of modern machinery.

The unit saw expansion of the New Chanderia Cement Works (NCCW) Project, increasing the clinkerisation capacity up to 5,500 tons per day. The unit has also updated its facilities to adopt the utilisation of Carbon Black and Liquid Alternate Fuel so as to further reduce dependence on fossil fuels for kiln operation.

Being conferred the 'Platinum Award' at 'Apex India Green Leaf Award 2021 for Environment Excellence' in Cement Sector is a reflection of our commitment towards ensuring resource efficiency and reducing carbon footprints in the operations.

Additionally, a host of automation projects was initiated to enhance efficiencies and reduce dependencies on manual intervention.

## SATNA

Recording new benchmarks

Satna Cement Works bagged the prestigious '5 Star Rating Award' for implementation of the Sustainable Development Framework (SDF) in the sector at the 5th National Conclave on Mines and Minerals, organised by the Ministry of Mines. In terms of overall performance, the Satna plant achieved its highest ever cement production in FY2021-22, marking an 4% increase on an year on year basis.

The plant has taken various initiatives to reduce specific heat and power consumption which includes fuel & raw mix optimisation and other process measures. Another performance of significance is 34.6% fly ash absorption achieved in PPC products while ensuring superior quality of cement and reducing carbon footprints.

Looking in to the quality aspects, the plant has set up a concrete lab for research & development in concrete quality improvement as well as new products in the construction sector.

## MAIHAR

Adding power to performance

Our people at Maihar facility spearheaded multiple expansion and modernization initiatives of varied nature in the financial year, leading to plant optimization and infrastructure development.

During FY2021-22 the Maihar plant achieved usage of 27% Green Energy in the power mix, achieved by way of leveraging Waste Heat Recovery System & Solar Power Plant. The plant also recorded a rise in AFR feeding.

The plant has sourced 3.17 lakh tons of fly ash through BTAP wagon in rail mode which is the most sustainable way of transport, resulting in reduction of carbon footprint.

The Company has put its mark in industry by setting up a unit for manufacturing value-added products (Wall Putty and Construction Chemical).

The Maihar unit has bagged the prestigious '5 Star Rating Award' for implementation of the Sustainable Development Framework (SDF) in the sector at the 5th National Conclave on Mines and Minerals, organized by the Ministry of Mines.

**Maihar BTAP Wagon unloading facility**

## BUTIBORI

Optimising resource utilisation

Our Butibori plant is well situated for availability of raw material and cement supplies to the market.

The plant achieved highest ever fly ash consumption in FY2021-22, up to 34.8% of PPC production and lowest ever power consumption in cement grinding and packing.

Some of the key logistics optimisation measures ensured in the financial year include freight benchmarking, market freight survey, volume-based auction and E-bidding.

## KUNDANGANJ

Reinforcing re-engineering

Our Kundanganj plant has to its advantage latest technology and state-of-the-art machinery. One of the most modern plants in the country, the facility will go a long way in helping the organisation achieve strategic milestones. Kundanganj plant is well situated, approx. 50 kms from the capital of Uttar Pradesh, with both rail and road connectivity.

In FY2021-22, the focus remained on exploring re-engineering opportunities such as modification in cement mill circuit by fly ash feeding system, process fan circuit etc. This has resulted in reduction in specific power consumption and increased cement production capacity.

Leveraging the power of technology in logistics, RFID tag system has been deployed to control vehicle movement inside the plant and GPS installed in vehicles for end-to-end tracking of consignment and timely delivery to customers.

## DURGAPUR

Enhancing processes

The Durgapur unit is one of the most efficient plants in the cement industry. It is well-known for its environment friendly product i.e. Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) & Pozzolana Composite Cement (PCC). The plant has its own slag processing (granulation) plant and dedicated slag grinding circuit with the state-of-the-art technology.

To improve reliability of operation and productivity, various measures have been taken in FY2021-22 pertaining to the upgradation of the automation system for process control & operation.

### Sial Ghoghri Coal Mine

*Keeping Safety at the Core*

Your Company owns and operates an underground coal mine at Sial Ghoghri (as a unit of RCCPL Private Limited), six km from Umreth, in Pench Kanhan Coalfields, Madhya Pradesh. The block has 15.56 mn tons of mineable reserve and 5.69 mn tons of recoverable reserve. Mining is done following the Bord and Pillar method as well as through the continuous miner technology, with major focus on the safety of operation. During this financial year, the mine recorded its highest production at 2.05 lakh tons.

Your Company acquired two coal blocks, Brahmapuri, Chhindwara district, and Bikram, Shahdol district, both in MP, during the year under review and project development work is in progress.

## RAEBARELI

Ensuring capacity utilisation

Raebareli chalked a milestone achievement of utilisation of solar power (renewable source), contributing to significant reduction in the grid power.

From the manufacturing standpoint, the plant witnessed a healthy rise in production & despatch of PPC in the financial year.

# DIGITAL TRANSFORMATION

**Efficiency & Productivity • Asset Utilization • Equipment Availability Mineral Resource Conservation Customer Centricity • Quality Safety • Sustainability**

We firmly believe that leveraging technology to bring in structural changes will not only help the organisation grow significantly, it will also offer the Company a sustainable competitive advantage. The financial year was a year of making rapid strides in our digital transformation journey. Your Company continued to invest in new-age technologies and upgrade existing processes to digitalise processes across the operational life cycle. The aim is to be future ready by digitalising the key pillars of cement manufacturing.

At Birla Corporation Limited, digitalisation is being implemented across functions and thus the benefits will also manifest across diverse parameters.

Our functions and IT teams have ensured significant momentum in charting the digitalisation journey by spearheading a number of initiatives to strengthen our salient business enablers by way of customer satisfaction, integrated logistics management system, digital mines and plant operations, as well as shared services and infrastructure.

Be it strengthening Customer Relationship by offering customers more transparency with unique Chatbot and WhatsApp Customer Care services or strengthening the value chain through engagement platforms like Dealer Management App, be it strengthening logistics excellence which features E-Bidding, GPS Tracking and Electronic Proof of Delivery (E-PoD) to strengthening operations with using AI/ML-driven Anomaly Detection & Performance Optimization System – we are transforming with times and embracing advantages such as improvement in efficiencies, reduced wastage, optimisation of resources and stronger customer trust, employee buy-in and shareholder confidence.

# PEOPLE & PLANET

CORPORATE SOCIAL RESPONSIBILITY

HEALTH & SAFETY

ENVIRONMENT STEWARDSHIP

## STRENGTHENING OUR COMMITMENT TOWARDS SUSTAINABLE VALUE CREATION

The principles of integrity, empathy and ethics reside at the heart of the MP Birla Group.

We remain firmly rooted to the MP Birla Group's rich legacy of giving back to society, empowering our employees and caring for Mother Earth. Working towards inclusive growth, Birla Corporation Limited has undertaken several initiatives with communities in the vicinity of its factories to impart knowledge and skills, and to create assets that are key to well-being. The motto of 'Heart and Strength' is ingrained in our approach towards community outreach and environmental stewardship.

The attributes of 'Heart & Strength' are inherently ingrained in the way we approach our community outreach and environmental stewardship endeavours.

**"Even as the MP Birla Group builds world-class institutions to provide healthcare and education far beyond the precincts of its commercial operations, we work closely with communities in the backyards of our factories. Not only have we created millions of man-days of jobs in some of the most backward regions-in recent times, most notably in Mukutban in Maharashtra-we treat communities living close to our factories as key stakeholders in our operations, and help them climb up the socio-economic ladder through a wide range of initiatives."**

**Harsh V. Lodha, Chairman, Birla Corporation Limited**

# CORPORATE SOCIAL RESPONSIBILITY

Year on year, BCL and RCCPL continue to implement CSR programmes in intervention areas that possess the power to catalyse communities to undergo positive change. The approach is to spearhead a wide range of initiatives and plan programmes in strategic manner keeping in mind the community needs and national goals. Programmes have also been undertaken in alignment with the United Nation's Sustainable Development Goals (SDGs). The CSR teams at all our plants work closely with the local stakeholders to unlock the regional potential, develop resources, strengthen skill building and thereby enhance the quality of life of the community members.

**In FY2021-22, we touched more than 3,00,000 people in 240 villages across six states.**

Enumerated below are some of the new and ongoing social investment programmes undertaken in the financial year:

**We find inspiration from the Group's long heritage of building and nurturing educational institutions and providing quality healthcare at affordable costs**

## BCL: DRIVING POSITIVE CHANGE

Initiatives at BCL are identified and undertaken based on the principles of stakeholder participation, innovativeness, broader impact and sustainability. Regular and critical review of the undertaken initiatives ensure constant improvement and lead to better impact of the projects. We leverage our domain expertise and strength towards developing solutions that address core social and environmental issues.

**Focus areas:**

1.) **Healthcare, Hygiene & Sanitation**

2.) **Education**

3.) **Livelihood & Women Empowerment**

4.) **Rural Infrastructure Development**

**Ensuring good health for mothers & children:** A Mother & Child healthcare initiative, ANKURAM programme continued to focus on providing better healthcare services to communities by developing and empowering Anganwadi centers of various villages into model centers. Areas of intervention included strengthening the centers' infrastructure and transforming them into joyful learning centers, capacity building of staff and health workers, and nutritional trainings. Regular home visits, family counselling, & immunisation were also organised in the centers. Outcome: 29 villages | 29 centers | 4000 families

**Spreading the joy of education:** We continued to help underprivileged students reach their full potential in life by enabling them the right to quality education by way of running primary schools, developing infrastructure of government schools, capacity enhancement of teachers, offering supplementary classes and scholarship support for higher education. In the financial year, we continued to run a primary school offering free education to 250 children of Durgapur location. We also undertook infrastructure development endeavours in 19 Govt Schools, held 25 teachers' capacity enhancement initiatives, offered learning assistance to 300+ students through our 5 supplementary education centers, and provided scholarships to 30 meritorious but underprivileged students for pursuing higher education.

**Promoting sustainable agriculture practices:** We empowered 518 farmers to enhance their farm productivity and soil health through sustainable practices such as use of Farm Yard Manure, application of fertilisers and pesticides, capacity enhancement of farmers and soil test.

**Making every drop count:** Our Watershed programme ensured ample availability of water for agriculture and domestic purpose, ground water recharge and top soil conservation. This was achieved through 14 initiatives in areas of water body deepening activities undertaken in the financial year.

**Expanding green cover:** In our effort to promote social forestry, our teams undertook plant saplings distribution exercise on a periodic basis while also making efforts to maintain the existing green cover.

- **Raebareli Unit received the coveted 4TH ICC SOCIAL IMPACT AWARD - 2022 Certificate of Appreciation on account of achieving excellence in CSR programmes.**

- **Satna Unit received 'Silver Award' in Cement Sector for Outstanding Achievement in Corporate Social Responsibility by Sustainable Development Foundation.**

## RCCPL: Touching Lives

RCCPL undertakes social responsibility programmes under five focus areas: Healthcare and Sanitation; Infrastructure and Water; Education Support; Employability; Environment and Energy. These programmes are aimed to ensure betterment of basic community amenities and improve the standard of living of the community members, thereby upholding their basic right to lead a life of dignity.

**Training the health custodians:** Our Aarogya Tai/Sakhi programme aims to offer access to quality primary healthcare to the communities by enabling the women volunteers with skills training on a regular basis. In the financial year, we reached out to 40,000 beneficiaries across 16 villages by empowering a total of 28 Tais/Sakhi in all. Several healthcare interventions were undertaken for the villagers such as village health survey, promoting institutional delivery, adolescent healthcare, malnutrition support and vaccination (Child immunisation and Covid vaccination).

**Enhancing access to clean drinking water:** Since its inception, RCCPL has emphasised on improving the availability of clean drinking water for the communities around its operations. Multiple initiatives are undertaken towards this purpose, some of which include provision of hand pumps and RO water units, and thereby benefitting 9000 people.

**Spreading the light of quality education:** Under our Adhyanshree programme, we empowered over 1100 students of 12 villages. The case of quality education was promoted in the govt. primary schools by implementing an innovative 'learning while playing' concept, monitoring dropout rates of student and holding home visits to counsel parents, as well as flagging off Mobile Education Van to improve computer literacy and encourage fun learning environment. We also provided school bags for 430 students, supported 50 students for competitive examinations &

supported rural schools by providing mini science lab & digitalisation of Anganwadi, etc. We also ran Covid-19 prevention activities in these schools and distributed masks among children. In the financial year, we reached out to 8000 children through such initiatives.

**Spearheading the Better Cotton Initiative:** Better Cotton is the world's leading sustainability initiative for cotton with a mission to help cotton communities survive and thrive, while protecting and restoring the environment. Cotton is one of the world's most important renewable natural resources. Safeguarding the growing and production of Cotton is essential. Towards this, RCCPL started a sustainable cotton farming production management programme. The approach was to engage good practices such as crop protection, soil health, water stewardship, ensuring fiber quality, biodiversity, and decent work ethics. 4,000 farmers were benefitted in FY2021-22 under this programme.

# OCCUPATIONAL HEALTH & SAFETY

We have adopted a proactive approach to achieve excellence in Occupational Health & Safety. Workforce wellbeing is a high priority area at all our plants, mines and offices. Company has taken many proactive steps to institutionalise the Safety Management System with an aim to strengthen safety standards and involve each and every employee and workman to embrace good safety practices.

Company adheres to all the statutory requirements and remains committed to implementing best practices, complying with the national and international standards.

We ensure that all hazards and risks are identified and control measures are implemented. All incidents including near misses are investigated and corrective & preventive actions are implemented. Learning from the incidents are being shared with all plants.

In the financial year, various initiatives were actioned including trainings, safety improvement drives, safety week celebrations, equipment upgradation, emergency drills, inspections, tool box talks, and review meetings.

**The safety excellence measure of our plants were recognised by the National Safety Council, Sustainable development Foundation, Indian Chamber of Commerce etc. Butibori plant won Vishwakarma Rashtriya Purushkar given by Hon'ble Minister Shri Bhupendra Yadav, Ministry of Labour & Employment, Govt of India. Award organised by National Safety Council in association with DGFASLI. In all, our plants won 10 safety awards in FY2021-22 in various categories.**

# ENVIRONMENTAL STEWARDSHIP

Environmental stewardship is integral part of all the activities of the Company. Our operating philosophy is creating sustainable value for the stakeholders through responsible use of resources, reuse/recycle of waste and custodianship of the natural environment. Our units not only adhere to the environmental laws of the land but also proactively implement voluntary environmental measures as well as keeping protection of environment at the heart.

Your Company continues to make technology advancements in manufacturing with an aim to address climate change challenges particularly energy conservation & recovery, $CO_2$ reduction, use of green energy, waste to energy, water conservation and plantation.

The emissions from the stacks are well within the regulatory limits, and monitored continuously through

online emission monitoring systems. World-class air pollution control systems have also been installed in our unit, which are highly efficient in controlling pollution. We also create a value out of industrial waste by-products like fly ash and steel slag by using them in the cement manufacturing process and reducing greenhouse gas emission.

**Your Company is Water Positive thanks to innumerable of efforts in water conservation, rainwater harvesting and reuse of treated wastewater.**

We also rely on the power of renewable energy and our dependence on solar power and waste heat recovery system increased in the financial year, to the tune of 21.77% of total power consumption as against 18.82% in the previous year.

Additionally, plans are in place to add a total of 8 MW solar power capacity at Chanderia, Satna and Kundanganj units in FY2022-23. Investments are also being made to generate an additional 9 MW from waste heat recovery system at Mukutban.

Our plants are committed to ensure continuous upgradation of technology through installation of latest energy-efficient clinker coolers and grinding systems like VRM and Roll Press. In the financial year, our Chanderia unit spearheaded various modifications in existing facilities to increase use of Alternative Fuels and Raw Material (AFR) Utilisation and Thermal Substitution Rate (TSR), in order to reduce dependence on fossil fuels for kiln operation.

Extensive planting of trees are carried out in and around mining, plants and residential areas.

In FY2021-22, our plants received recognition for Energy Excellence and Sustainable Development. The Company received two National Awards in Energy Excellence & five National Awards in Sustainable Development. Our mines received five star rating from Ministry of Mining, Govt. of India.

**Your Company has installed Solar Power Plants at different factories for increasing share of renewable power in captive power consumption.**

**Our Mukutban plant exemplifies our commitment to environmental excellence. In terms of waste utilization, around 22,000 ton waste fly ash was consumed in construction of the plant. The $CO_2$ emissions marked significant reduction due to consumption of PPC instead of OPC.**

**The plant's Rain Water Harvesting capacity stands at 1,70,000 $M^3$. Its thermal captive power plant is based on Air-Cooled Condenser (ACC) technology instead of the water cooled approach with an aim to actualise 90% water savings. These water conservation measures have helped the unit become**

## 1.2 X Water Positive.

**The plant is also witness to a sprawling green belt with around 33,000 plants.**

# NOTICE

**To the Members**

**NOTICE** is hereby given that the 102nd (Hundred and Second) Annual General Meeting of the Members of the Company will be held on Tuesday, the 27th day of September, 2022 at 10.30 a.m. (IST) at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata -700 026 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Report of the Auditors thereon.
2. To declare a dividend of ₹10/- per ordinary share of face value of ₹10/- each for the financial year ended 31st March, 2022.
3. 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.
4. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

   "RESOLVED that pursuant to the provisions of Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, Messrs. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.109208W), be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of 5 (Five) consecutive years to hold office from the conclusion of this 102nd (Hundred and Second) Annual General Meeting till the conclusion of the 107th (Hundred and Seventh) Annual General Meeting of the Company to be held in the year 2027 and the Board of Directors of the Company be and is hereby authorised to fix their remuneration and sanction travelling and other incidental expenses that may be incurred by them in connection with the Audit of Accounts of the Company."

   "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."

**SPECIAL BUSINESS:**

5. 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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹4,50,000 (Rupees four lakh fifty thousand only) plus applicable taxes and reimbursement of actual travelling and out of pocket expenses incurred in connection with the cost audit, payable to M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), Cost Auditors of the Company, for the financial year 2022-2023 as approved by the Board of Directors of the Company, at its Meeting held on 11th May, 2022, 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
Website: www.birlacorporation.com

By Order of the Board

Manoj Kumar Mehta
Company Secretary & Legal Head

Dated: 8th August, 2022
Place: Kolkata

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM' OR 'MEETING') IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting**.
2. **A person shall not act as Proxy for more than Fifty (50) members and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as Proxy and such person shall not act as Proxy for any other member**.
3. Attendance Slip, Proxy Form and the Route Map of the venue of the Meeting are annexed herewith.
4. Members/Proxies/Authorised Representatives are requested to carry valid ID proof such as PAN, Voter Card, Passport, Driving Licence, Aadhaar Card along with the Attendance Slip duly filled in for attending the Meeting.
5. Institutional Investors are encouraged to attend and vote on the resolutions provided in the 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 and Voting at the AGM are requested to send a certified copy of the Board Resolution/ Authorization etc. authorizing their representative to attend and vote on their behalf to the Scrutinizer by email at evotingam@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ('Act'), in respect of special business set out under Item No. 5 is annexed hereto and forms part of the Notice. Further, additional information with respect to Item No. 4 is also annexed hereto as required under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
7. The relevant details of the Director seeking re-appointment as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are also annexed as **Annexure- A** to the Notice.
8. The Annual Report for the financial year 2021-2022 along with Notice of the AGM, Attendance Slip and Proxy Form are being sent through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent in the permitted mode. The physical copy of the Notice along with Annual Report shall also be made available to the Member(s) who may request for the same in writing to the Company. The Notice of AGM along with the Annual Report for the financial year 2021-2022 is also available on the Company's website at www.birlacorporation.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st September, 2022 to 27th September, 2022 (both days inclusive) for the purpose of this AGM and for the purpose of determining the entitlement of the members to the dividend, for the financial year ended 31st March, 2022.
10. 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, 20th September, 2022, i.e. the date prior to the commencement of book closure.
11. Pursuant to 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. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to tds@birlacorp.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to tds@birlacorp.com. The Company will be issuing a communication detailing information regarding deduction of tax at source on dividend distribution including action required from members prior to payment of dividend separately. For the detailed process, the information is available on the Company's website at https://www.birlacorporation.com/notice.html.

12. 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.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, IFSC , MICR code etc.

    **For shares held in electronic form:** to their Depository Participant only and not to the Company or RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records, which will help the Company and its RTA to provide efficient and better service to the Members.

    **For shares held in physical form:** to the Company's RTA in prescribed Form ISR -1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021, as per instructions mentioned in the form. The said forms can be downloaded from the Company's website under the link: https://www.birlacorporation.com/downloads.html.

14. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2013-2014 to the Investor Education and Protection Fund ("IEPF") established by the Central Government in compliance with the applicable provisions of the Act read with the rules framed thereunder. The details of the unpaid/unclaimed amounts lying with the Company as on 31st March, 2021 are available on the website of the Company at www.birlacorporation.com.

15. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time, all Shares in respect of which Dividend has not been paid or claimed by the Members for seven consecutive years or more would be transferred to the demat account of IEPF Authority. In terms of the aforesaid provisions, during the financial year 2021-2022, 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. 26th September, 2021. 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.

16. The Members whose dividend/shares has been transferred to the IEPF Authority can claim their shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority at 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. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this and also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode. Members can refer the procedure for dematerialization under the weblink at https://www.birlacorporation.com/investors/demat_process.pdf.

18. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at https://www.birlacorporation.com/downloads.html. Members are requested to submit the said details to their DP's in case the shares are held by them in dematerialized form and to the Company/RTA in case the shares are held in physical form.

19. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 31st March, 2023, and linking PAN with Aadhaar by 31st March, 2022 vide its circular dated 3rd November, 2021 and 15th December, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrar at mcssta@rediffmail.com. The forms for updating the same are available at https://www.birlacorporation.com/downloads.html.

    In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA/Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

20. 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 or any other document/information:

    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 submitting duly filled and signed Form ISR-1, the format of which is available on the Company's website under the weblink at https://www.birlacorporation.com/investors/downloads/Form-ISR-1-p-BCL.pdf along with 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 their respective Depository Participants.

    c. In case of any queries/difficulties in registering the email address, Members may write to the Company at investorsgrievance@birlacorp.com.

21. **Instructions for Members for Remote e-Voting are given below**:

    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, SS-2 and Regulation 44 of the Listing Regulations and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", 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 CDSL.

    b) The remote e-Voting period commences on Saturday, 24th September, 2022 at 9.00 a.m. (IST) and ends on Monday, 26th September , 2022 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, 20th September, 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by CDSL 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: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

    In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access e-Voting facility.

    Pursuant to aforesaid SEBI Circular**, Login method for Individual shareholders holding securities in Demat mode** with **CDSL/NSDL is given below**:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1. Existing users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of CDSL for casting of vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. |

| Type of shareholders | Login Method |
|---|---|
| | 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account.<br>5. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with **NSDL**. | **A. NSDL IDeAS facility:**<br>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password.<br>2. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider** - **NSDL** and you will be re-directed to NSDL website for casting your vote during the remote e-Voting period.<br>3. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>**B. E-Voting website of NSDL:**<br>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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>2. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider - NSDL** name and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.<br>2. Once you login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.<br>3. Click on options available against company name or **e-Voting service provider-CDSL** and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period. |

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

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

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 or at 022-23058738 or 022-23058542/43. |
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

i. Login method through CDSL e-voting system for remote e-Voting for **shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

1. Visit the e-Voting website of CDSL. Open web browser by typing the following URL: https://www.evotingindia.com/ either on a Personal Computer or on a mobile.
2. Click on "Shareholders" module.
3. Now enter your User ID
   a) For CDSL: 16 digits beneficiary ID,
   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by

the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for "**Birla Corporation Limited**"
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. There is also an optional provision to upload Board Resolution/POA if any uploaded, which will be made available to scrutinizer for verification.

ii. **Additional Facility for Non-Individual Shareholders and Custodians For Remote Voting only**.

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
5. It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorsgrievance@birlacorp.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

22. **General Guidelines for shareholders**

a) 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 to reset the password.

b) If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

c) 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).

d) The Facility for voting through ballot/polling papers shall be made available at the Meeting and the members attending the Meeting who have not already cast their vote by remote e-Voting shall be able to exercise their voting right at the Meeting through Polling Paper. However, the members who have cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting.

e) 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 Tuesday, 20th September, 2022. Any person who is not a member as on the said cut-off date should treat this Notice for information purpose only.

f) 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, 20th September, 2022 may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or mcssta@rediffmail.com.

However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote.

g) 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 ballot paper at the Meeting.

h) 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.

i) 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.

j) 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 2 working days 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.

k) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.birlacorporation.com and on the website of CDSL at https://www.evotingindia.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.

23. 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 for inspection by the Members during the AGM. All relevant documents referred to in the Notice, if any, will also be available for inspection at the Registered Office/Corporate Office of the Company during business hours between 10 A.M. to 12 Noon on any working day excluding Saturday and Sunday prior to the date of the AGM and will also be available for inspection during the AGM.

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

The following Statement sets out all material facts relating to the business proposed to be transacted under Item Nos. 4 & 5 of the accompanying Notice:

**Item No. 4**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Members of the Company at the 97th Annual General Meeting (AGM) held on 31st July, 2017 approved the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, (Firm Registration No. 109208W) as the Statutory Auditors of the Company for a period of 5 (five) years, commencing from conclusion of 97th AGM till the conclusion of 102nd AGM to be held in the year 2022. In terms of the provisions of Section 139 of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two terms of five consecutive years.

After evaluating and considering various aspects of the audit firm like industry experience, market standing of the firm, clientele served, technical knowledge, competency of the audit team, independence etc., the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on 11th May, 2022, approved the re-appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, (Firm Registration No. 109208W), as the Statutory Auditors of the Company for the second term of five consecutive years, to hold office from the conclusion of this 102nd AGM till the conclusion of the 107th AGM of the Company to be held in the year 2027 at such remuneration as may be decided by the Board plus travelling and other incidental expenses that may be incurred by them in connection with the Audit. The re-appointment is subject to approval of members of the Company.

M/s. V. Sankar Aiyar & Co. have given their consent to act as Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

M/s V. Sankar Aiyar & Co. is a Chartered Accountants Firm registered with Institute of Chartered Accountants of India having Firm Registration No.109208W. The firm is in practice since 1952. The firm has 14 partners and total staff of more than 100 people working with them. The Firm has vast experience in audits of corporates and non-corporates engaged in manufacturing, financial sector (banking and insurance), exports, service industry etc., and Public Sector Undertakings. The Firm is also empanelled with the Auditor and Comptroller General of India. The Firm provides range of services which include Audit & Assurance, Taxation, Valuation & Corporate Advisory, etc.

None of the Directors/Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested in the resolution as set out at Item No. 4 of the Notice.

The Board of Directors, therefore, recommends the resolution set out at Item No. 4 to be passed as Ordinary Resolution by the members.

**Item No. 5**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to undertake the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice.

In compliance with the above, the Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on 11th May, 2022, has considered and approved the appointment of M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), as the Cost Auditors of the Company for the financial year 2022-2023 to conduct the audit of the cost records of the Company for the following products at a total remuneration of ₹4,50,000 (Rupees four lakh fifty thousand only) per annum plus tax as applicable and reimbursement of travelling and incidental expenses incurred in connection with the Cost Audit:

1. Cement - ₹2,85,000 (Rupees two lakh eighty five thousand only) per annum.
2. Jute Goods - ₹1,40,000 (Rupees one lakh forty 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 members of the Company.

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

The Board of Directors, therefore, recommends the resolution set out at Item No. 5 to be passed as Ordinary Resolution by the members for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-2023.

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

Dated: 8th August, 2022
Place: Kolkata

By Order of the Board

Manoj Kumar Mehta
Company Secretary & Legal Head

**ANNEXURE-A**

## ANNEXURE TO ITEM NO. 3 OF THE NOTICE

Details of Director seeking re-appointment 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, 2022)**

| | |
|---|---|
| **Name of the Director** | Shri Harsh V. Lodha<br>(DIN: 00394094) |
| **Date of Birth and Age** | 13.02.1967 (55 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** | Shri Harsh V. Lodha has over 36 years of experience in the field of business, finance, advisory and consultancy. He has handled audits of several large publicly quoted companies in India and has been involved in several advisory assignments in the fields of international takeovers and financing, domestic financing, project structuring, capital mobilisation, joint ventures/ collaborations, mergers/ reconstructions and rehabilitation. |
| **Number of shares held in the Company** | 1260[#] |
| **List of directorships held in other companies** | 1. Alfred Herbert (India) Ltd.<br>2. Birla Cable Ltd.<br>3. Hindustan Gum & Chemicals Ltd.<br>4. J.K. Fenner (India) Ltd.<br>5. Punjab Produce Holdings Ltd.*<br>6. Universal Cables Ltd.<br>7. Vindhya Telelinks Ltd.<br>8. Baroda Agents & Trading Co. Pvt. Ltd.*<br>9. Birla Furukawa Fibre Optics Pvt. Ltd.<br>10. East India Investment Co. Pvt. Ltd.*<br>11. Gwalior Webbing Co. Pvt. Ltd.*<br>12. Oneworld Resources Pvt. Ltd.<br>13. RCCPL Private Limited<br>14. The Punjab Produce & Trading Co. Pvt. Ltd.* |

**ANNEXURE TO ITEM NO. 3 OF THE NOTICE** (Contd.)

| | |
|---|---|
| **Chairman/Member of the Committees of the Boards of the Companies in which he is Director** | **Chairman**<br>*Stakeholders Relationship Committee-*<br>Birla Corporation Limited<br>*Corporate Social Responsibility Committee-*<br>Birla Corporation Limited<br>Hindustan Gum & Chemicals Limited<br>RCCPL Private Limited<br>The Punjab Produce & Trading Co. Pvt. Limited*<br>Universal Cables Limited<br>Vindhya Telelinks Ltd.<br>*Committee of Directors-*<br>Birla Corporation Limited<br>RCCPL Private Limited<br>**Member**<br>*Corporate Social Responsibility Committee-*<br>Gwalior Webbing Co. Pvt. Limited*<br>*Nomination and Remuneration Committee-*<br>Birla Corporation Limited<br>RCCPL Private Limited |
| **Listed entities from which he resigned in the past three years** | Nil |
| **Relationship with other Directors, Manager and Key Managerial Personnel of the Company** | None |
| **Number of meetings of the Board attended during the year 2021-2022** | Shri Harsh V. Lodha has attended all the six Board Meetings held during the year. |
| **Number of ESOPs granted** | Nil |
| **Terms and conditions of Re-appointment** | Liable to retire by rotation |
| **Details of Remuneration sought to be paid** | Shri Harsh V. Lodha shall be entitled to sitting fees for attending meetings of the Board and Committees thereof and Commission as may be decided by the Board of Directors of the Company from time to time. |
| **Remuneration last drawn (including sitting fees, if any)** | The details of the Remuneration paid to Shri Harsh V. Lodha during the financial year 2021-2022 is provided in the Report on Corporate Governance. |

[#] Shares held jointly with other shareholder

* As per declaration received by the Company from Shri Harsh V. Lodha, these Companies have filed Form DIR-12 with the Ministry of Corporate Affairs on the basis of an illegal direction from one of the Administrators pendente lite of the Estate of Priyamvada Devi Birla purportedly acting as a Chairman of a meeting of Board of Directors of the Companies held on 19th October, 2020 that he has ceased to be a director in the said Companies. The wrongful act has been done without his knowledge, consent and without proper compliance with the provisions of Law which has been legally challenged by him. There has been no valid cessation of his directorship in the said Companies. The legality of such action is subject to the decision of Court.

## Route Map of the AGM venue

## Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata - 700 026

MP BIRLA GROUP

# DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

**To the Members**

The Directors have the pleasure in presenting the 102nd Annual Report on the business and operations of the Company together with the Audited Financial Statements of the Company and its Subsidiaries for the financial year ended 31st March, 2022. The Management Discussion and Analysis also forms a part of this Report.

## FINANCIAL PERFORMANCE

The financial performance of the Company (Standalone and Consolidated) for the financial year ended 31st March, 2022 and its comparison with the previous year is summarised below:

(₹ in Crore)

| PARTICULARS | STANDALONE | | | | CONSOLIDATED | | | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2022 | | 31.03.2021 | | 31.03.2022 | | 31.03.2021 | |
| Revenue from Operations (Gross) | | 4790.93 | | 4442.15 | | 7461.22 | | 6785.45 |
| Total Revenue | | 4885.32 | | 4553.38 | | 7560.00 | | 6885.36 |
| Profit before Finance Costs, Tax, Depreciation, Amortization, Minority Interest and Exceptional items | | 581.27 | | 720.89 | | 1208.79 | | 1437.48 |
| Finance Costs | | 100.53 | | 129.71 | | 242.66 | | 296.28 |
| Profit before Tax, Depreciation, Amortization, Minority Interest and Exceptional items | | 480.74 | | 591.18 | | 966.13 | | 1141.20 |
| Depreciation and Amortization Expense | 176.86 | | 160.82 | | 396.94 | | 370.76 | |
| Exceptional items | 31.44 | | - | | 31.44 | | 57.85 | |
| Tax Expense (Net) | 69.52 | 277.82 | 1.85 | 162.67 | 139.16 | 567.54 | 82.45 | 511.06 |
| Profit for the year | | **202.92** | | **428.51** | | **398.59** | | **630.14** |
| Profit for the year attributable to non controlling interest | | - | | - | | - | | - |
| Profit for the year attributable to owner of the Parent | | 202.92 | | 428.51 | | 398.59 | | 630.14 |
| Re-measurement of the defined benefit plans (net of tax expenses) | | 5.66 | | 2.10 | | 6.25 | | 1.46 |
| Finance Lease adjustment due to Ind AS 116 (net of tax expenses) | | - | | - | | - | | - |
| **Total Surplus during the year** | | **208.58** | | **430.61** | | **404.84** | | **631.60** |
| Surplus as per the last Financial Statements* | | 947.81 | | 574.95 | | 1497.68 | | 923.83 |
| **Appropriations:** | | | | | | | | |
| Dividend paid on Ordinary Shares | | 77.01 | | 57.75 | | 77.01 | | 57.75 |
| **Net Surplus** | | **1079.38** | | **947.81** | | **1825.51** | | **1497.68** |

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

## FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Financial year 2021-2022 was extremely challenging as the COVID-19 pandemic continued to impact operations, albeit to a lesser degree, and input costs particularly fuel increased substantially. The Company's full year consolidated revenue for the financial year 2021-2022 grew 9.80% over the previous year to ₹7,560 crore, despite sluggish demand in the nine months till December, thanks largely to a significant spurt in sales in the March quarter.

However, profitability was seriously impaired by rising input costs and the cement industry's inability to raise prices. Whereas the Company turned record consolidated EBIDTA and cash profit in the previous year, EBIDTA for the financial year 2021-2022 at ₹1,208.79 crore was down 15.91% from the previous year and cash profit was down 15.34% at ₹966.13 crore. Consolidated Net profit for the year declined 36.75% year-on-year to ₹398.59 crore, compared with ₹630.14 crore in the previous year.

## DIVIDEND

The Directors are pleased to recommend a dividend of ₹10 per share (i.e. 100%) on 7,70,05,347 Ordinary Shares of the Company for the year ended 31st March, 2022 aggregating to ₹77.01 crores. The Company maintained its dividend pay-out in line with the previous year. The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is uploaded on the Company's website at https://www.birlacorporation.com/investors/policies/dividend-distribution-policy.pdf.

Dividend is subject to approval of the Members at the ensuing Annual General Meeting. 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 Shareholders. Accordingly, the Company shall make the payment of Dividend after deduction of tax at prescribed rates as per the Income Tax Act, 1961 and rules framed thereunder.

## TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profit for the financial year 2021-2022 in the statement of Profit & Loss for the financial year ended 31st March, 2022.

## SHARE CAPITAL

The paid up Equity Share Capital of the Company as on 31st March, 2022 stood at ₹77.01 crores comprising of 7,70,05,347 Ordinary Shares of ₹10 each. During the year under review, the Company has neither issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March, 2022, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

## DEBENTURES

During the year under review, the Company has issued and allotted 1500, Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of ₹10,00,000/- each at 5.75% p.a. (payable monthly), aggregating to ₹150 Crores (Rupees one hundred fifty crores) on private placement basis on 17th February, 2022. The Company has also redeemed 1500, Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of ₹10,00,000/- each at 9.15% p.a., aggregating to ₹150 Crores (Rupees one hundred fifty crores) on 18th August, 2021.

## FINANCIAL STATEMENTS

The Company has prepared its financial statements as per IND AS requirements for the financial year 2021-2022. 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, 2022.

## 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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2021-2022 and the date of this Report.

## COVID-19 AND ITS IMPACT

The COVID-19 crisis continued to impact during the financial year 2021-2022 on account of sporadic lockdowns/restrictions imposed by State Governments. The Company could overcome these difficulties and deliver satisfactory result through continuous engagement of all stakeholders. Company followed all safety instructions, protocols and precautions directed by the Government for COVID-19.

The Company has taken all necessary steps and precautionary measures to ensure uninterrupted operations and to ensure the safety and well-being of all its employees. The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures in the interests of all stakeholders of the Company.

## KEY FINANCIAL RATIOS

The key financial ratios of the Company showing financial performance for the financial year ended 31st March, 2022, are given herein below:

| Sl. No. | Financial Ratios | 2021-2022 | 2020-2021 |
|---|---|---|---|
| 1. | Debtors Turnover | 22.64 | 23.37 |
| 2. | Inventory Turnover | 7.93 | 7.48 |
| 3. | Interest Coverage Ratio | 5.47 | 5.56 |
| 4. | Current Ratio | 1.59 | 1.58 |
| 5. | Debt Equity Ratio* | 0.25 | 0.31 |
| 6. | Operating Profit Margin (%)** | 10.28% | 13.88% |
| 7. | Net Profit Margin (%)# | 4.28% | 9.75% |
| 8. | Return on Net Worth (%)## | 4.77% | 10.71% |

* Debt Equity Ratio was lower for the year ended 31st March, 2022 due to higher net worth.

** Operating Profit Margin was lower for the year ended 31st March, 2022 due to lower profitability and higher input cost.

# Net Profit Margin was lower for the year ended 31st March, 2022 due to lower profitability.

## Return on Net Worth was lower for the year ended 31st March, 2022 due to lower EBIDTA.

## CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2021-2022.

## CEMENT DIVISION

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

During the year, the cement industry struggled to raise prices against tepid demand even as input costs kept rising in line with crude oil. In the last few months of financial year 2021-2022, international coal prices shot up in the wake of the Russia-Ukraine conflict, unseasonal rainfall in mining areas of Australia and Indonesia's ban on coal exports, according to rating agency Crisil.

Power and fuel accounts for 50-55% of total cost of the cement industry. According to Crisil's estimates, cement companies in India witnessed a 400-500 basis point contraction in margin in financial year 2021-2022. Margins would continue to remain under pressure in financial year 2022-2023 due to input costs, and the cement industry could witness another 100-200 basis point decline in margin, says Crisil.

At the same time, demand for cement in India in financial year 2021-2022 was impacted by unseasonal rainfall and poor availability of sand and construction workers. Still, cement demand in India during the year is estimated to have grown at around 7%, largely due to a revival in demand across all key markets in the fourth quarter, according to Crisil.

Cement companies have managed to raise prices at the end of financial year 2021-2022, and in view of the intensifying cost pressure, they would seek a further price hike of ₹25-50 a bag, according to Crisil, but given the inflationary pressure on the economy and the squeeze on liquidity, it is not immediately clear whether the price hike could be sustained.

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

The Company managed to scale up full-year consolidated cement sales by volume to its highest ever, i.e., 14.22 million tons versus 13.39 million tons in the previous year, which represents a growth of 6.20%. Sales by volume in financial year 2021-2022 surpassed the previous highest of 13.65 million tons achieved in financial year 2018-2019. In the financial year 2021-2022, the Company achieved a capacity utilization of 92% as against 85% in the previous year.

Sales by volume in the fourth quarter of financial year 2021-2022 witnessed a 2% jump year-on-year. In the March quarter, the Company sold 4.24 million tons of cement as against 4.17 million tons in the same period last year. Sequentially, though, sales in the March quarter were up 27% as demand strengthened only at the end of financial year 2021-2022.

Market conditions were not conducive to raise prices until at the end of the financial year and even amid strong cost headwinds, the Company managed to raise realization per ton for financial year 2021-2022 by 2.25% to ₹4,938 as against ₹4,829 in the previous year. EBIDTA per ton for financial year 2021-2022 declined 25.29% to ₹755 from ₹1,012 in the previous year.

With focus on sustainability and cost rationalization, the Company has constantly been trying to expand the share of renewables within its total power consumption. As in the previous year, progress was made in financial year 2021-2022 in this regard. For the year ended 31st March, 2022, solar power and waste heat recovery system accounted for 21.77% of total power consumption as against 18.82% in the previous year.

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

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

| Particulars | 2021-2022 (Lakh Tons) | 2020-2021 (Lakh Tons) | Change % |
|---|---|---|---|
| Clinker production | 53.40 | 48.08 | 11.06% |
| Cement production | 83.22 | 80.95 | 2.80% |

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

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

| Particulars | 2021-2022 (Lakh Tons) | 2020-2021 (Lakh Tons) | Change % |
|---|---|---|---|
| Clinker production | 35.03 | 33.46 | 4.69% |
| Cement production | 60.02 | 52.11 | 15.18% |

**Sales:**

During the year under review, the Company has registered an increase of 0.82% in cement sales on standalone basis and 6.20% on consolidated basis. In absolute terms, the sale of cement on standalone basis has increased to 83.24 lakh tons compared to 82.56 lakh tons in the previous year.

RCCPL has sold 59.88 lakh tons of cement during financial year 2021-2022 compared to 52.89 lakh tons in the previous year.

**Power Plant:**

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

| Particulars | 2021-2022 (Lakh Units) | 2020-2021 (Lakh Units) | Change % |
|---|---|---|---|
| Thermal Power Plant | 2747.66 | 3460.44 | (20.59)% |
| WHRS | 1121.69 | 1048.39 | 6.99% |
| Solar Power | 100.18 | 102.48 | (2.24)% |

**Cost and Profitability:**

To mitigate the substantial increase in freight costs, the Company has rationalized delivery costs by reducing lead distance for dispatches from almost all plants. Alongside, the Company also scaled back direct delivery by road. Even so, given the 18% year-on-year jump in diesel prices, delivery cost went up sharply, impacting profitability.

Consequently, the Company's EBIDTA margin for financial year 2021-2022 fell to 16% from 21% in the previous year - a decline of 488 basis points, which is broadly in line with the rest of the industry.

The Company's total debt as at 31st March, 2022, stood at ₹4,231 crore, marginally higher than ₹ 4,072 crore a year earlier. Average interest cost for the quarter ending 31st March, 2022 was 6.8% compared with 7.5% for the same period in the previous year.

**Marketing Initiatives:**

Despite challenges caused by the lockdown due to the COVID-19 pandemic at the beginning of financial year 2021-2022 and sluggish demand through several months till December, the Company managed to scale up its cement sales by volume to its highest ever in a financial year. Almost all production units of the Company contributed to the record-breaking jump in sales by achieving landmark dispatch figures.

While scaling up sales in all key markets, the Company managed to improve the share of blended and premium cement in total sales. Sales of blended cement in the March quarter at 3.84 million tons represents 1% year-on-year growth from 3.8 million tons in the same period last year. For the full year, sales of blended cement grew 4% over the previous year to 12.86 million tons. Share of high yielding blended cement within total sales was at 91% for the March quarter as well as for the full year.

Sales of premium cement for the full year stood at 5.69 million tons which was also the highest ever, up 7% over the previous year. Share of sales of premium cement within the more profitable trade channel was at 51% for the full year, one percentage point higher than the previous year. In December, the Company launched a super-premium brand, Rakshak whose sales have gained momentum within months.

The rabi crop of 2021-2022 has been good and should boost rural demand despite some harvest time losses due to heatwave. The current year 2022-2023 started with cement companies raising prices and if the revised prices hold, they could think of further revision. However, across the world, crude prices and inflation are the key red herrings, which may impair people's real income and, in turn, consumption.

For India's cement sector, the key drivers of growth are expected to be government projects such as Bharatmala, Pradhan Mantri Awas Yojana, metro construction and urban infrastructure development. Going forward, the Company intends to provide greater focus to the non-trade segment, and driven by that strategy. It is enlisting its brands with panchayat and block-level administration with the aim of shoring up sales to government projects.

**Digital Initiatives**:

The Company continues to take significant strides in its digital transformation journey. It has made substantial progress across the key initiatives that it embarked on in an endeavour to achieve operational excellence across sales and marketing, logistics, project management, customer service, plant operations, mines operations and support functions.

Highlights of the progress across key digitalization initiatives are as follows:

- **Customer Experience and Engagement**:
  - o **Humsafar Dealer Application** launched successfully and is now operational in all relevant states. Over 8,600 dealers are already on-board and it has improved their overall ease in doing business with the Company;
  - o The dealers find the application quite intuitive and accessible: it is mobile-based and available in four key languages – English Hindi, Bengali, Marathi;
  - o As of date, approx. 60% of all sales orders are placed through Humsafar App;
  - o The app also enables real-time data and analytics to help monitor the overall delivery status and stakeholder incentives;
  - o **Mr. Perfect**, Artificial Intelligence/Machine Language (AI/ML) powered virtual assistant (for prospective and existing customers) is now available via a Chatbot on our website as well as on Whatsapp. It is readily accessible via internet and mobile, in all four key languages and is designed to enhance the overall customer experience;
  - o Existing Call Centre facility is also integrated and available via Chatbot and Whatsapp services to make overall customer service hassle-free.
- **Logistical Excellence:**
  - o A successful pilot implementation of system-driven near real-time **Distribution Network Optimisation** via advanced modelling and analytics was carried out for optimizing overall logistics costs. Based on success, a full-scale rollout was planned and implementation is currently in progress;
  - o Efficient price discovery via **E-bidding** enabled at Chanderia, Maihar, Durgapur, Satna, Butibori. Roll-out to be done for remaining plants in next couple of months;

- **GPS tracking** and **Electronic Proof of Delivery** (E-PoD) enabled at Chanderia, Satna & Maihar. This will provide near real-time monitoring of shipment status to enable supervision over routes for diversion and trans-shipment tracking and improved Expected Time of Arrival prediction, leading to improvement in overall turnaround time (TAT). GPS tagged E-PoD helps accurate measurement of lead distances from origin to destination and provides a quicker and verifiable proof of delivery;

- Comprehensive **Warehouse Inventory Management** via Artificial Intelligence/Machine Learning powered analytics initiative is currently under implementation at key warehouses to help improve overall visibility of inventory across supply-chain and for overall optimisation of logistics cost.

Several other digitally empowered control mechanisms and process improvements via adoption of leading-edge technologies and industry benchmarks in the area of mining, plant operations and maintenance to improve real-time visibility and achieve operational efficiency are currently underway across the Company.

A focused approach and roadmap creation for adoption of Industry 4.0 for real-time equipment monitoring, pattern recognition, anomaly detection, predictive maintenance and production optimisation is currently in progress and will form the cornerstone of our efforts to make the Company future-ready.

**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), New Delhi, 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 MoEFCC has vide Notification dated 8th April, 2021 duly notified an area to an extent varying from zero to 3.0 kilometres around the boundary of Bassi Wildlife Sanctuary as the Eco-Sensitive Zone (ESZ). National Green Tribunal (NGT), on 24th September, 2021 has passed an Order to continue the interim Order dated 8th March, 2019 on the subject of prohibiting mining in the radius of 10 km from Bassi Wildlife Sanctuary. The said prohibition will continue till the decision is taken after an expert study of impact of mining beyond the boundaries of ESZ as per notification dated 8th April, 2021. The said study will be conducted by an expert Committee constituted vide NGT's order dated 24th September, 2021 within the time limit of 3 months from the first meeting of the said Committee. The said Committee has visited the area and the study report is expected soon.

(c) **RISK AND CONCERNS:**

India's GDP is projected to grow by around 7.5% in financial year 2022-2023. But red herrings abound that could affect the economy such as international geopolitical uncertainties and high commodity prices. With the Reserve Bank of India recently raising the policy rate and squeezing liquidity, it is clear that inflation is the key concern among India's policymakers. It is widely expected that the central bank may have to increase Repo Rate again, which implies that inflationary pressure may persist.

So far, private consumption has been the slowest to recover from the Covid-19 pandemic, says Crisil, adding that private consumption could come under further pressure due to inflation. At the same time, spiking commodity prices could widen the government's current account deficit and impact public spending on infrastructure. That, in turn, could weaken cement demand in India.

(d) **THREATS AND OPPORTUNITIES:**

Demand for cement has strengthened in the last few months of financial year 2021-2022. It is expected that rural housing will be a key driver for cement demand in financial year 2022-2023, but it is too early to predict if this momentum will be sustained even in the face of inflationary pressure. As a rule of thumb, housing accounts for about 60% of cement consumption in India. Pent up demand from financial year 2021-2022 could escalate growth, but much depends on the government's ability to spend on infrastructure.

Going forward, demand for cement is expected to remain stable, if capital expenditure by state and union governments on infrastructure is not scaled back. Cement demand could grow by an estimated 5-7% in financial year 2022-2023, according to Crisil. However, cost pressures are unlikely to ease in the foreseeable future and could impact profitability.

(e) **OUTLOOK:**

Dispatches from the newly commissioned integrated plant of the Company's subsidiary, RCCPL Private Limited, at Mukutban in Maharashtra have started, and the plant's operating parameters are expected to reach optimum level by the end of financial year 2022-2023, pending further scaling up. The plant is strategically located in a region where demand is strong compared with supply. It was commissioned at an investment of ₹2,744 crore. Further, the plant was commissioned with 20 million man-hours of construction and zero fatal accidents.

Over time, the Mukutban unit will increase the Company's annual production capacity to 20 million tons, is expected to give a fillip to revenue and profitability. At the same time, the plant will create jobs and deliver to Maharashtra's Yavatmal district the economic multipliers of industrialization which have long eluded this underdeveloped region.

As coal becomes more scarce and expensive, the Company has stepped up production from its captive mines. Production from Sial Ghogri coal mine has already been ramped up to 30,000 tons per month, which is 20% higher than its peak rated capacity. The Company has accelerated the development of the Bikram coal mine, and it is expected that production will start by the fourth quarter of financial year 2022-2023.

Alongside, the Company, in its bid to scale up the share of renewables in power consumption, has planned to add in financial year 2022-2023 a total of 8 megawatt solar power capacity at Chanderia, Satna and Kundanganj. In addition, investments are being made to generate an additional 9 megawatt from waste heat recovery system at Mukutban.

The Company consumes industrial and agricultural waste to feed into its kilns as alternative fuels and raw materials (AFR). In the financial year 2021-2022, AFR usage was at 7% of total fuel consumption in the Company's kilns, which is expected to be ramped up to 12% in the next financial year.

## JUTE DIVISION

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

Jute Industry is mostly concentrated in the eastern part of India, particularly in West Bengal. It plays a vital role in the economy of the state. Jute Industry supports over 300,000 workers and over four million farm families. Jute Industry is principally dependent on the orders from the government food grains procuring agencies and over the previous few years, dependence on the government orders is increasing and now it accounts for about 70% of its installed capacity.

**(b) PERFORMANCE:**

Jute Division has reported its highest ever EBIDTA for the year at ₹4600.74 lakh which is more than twice the EBIDTA of ₹2146.97 lakh in the previous year. Export for the year has increased by 83.83% from ₹4045.11 lakh in the previous year to ₹7436.23 lakh.

In its new line of business of manufacturing and exporting jute shopping bags, the division has reported sales of over ₹2700 lakh in its first full year of operations. It is expected that this new line of business will grow substantially.

**Production & Dispatch**

| Particulars | 2021-2022 | 2020-2021 | Change % |
|---|---|---|---|
| Production of Jute Goods (MT) | 30792 | 24907 | 23.63% |
| Dispatches of Jute Goods (MT) | | | |
| a) Domestic | 26206 | 23035 | 13.77% |
| b) Export | 3620 | 2957 | 22.42% |

**Sales**

| Particulars | 2021-2022 (₹ in Lakh) | 2020-2021 (₹ in Lakh) |
|---|---|---|
| **Net Sales** | | |
| a) Domestic | 32849.40 | 24425.03 |
| b) Export | 7436.23 | 4045.11 |
| FOB Value | 7012.52 | 3964.12 |

**(c) OPPORTUNITIES, THREATS, RISK AND CONCERN:**

In the long-term, demand for Jute products is expected to increase due to increased awareness and acceptability of environmentally sustainable products.

**Opportunities:**

With increasing concern and awareness about the adverse effect of synthetic packaging material to the environment, the demand of jute goods is expected to strengthen going forward. Increase in use of jute shopping bag, floor covering, jute geotextile products provide opportunity to boost demand of jute goods. With the increased demand of jute products due to increased acceptability of environmentally friendly and sustainable products, it is expected that jute industry will be able to sustain its upward trajectory in long run.

**Threats, Risks and Concern:**

Indian jute mills are facing a daunting competition from subsidized duty-free imports from Bangladesh. The industry is not only losing market share overseas, Bangladesh is also extensively pushing jute goods into India at the cost of market share of domestic jute mills.

Jute manufacturing is a labour-intensive process and requires huge labour force. Jute industry has traditionally been dependent on migrant labours from states neighbouring West Bengal. However, migration from other states has virtually

stopped due to availability of jobs locally. Further, local people are getting alternative employment in less laborious industries such as embroidery and masonry. Difficulty in getting worker for running the mills is resulting in lower capacity utilization, causing further increase in cost of production per unit.

To overcome these problems of a) loss of traditional market; b) lower availability of workers; c) subsidized import from Bangladesh; d) ever increasing raw jute prices, the Company has taken up large scale modernization of mills resulting in lower requirement of manpower thereby reducing dependence on manpower availability, reducing cost and diversifying into non-traditional product category.

**(d) OUTLOOK:**

With the expectations of a normal monsoon, the jute crop this year should be good which can lead to reduction in elevated raw jute prices.

With the demand being healthy, better availability of raw jute at reasonable prices should improve the profitability of the industry.

## VINDHYACHAL STEEL FOUNDRY

Vindhyachal Steel Foundry produces iron & steel castings primarily for internal consumption. The total production of castings during the year has been 408 tons as against 401 tons in the previous year. The total sale of castings during the year was 510 tons (including 480 tons inter departmental transfer) as against 467 tons (including 461 tons inter departmental transfer) in the previous year.

## CAPITAL EXPENDITURE

The details of various Capital Expenditure and Projects of the Company and its material Subsidiary during the financial year 2021-2022 are as follows:

**Birla Corporation Limited**

**Project Completed:**

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

**Projects under implementation:**

- Installation of 1 MW Solar Power Plant at Chanderia unit.
- Installation of 5 MW Solar Power Plant at Satna unit.

**RCCPL Private Limited (Wholly Owned Material Subsidiary Company)**

**Projects Completed:**

**Mukutban Greenfield Cement Plant, Maharashtra:**

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. Captive Power Plant has been commissioned on 17th January, 2022 and the kiln was lit up on 21st January, 2022. Further, on 30th April, 2022 the unit had commenced its cement production.

It is the fourth integrated cement unit of M.P. Birla Group, with a production capacity of 3.90 million tons and is one of the biggest in Maharashtra. It has been built with state-of-the art technology and is going to be one of the most efficient cement plants in India.

**Maihar Cement Works, Madhya Pradesh:**

- Installation of Wall Putty and Construction Chemical Plant;
- Modification of BTAP Wagon Flyash unloading system to reduce unloading time.

**Kundanganj Cement Works, Uttar Pradesh:**

- Modification of fly ash feeding arrangement in mill for uniform distribution which leads to increase in mill output and reduce power consumption;
- Installation of Capacitor Banks for power factor improvement.

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, the draft Annual Return as on 31st March, 2022 is available 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 2021-2022 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 2021-2022 are also provided in the Report on Corporate Governance. The Independent Directors of the Company held a separate meeting during the financial year 2021-2022 details of which are also provided in the Report on Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;

(b) 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 2021-2022 and of the profit for the year ended 31st March, 2022;

(c) 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;

(d) the annual accounts for the year ended 31st March, 2022, have been prepared on a going concern basis;

(e) proper internal financial controls were in place and that the financial controls are adequate and are operating effectively;

(f) proper systems to ensure compliance with the provisions of all applicable laws were in place and are adequate and operating effectively.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees, Investments and acquisition 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+".

ICRA has also re-affirmed its rating of "AA" with stable outlook for Long Term Non-Convertible Debentures of the Company of ₹250 crores.

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 ₹1433.04 crores. The rating Committee of CARE has reaffirmed as "CARE AA" (Outlook Stable) for the outstanding Non- Convertible Debentures of ₹250 crores.

India Ratings and Research has reaffirmed IND AA/Stable ratings to Non-Convertible Debentures (unlisted) amounting to ₹150 crores and assigned IND AA/Stable ratings for ₹150 crores Non-Convertible Debentures (listed) issued during the financial year 2021-2022.

Non-Convertible Debentures rated AA/Stable (ratings reaffirmed by ICRA and CARE) amounting to ₹150 crores were repaid as scheduled during the financial year 2021-2022.

## FINANCE

The Company efficiently manages its surplus funds by investing in highly rated debt securities, fixed deposits with banks and highly rated companies 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 amounting to ₹150 crores along with interest on 18th August, 2021 and other term loans along with interest due as scheduled. The Company has prepaid high cost debt amounting to ₹128.81 crores resulting in savings in the finance cost.

Further, the Company has entered into Overnight Indexed Swaps (OIS) partly converting its fixed rate debts to floating rate interest with a view to reduce the cost.

## CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good Corporate Governance Practices as 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 2021-2022 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. The transactions are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, during the year under review, there were 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 Companies Act, 2013 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 review and 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 for its review on quarterly basis.

During the year, the Company has amended its policy on Related Party Transactions as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the same is uploaded on the Company's website and may be accessed at the link https://www.birlacorporation.com/investors/policies/policy-on-related-party-transactions-BCL.pdf.

The details of the transactions with related parties pursuant to IND AS during financial year 2021-2022 are provided in the accompanying financial statements.

Transactions 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 - A"**, which is annexed hereto and forms part of the Directors' Report.

## RISK MANAGEMENT

The Company's board and management are fully committed to maintaining sound risk management systems to safeguard Company and shareholders' interests. The board and senior management of the Company set the tone at the top for proactive and transparent identification and management of risks.

The Board has formulated a Risk Management Committee ('RMC') to frame, implement and monitor the Risk Management Policy of the Company and to ensure the adequacy of the risk management systems. The said Policy is also reviewed by the Audit Committee and approved by the Board from time to time. Robust mechanisms and systems have been put in place to identify and manage the inherent risks in business and strategy, and to monitor the Company's exposure to key risks that could impact the overall strategy and sustainability of the business. The purpose is to identify risks in time which have the potential effect on the Company's business or corporate standing or growth and manage them by calibrated action.

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 the Company during the financial year 2021-2022 are as follows:

- On 1st March, 2022, the Company was declared as the winner of Greentech Corporate Governance Award 2022 for 'Excellence in Corporate Governance' category. The 'Greentech Corporate Governance Award' is presented to companies who demonstrate excellent performance in the areas of corporate governance, promote policy & practices, prove a strong link between the corporate reputation & stakeholder trust and enhance brand value & public positioning of companies.
- Chanderia Unit received the following award/recognition:
  - 22nd National Award for Excellence in Energy Management 2021 by Confederation of Indian Industry in August, 2021.
  - Certificate of Excellence under "Best Employer – 2021" Award Competition for the Excellence in Maintaining Harmonious Employer – Employee Relation.
  - "1st Prize for General Cleanliness" competitions of 44th Mines Safety Week organized this year under the aegis of Directorate General of Mines Safety, Udaipur Region.
- Raebareli Unit received the following award/recognition:
  - Indian Chamber of Commerce (ICC) 4th Social Impact Awards 2022 in Jury Appreciation category for Healthcare in Large Enterprise Category.
- Satna Unit received the following award/recognition:
  - "Gold Award" in Occupational Health & Safety by "Apex India Foundation."
  - "Platinum Award" in Cement Sector for Outstanding Achievement in "Environment Preservation" and "Silver Award" in Cement Sector for Outstanding Achievement in "Corporate Social Responsibility" by Sustainable Development Foundation.

## OCCUPATIONAL HEALTH & SAFETY

The Company recognises that excellence in Health, Safety and Environment is an ongoing journey and remains committed to implementing best practices, complying with the national and international standards.

The Health, Safety & Well-being of the employees, subcontractors and all related personnel is paramount. The Company believes that it is critical to protect the health and safety of everyone involved in its operations and to carry out operations in environmentally sustainable manner.

To strengthen the safety culture, the Company ensures that all hazards and risks are identified, and control measures implemented to reduce risks to as low as reasonably practicable, investigate all near misses & first aid learning events and implement corrective & preventive actions. As a part of the continuous effort to build a safe workplace, the Company has engaged a reputed safety consultancy organization to roll out all comprehensive Safety Management System with an aim of involving each and every employee of the Company whether on permanent roll or contract manpower. A total of 15 separate elements of Safety Management System are implemented in a structured manner.

Separate capex is earmarked for safety and health related assets every year and all necessary safety related equipment and disaster management infrastructure is being put in place.

The Company has taken extensive vaccination programme for all the employees. Free medical check-ups and financial assistance were provided to the covid affected families.

To get good results in the accident prevention, the Company has included safety programmes like investigation and analysis of all serious and fatal accidents, recommendations/remedial measures to prevent similar accidents. Near-miss situation/incident with no injury is accorded serious consideration for planning of preventive measures.

To inspire and energize the employees to change their behavior for better performance and safety attitude, the Company provides various training programmes related to Safety Management.

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. Safety poster, slogans are widely displayed inside the Company's 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 amongst the workers. Safety day/week celebration is organized every year with a view to create and motivate safety consciousness amongst the employees.

## CORPORATE SOCIAL RESPONSIBILITY

In compliance 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 benefits of the society and the same has been approved by the CSR Committee and the Board of Directors of the Company. The 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 fulfil its CSR objectives. As per the said Policy, the Company continues the strategy of discharging parts of its CSR responsibilities related to social services through various trusts/societies, in addition to its own initiatives and donations made to other non-government organisations. The Company had further streamlined its processes and initiatives to strictly adhere to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (CSR Rules) notified by the Ministry of Corporate Affairs. 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 - B**" 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, women empowerment, rural infrastructure development, environmental conservation etc. In the past several 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.

**The CSR activities undertaken include:**

**Health Care activities:**

The Company provides active assistance, finance as well as managerial, to various hospitals set up by trusts and societies.

The Company has provided financial as well as administrative support in setting up a hospital in Chittorgarh namely MP Birla Hospital and Research Centre, where the Company has two cement plants. This is a State-of-the-Art multi-speciality hospital, which has numerous diagnostic and treatment facilities.

The hospital is also the first hospital of the district with accreditation from NABH which is a seal of approval for quality care and service for any hospital. Currently, in the "In-Patient Department" approximately 135 beds are operational and best medical services are provided to patients at a nominal cost. At the time of Pandemic when the world had been fighting Coronavirus, the hospital came forward as beacon of hope for the people of Chittorgarh. It is the only private hospital in Chittorgarh district having 128 slice CT Scan which is well-recognised diagnostic tool to measure the level of infection. The hospital also provides in-patient services to Covid- 19 patients, yet again the only private hospital in Chittorgarh district to do so. The initiative has helped people in and around Chittorgarh to avoid travelling to nearby cities like Ahmedabad and Udaipur to get themselves treated.

The Company has also provided various health care facilities like free medical check-up, free medicines and treatments for needy people. It has 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. In the mother and child health care program, village Anganwadi centres are developed in villages. Trainings are imparted to the mothers on better health, hygiene and sanitation at Company's different locations.

**COVID-19 Pandemic:**

The Company has provided masks, soaps, free rations (both dry and cooked) to the migrant labours and villagers and in the community kitchens. Personal Protective Equipment, are provided to the front-

line COVID workers. The Company also supported the village quarantine centres. Awareness drives were also undertaken in the localities.

**Educational Initiatives:**

In addition to financial and institutional support provided to the schools located close to the Company's plant, the Company has upgraded school infrastructures by providing furniture, electrification, repairing and painting. It has promoted technology by establishing smart education system in the government high schools. Scholarships are provided to the meritorious underprivileged children for their higher education. Under "Swachh Bharat" Mission Company renovated toilets for girls and boys and provided water tank for drinking water.

**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.

**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 extension services like breeding, fodder propagation and training of farmers to different villages. Company's 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. These were supplemented by support activities (including hands-on training) in production of vermicompost, drip-irrigation techniques, high-yield seed and nursery development etc.

**Horticulture Development:**

The Company has developed 60 orchards in its mining lease areas, where beneficiaries have started accruing income on regular basis.

**Rural Infrastructure development initiatives**:

Various rural development projects such as providing drinking water facilities, strengthening village infrastructure are undertaken in the plant's neighbourhood villages. The Company has also organised various awareness program on Road & driver safety and the importance of voting in elections. It has promoted Social forestry in the Common and Private land in the neighbourhood villages.

## ENVIRONMENTAL SUSTAINABILITY

The Company is well aware of its responsibility towards sustainable development and environment. Various initiatives are taken for addressing climate change challenges particularly $CO_2$ reduction and pollution prevention. In the Mukutban project, 22,000 ton of waste fly ash was used thus reducing about 17.6 million Kg of $CO_2$ emissions. Extensive plantation has been done in the factories and mining area. The Company is focussed towards conservation of water by putting special efforts for rain water harvesting, conservation of water resources (like using Air Cooled Condenser instead of water cooled in CPP) and reusing treated waste water for dust suppression and plantation in sustainable way.

Emissions from the Stacks are well within regulatory limits, monitored through online continuous emission monitoring systems. Concerns for environment and sustainable development are integral to the Company's business decisions. $SO_2$ & NOx gas analyzer in kiln stack has been installed for close monitoring. To control NOx, SNCR system has been installed in both Satna & Chanderia Plant. Measures are also taken for conservation of limestone reserves by optimizing (like blending high grade with low grade limestone) limestone consumption. 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 continuously strives for reduction of carbon footprint and Green House Gases emission by using best energy efficient & environment friendly technologies to improve power & thermal efficiency of the plants.

The Company has Alternative Fuel and Raw Material Feeding System (AFRS) for higher use of alternative fuel on continuous basis at its clinker manufacturing units, thus reducing consumption of natural resource like Coal. 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. Company is extending its AFR facility to consume any of the available hazardous waste from other industry. Municipal waste whenever made available is also being co-processed in the Kiln.

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 Green House 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 the financial year 2021-2022 at various cement plants. The Company has own slag granulation unit at Durgapur to consume optimum quantity of slag in ecofriendly manner. This has resulted in reduction of clinker usage, which in turn

reduced GHG emissions at plants, without compromising on the quality and the strength of cement. Company is exploring use of Phospho Gypsum/Chemical Gypsum which leads to conservation of mineral Gypsum and environment.

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 Integrated Cement Plants. Also, it is sourcing solar power for Raebareli Plant in group captive mode in long term PPA.

A Waste Heat Recovery System and Solar Power Plant were also installed at Maihar plant of RCCPL Private Limited, Wholly Owned Subsidiary Company. Maihar Plant is sourcing Fly Ash through BTAP rail wagon which is most sustainable mode of transportation. About 68 Million Kg of $Co_2$ has been reduced by Solar and WHRS Initiative (when compared to Coal power).

## BUSINESS RESPONSIBILITY REPORT

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Retirement by Rotation:**

Shri Harsh V. Lodha (DIN: 00394094), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

**Appointment/Change in designation/Cessation:**

Shri Pracheta Majumdar (DIN:00179118) ceased to be the Wholetime Director (Key Managerial Personnel) of the Company with effect from the close of business hours on 19th May, 2021 in view of completion of his tenure.

Shri Brij Behari Tandon (DIN:00740511) resigned from the Board of Directors of the Company with effect from 11th May, 2022 due to his advancing age and health issues.

In terms of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel (KMP) of the Company as on 31st March, 2022:

1. Shri Arvind Pathak: Managing Director & Chief Executive Officer.
2. Shri Aditya Saraogi: Chief Financial Officer.
3. Shri Manoj Kumar Mehta: Company Secretary & Legal Head.

## DECLARATION BY INDEPENDENT DIRECTORS

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, as amended.

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, regarding the requirement relating to enrollment in the Data Bank maintained with the Indian Institute of Corporate Affairs ('IICA'). 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) of the Company are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

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

In terms of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

The Nomination and Remuneration Policy of the Company, inter-alia, includes the aims and objectives, principles of remuneration, fixed and variable components in the remuneration package, guidelines for remuneration to Executive Directors and Non-Executive Directors, 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 in a sustainable manner.

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

Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.

## ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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 based on the criteria for performance evaluation forming part of the Performance Evaluation Policy of the Company.

For the purpose of proper evaluation, the Directors of the Company have been divided into 3 (three) categories i.e. Independent Directors; Non-Independent Chairman and 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, contributions towards achieving short term and long term goals of 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.

The Independent Directors of the Company in its separate meeting held during the year also reviewed the performance of Non-Independent Directors and Board as a Whole and Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

Further, the performance evaluation of Independent Directors of the Company was done by the entire Board, excluding the Independent Director being evaluated.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March, 2022, 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.

During the year under review, RCCPL Private Limited, wholly owned material subsidiary of the Company has performed satisfactorily considering the prevailing uncertain economic scenario.

Further, during the year under review, RCCPL Private Limited has acquired two subsidiary companies namely, AAA Resources Private Limited and Utility Infrastructure & Works Private Limited on 31st July, 2021 and 31st March, 2022, respectively. Accordingly, AAA Resources Private Limited and Utility Infrastructure & Works Private Limited have become step down wholly owned subsidiaries of the Company.

Apart from the above, no Company has become or ceased to be the Company's Subsidiaries, Joint Venture or Associate Company during the financial year 2021-2022.

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-subsidiary.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.

## 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.

In the appeals filed by the Company and Shri Harsh Vardhan Lodha, the Hon'ble Division Bench of the Hon'ble High Court at Calcutta ("the Hon'ble Division Bench") vide order dated 1st October, 2020 had inter-alia clarified the order passed by the Hon'ble Single Bench dated 18th September, 2020 in T. S. No. 6 of 2004 (proceedings relating to the grant of Letters of Administration with the Will annexed of Smt. Priyamvada Devi Birla, to which the Company is not a party) that "the operation of paragraph (b) among the directions would be a restriction on plaintiff no. 1 Harsh Vardhan Lodha to the extent of it being a restriction from holding any office in any of the entities of the M.P. Birla Group during the pendency of the suit, on the strength of the shares referable to the estate of PDB (Priyamvada Devi Birla)." (emphasis supplied by Court). Based on the above clarification, Shri Harsh Vardhan Lodha not being appointed as Director of the Company on the strength of the shares referable to the estate of PDB, is continuing as a Director & Chairman of the Company.

Two several contempt petitions filed by some of the defendants in T. S. No. 6 of 2004 against the Chairman and Directors and Key Managerial Personnels of the Company, for the alleged violation of the order dated 1st October, 2020 has been dismissed by the judgment and order dated 22nd April, 2021 passed by the Hon'ble Division Bench. Special Leave Petitions filed by some of the defendants and two of the three Joint Adminstrators pendente lite (appointed over the estate of Priyamvada Devi Birla holding 1,260 shares in the Company) against the said judgment and order dated 22nd April, 2021 have not been entertained by the Hon'ble Supreme Court vide orders passed on 12th July, 2021 and 4th February, 2022 respectively.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal control systems and procedures which are commensurate with its size and nature of business. The objective of these procedures are 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 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.

The Audit Committee has satisfied itself on the adequacy and effectiveness of the Internal Financial Control System laid down by the management. The Statutory Auditors in its report have expressed an unmodified opinion on the adequacy and operating effectiveness of the Internal Financial Control System over financial reporting.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism/Whistle Blower Policy for Directors and employees to create a fraud, anti-bribery and a corruption free culture. The Policy empowers the Directors and the 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 also provides for the requisite checks, balances and safeguards to ensure no employee is victimized who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The Policy also provides mechanism for 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 given in **"Annexure - C"** 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 part of the 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 the Registered Office/Corporate Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office/Corporate Office of the Company 21 days before and upto the date of the ensuing Annual General Meeting during the business hours on working days.

**Commission to Non-Executive Directors:**

The Board of Directors of the Company approved payment of a sum of ₹10 Lakhs each as commission to all the Non-Executive Directors of the Company for the financial year 2021-2022. However, Shri Harsh V. Lodha, Non-Executive Chairman of the Company has decided not to accept any commission and has foregone his right for the financial year 2021-2022 in view of ongoing COVID-19 pandemic and uncertain economic scenario.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employees are the core strength of the Company. The Company continued to focus on creating the right workplace environment that provides opportunities for 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 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 employees are geared to enable all-round performance, both as individuals and as teams.

There is a continuous effort to improve HR service delivery in order to better serve the customers with simple well executed processes with proper use of technology.

Encouraging cordial working relation and maintaining good industrial relations have been the philosophy and endeavour of the HR Department. Industrial relations remained harmonious at all our offices and establishments throughout the year. Statutory compliances related to labour laws have been followed with due emphasis.

The Company has permanently closed the manufacturing establishment at its unit namely, Auto Trim Division situated at Birlapur w.e.f. 30th July, 2021.

Suspension of Operation continues at Soorah Jute Mills and 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, 2022.

## AUDITORS & AUDITORS' REPORT

**Statutory Auditors:**

M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.109208W) who 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 would be completing their first term of five years at the ensuing Annual General Meeting and are eligible for re-appointment for a further period of five years.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board of Directors based on the recommendation of the Audit Committee at their Meeting held on 11th May, 2022, approved the re-appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants as the Statutory Auditors of the Company for the second term of five (5) years i.e. from the conclusion of ensuing Annual General Meeting till the conclusion of the 107th Annual General Meeting of the Company to be held in the year 2027.

The Board is of the opinion that continuation of M/s V. Sankar Aiyar & Co., as Statutory Auditors will be in the best interest of the Company and therefore, recommends to the shareholders the re-appointment of M/s V. Sankar Aiyar & Co., as the Statutory Auditors of the Company.

The Auditors' Report and notes to the financial statements are self-explanatory and therefore do not call for any further comments/explanation.

**Cost Records and Cost Auditors:**

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014 and accordingly, such accounts and records are made and maintained by the Company.

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. Shome & Banerjee, (Firm Registration No. 000001), Cost Accountants, as the Cost Auditors of the Company for the financial year 2022-2023 for auditing the cost records relating to cement, jute goods and steel products manufactured by the Company.

As required under Section 148(3) of the Companies Act, 2013, the remuneration payable to the Cost Auditor, as approved by the Board, is required to be placed before the Members in a general meeting for their ratification and the same forms part of the notice of 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 2021-2022. The Secretarial Audit Report for the financial year ended 31st March, 2022 is given in **"Annexure - D"** which is annexed hereto and forms part of Directors' Report. 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 2022-2023.

Pursuant to the provisions of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report submitted by the Secretarial Auditor of RCCPL Private Limited, a material subsidiary of the Company in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given in **"Annexure - E"** which is annexed hereto and forms part of Directors' Report.

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 Section 143(12) of the Companies Act, 2013.

## APPLICATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable.

## DIFFERENCE IN VALUATION

There were no instance of one-time settlement with banks or financial institutions and hence the differences in valuation as enumerated under Rule 8 (5) (xii) of Companies (Accounts) Rules, 2014, as amended, do not arise.

## 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

The Directors would like to express their sincere appreciation for the assistance and co-operation received by the Company from the Government of India, State Governments, Financial Institutions, Banks, Dealers, Customers, vendors and last but not the least, from the Stakeholders.

Inspired by a vision, driven by values and powered by internal vitality, the Directors look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

The Directors regret the loss of life due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

| | |
|---|---|
| **Harsh V. Lodha** | **Arvind Pathak** |
| Chairman | Managing Director & |
| (DIN: 00394094) | Chief Executive Officer |
| | (DIN: 00585588) |

Place: Kolkata
Dated, the 11th May, 2022

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

**ANNEXURE - A**

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

| | Cement | Jute | Steel Foundry |
|---|---|---|---|
| **A. Conservation of Energy** | | | |
| i) a) Energy Conservation measures taken | **Chanderia**<br>1 Upgradation of Pyro Circuit (Preheater, Tertiary Air Duct, kiln feed system, kiln burner and Reverse Air Bag House).<br>2 Optimization of cement grinding at CCW - CM1.<br>3 Installation of MV drive Panel for NCCW Raw Mill CA Fan .<br>4 Installation of VFD Panel for CCW limestone crusher BDC Fan.<br>5 Grinding media regradation in CCW and BCW Cement Mill.<br>6 Optimization in Raw Meal Grinding-CCW Raw Mill-2 (Vertical Roller Mill).<br>7 Raw mix & fuel optimzation of CCW-1 Kiln.<br>**Satna**<br>1 Installation of VFD for trapped water pump at WHRS.<br>2 Upgradation of cooling water pump motor with VFD (2 Nos).<br>3 Rotary air lock installation in place of trickle valve .<br>**Durgapur**<br>1 Installation of 55 KW VFD at Packer-5 main BDC Fan for replacing damper control.<br>2 Installation of AIRTRON energy saver controller at Roller Press MCC-2 and DCW MCC-1&2.<br>3 Installation of Brushless Direct Current (BLDC) fan in plant area replacing conventional ceiling fans.<br>4 Installation of LED light fittings in plant area replacing conventional lights.<br>**Raebareli**<br>1 Reduction in electricity contract demand of RHTC Plant from 2 MVA to 1.5 MVA .<br>2 Installation of individual energy meters at Compressors.<br>3 Utilization of Solar Power at RHTC and RCW unit.<br>4 Installation of capacitor bank (Automatic Power Factor Correction - APFC Panel) for improvement of power factor. | 1 Installation of VFD at twisting machine and thereby replacement of 2 nos of 30 Kw motors each with energy efficient motors of 15 Kw.<br>2 Replacement of tubewell pump motor of 11 Kw with energy efficient motor of 7.5 Kw.<br>3 Discontinuation of compressor motor of 22 Kw on spreader machines by disconnecting individual hydraulic system. | 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.<br>2 Control of metal heating process temperature to optimize energy requirement.<br>3 Efficiency improvement in cooling system leads to reduced energy consumption.<br>4 Optimize air requirement to improve efficiency of compressor. |
| b) Impact on conservation of energy | **Chanderia**<br>1 Increase in production as well as reduction in specific heat and specific power consumption.<br>2 After this modification saving in specific heat consumption of 5 - 8 Kcal/kg of clinker.<br>3 Savings of 70 kwh by installing MVAC drive instead of Slip Power Recovery System (SPRS), CA Fan.<br>4 Installation of VFD drive to achieve 30 kwh power saving.<br>5 Reduction in power consumption in all grade of cement (OPC, PPC etc).<br>6 Reduced power consumption of raw meal grinding in CCW RM-2 (VRM) through optimization.<br>7 Reduced clinker thermal energy consumption of CCW-1 Kiln by plant optimization, raw mix/fuel optimization. | Reduction in power consumption. | – |

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

| | Cement | Jute | Steel Foundry |
|---|---|---|---|
| | **Satna**<br>Energy saving of approx 2.85 Lakhs units per year.<br>**Durgapur**<br>Saving of power consumption by approx 28.2 kwh.<br>**Raebareli**<br>1 By reducing electricity Contract Demand there is a saving of approx ₹ 1.0 Lakh per month.<br>2 Identify issue and accordingly remedial measures taken to reduce the compressed power of individual compressor.<br>3 RHTC plant utilized approx 6.42 Lakhs Unit solar energy, resulting reduction of carbon footprint.<br>4 RCW plant utilized approx 71.60 Lakhs Unit solar energy, resulting reduction of carbon footprint.<br>5 Improved power factor and saving in energy consumption. | – | – |
| 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 sludge, Mustard husk, TDI Tar, Industrial waste, Non hazardous waste and replacing fossil fuel in sustainable manner.<br>2 Liquid waste fuel firing to NCCW calciner.<br>3 Modification in CCW & NCCW firing system for dosing of carbon black.<br>4 WHRS system is operating in both Satna & Chanderia Unit for power generation from waste flue gas.<br>5 Sourcing renewable energy from captive solar power plant at both Satna & Chanderia.<br>6 Sourcing renewable energy from group captive solar power plant at Raebareli. | – | – |
| iii) Capital investment on energy conservation equipments | ₹250 Lakhs | ₹2.80 Lakhs | – |
| **B. Technology Absorption** | | | |
| Research & Development | | | |
| i) Specification of Technology absorption and/or R&D | 1 Replacement of twin lobe roots blowers with turbo blowers for NCCW kiln & calciner firing.<br>2 Installation of 500 KVAR Automatic Power Factor Correction Capacitor( APFC ) Panel at CCW.<br>3 Upgradation of PC of AAQMS & CEMS System (SCW & BVC).<br>4 RM Ball Mill Osepa DC drive upgradation in BVC.<br>5 Upgradation of Motor & Starters for KGK-4 Compressor in SCW.<br>6 Upgradation of existing Generation-1 LRS (Liquid Resistance Starter) with vapromatic LRS.<br>7 OTIS lift electric control system upgradation for both SCW & BVC.<br>8 Installation of Preheater fan 2300 kw new HT motor.<br>9 Installation of Dense Phase system to convey the coarse fly ash from RHTC coarse silo to RCW Fly ash Silo.<br>10 Installation of water harvesting system in RHTC. | 1 Automatic centralised lubrication system in 31 nos. Drawing Machines.<br>2 Installed automatic six headed screen printing machine with 3 dryers.<br>3 Technology absorbed for creating hair free, smooth surfaced jute fabric. | – |

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

| | Cement | Jute | Steel Foundry |
|---|---|---|---|
| ii) Benefits | 1 After installation of turbo blowers for kiln and calciner firing, saving in specific power consumption of Plant has been observed.<br>2 Improvement in power factor correction during lesser loading on grid supply.<br>3 Upgraded with the latest software for smooth & fast operation.<br>4 Upgraded panel with a controlled rectifier unit improves the control of DC voltage & current.<br>5 Reduce stoppage due to frequent starter problem and maintenance.<br>6 Improve reliability of system and reduce stoppages.<br>7 Upgraded system having much reliable protection & safety features.<br>8 Upgraded squirrel cage motor to increase efficiency & reliability.<br>9 Improved plant safety by avoiding bulker movement within plant premises and also achieved dust free & cost effective material transfer.<br>10 Maintaining ground water level good and conservation of water. | 1 Optimise lubricants consumption and thereby reducing cost.<br>2 Improved overall lubrication of machinery and thereby lower wear & tear of spares.<br>3 Reduced down time for lubrication.<br>4 Higher productivity in printing.<br>5 Microprocessor based touch screen system ensures precise operation and accurancy in printing. | – |

**C. Foreign Exchange Earning & Outgo**

| | |
|---|---|
| i) Total Foreign Exchange used - | ₹14,144.75 Lakhs |
| ii) Total Foreign Exchange earned (including export in INR) | ₹7,436.23 Lakhs |

Note: Excludes borrowings and repayments in Foreign Currency.

For and on behalf of the Board of Directors

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

**Arvind Pathak**
Managing Director &
Chief Executive Officer
(DIN: 00585588)

Place: Kolkata
Dated, the 11th May, 2022

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

**ANNEXURE – B**

# ANNUAL REPORT ON CSR ACTIVITIES

**FOR THE FINANCIAL YEAR 2021-2022**

**1. Brief outline on CSR Policy of the Company:**

As per the provisions of the Companies Act, 2013 and Rules framed thereunder, the Company has formulated its Corporate Social Responsibility (CSR) policy to contribute to economic development in different ways to ensure the economically disadvantaged section of society is benefited. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society. 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, Environmental Sustainability, Women Empowerment, Enhancement of livelihood and Rural Development. 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 its staff with support from reputed NGOs and also through Madhav Prasad Priyamvada Birla Apex Charitable Trust.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Shri Harsh V. Lodha | Chairman (Non-Independent Non-Executive Director) | 2 | 2 |
| 2 | Shri Vikram Swarup | Member (Independent Director) | 2 | 2 |
| 3 | Shri Brij Behari Tandon | Member (Independent Director) | 2 | 1 |
| 4 | Shri Dhruba Narayan Ghosh | Member (Independent Director) | 2 | 2 |

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are placed on the website of the Company and the web-link for the same is as under:

| Particulars | Web-link of the website |
|---|---|
| Composition of CSR Committee | https://www.birlacorporation.com/board-committees.html |
| CSR Policy | https://www.birlacorporation.com/investors/policies/csr-policy.pdf |
| CSR projects approved by the Board | https://www.birlacorporation.com/csr.html |

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹ Lakhs) | Amount required to be set-off for the financial year, if any (in ₹ Lakhs) |
|---|---|---|---|
| 1 | 2020-2021 | 25.13 | 5.34 |

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

**6. Average net profit of the Company as per Section 135(5):** ₹33,480.90 Lakhs

**7. (a) Two percent of average net profit of the Company as per Section 135(5):** ₹669.62 Lakhs

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

**(c) Amount required to be set off for the financial year, if any:** ₹5.34 Lakhs

**(d) Total CSR obligation for the financial year (7a+7b-7c):** ₹664.28 Lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year (in ₹ Lakhs) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 664.28 | NA | NA | NA | NA | NA |

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

There are no ongoing projects against which CSR amount has been spent during the financial year 2021-2022.

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project/ Programme | Item from the list of activities in schedule VII to the Act | Local Area (Yes/ No) | Location of the Project (State/ District) | Amount Spent for the Project (in ₹ Lakhs) | Mode of Implementation- Direct (Yes/No) | Mode of Implementation- Through implementing agency (Name, CSR Registration Number) |
| 1 | • Provide healthcare services to under privileged patients by supporting basic health infrastructure and health care services to Hospital.<br>• Promoting healthcare including preventive health care, hygiene and sanitation among communities.<br>• Free eye check-up camps and surgeries for the under privileged in the communities and infrastructure support for it.<br>• Making available of safe drinking water in communities by supplying water tankers, setting up new water sources and strengthening existing water sources.<br>• Mother and Child health care, adolescent health care, infant and child health and nutritional program for mothers and child.<br>• Support and strengthen existing government health infrastructure in the communities.<br>• Create mass awareness on Health, Hygiene & Sanitation in communities by organising different extension services. | Health Care, Hygiene & Sanitation | Both | 1. Shahdol (Madhya Pradesh)<br>2. Chhindwara (Madhya Pradesh)<br>3. Chittorgarh (Rajasthan)<br>4. Raebareli (Uttar Pradesh)<br>5. Satna (Madhya Pradesh)<br>6. Durgapur (West Bengal) | **50.77** | Yes | – |
| | | | | | **220.45** | No | • Madhav Prasad Priyamvada Birla Apex Charitable Trust (CSR00014506)<br>• Vishwas Sansthan (CSR00000960)<br>• Shamayita Math (CSR00000552)<br>• Socio Economic Reforms by Voluntary Efforts (CSR00001496)<br>• Priyanshi Educational, Cultural and Social Society (CSR00000450) |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sr. No** | **Name of the Project/ Programme** | **Item from the list of activities in schedule VII to the Act** | **Local Area (Yes/ No)** | **Location of the Project (State/ District)** | **Amount Spent for the Project (in ₹ Lakhs)** | **Mode of Implementation-Direct (Yes/No)** | **Mode of Implementation-Through implementing agency (Name, CSR Registration Number)** |
| 2 | **COVID-19 Alleviating Program**<br>● Supply dry and cooked food to the migrant labour and villagers and support to the community kitchen in villages during the second and third wave of COVID-19 pandemic.<br>● Support villages/panchayats quarantine centres.<br>● Free distribution of masks & sanitizers in communities.<br>● Create awareness on COVID-19 among community through different promotional method.<br>● Provide safety kits, sanitizers to the Covid warriors in the Covid hospitals and district administration. | Disaster Management | Yes | 1. Shahdol (Madhya Pradesh)<br>2. Gaya (Bihar)<br>3. Chittorgarh (Rajasthan)<br>4. Raebareli (Uttar Pradesh)<br>5. Satna (Madhya Pradesh)<br>6. Durgapur (West Bengal) | **89.89** | Yes | - |
| | | | | | **1.01** | No | Vishwas Sansthan (CSR00000960) |
| 3 | ● Enhance the quality of education by strengthening Government School's Infrastructure in villages.<br>● Running primary school for under privileged children in community.<br>● Enhance the quality of education by promoting technology in the Government High Schools in villages.<br>● Provide scholarship to the under privileged meritorious students for their higher education. | Promote Education | Yes | 1. Shahdol (Madhya Pradesh)<br>2. Gaya (Bihar)<br>3. Chittorgarh (Rajasthan)<br>4. Raebareli (Uttar Pradesh)<br>5. Satna (Madhya Pradesh)<br>6. Durgapur (West Bengal) | **101.22** | Yes | - |
| | | | | | **6.05** | No | ● Vishwas Sansthan (CSR00000960)<br>● Priyanshi Educational, Cultural and Social Society (CSR00000450) |
| 4 | Women empowerment through organising and imparting skill development trainings, set up micro enterprise activities, supporting Self Help Groups in communities and create awareness on Women Safety. | Women Empowerment | Yes | 1. Chittorgarh (Rajasthan)<br>2. Raebareli (Uttar Pradesh)<br>3. Durgapur (West Bengal) | **0.54** | Yes | - |
| | | | | | **16.08** | No | ● Vishwas Sansthan (CSR00000960)<br>● Priyanshi Educational, Cultural and Social Society (CSR00000450)<br>● Shamayita Math (CSR00000552) |
| 5 | Enhance the income of farmers through different Sustainable Agriculture practices, Horticulture development Program and improved animal Husbandry practices in villages. Social Forestry Program. | Livelihood & Environmental Sustainability, Natural Resource Management | Yes | 1. Shahdol (Madhya Pradesh)<br>2. Gaya (Bihar)<br>3. Chittorgarh (Rajasthan)<br>4. Satna (Madhya Pradesh)<br>5. Durgapur (West Bengal) | **7.02** | Yes | - |
| | | | | | **70.26** | No | ● Manas Foundation (CSR00013456)<br>● BAIF Institute for Sustainable Livelihoods and Development (CSR00000259)<br>● Jagrati Yuwa Manch Sanstha (CSR00008731)<br>● Socio Economic Reforms by Voluntary Efforts (CSR00001496)<br>● Sarv Mangal Gramin Vikas Sansthan (CSR00000154) |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sr. No** | **Name of the Project/ Programme** | **Item from the list of activities in schedule VII to the Act** | **Local Area (Yes/ No)** | **Location of the Project (State/ District)** | **Amount Spent for the Project (in ₹ Lakhs)** | **Mode of Implementation-Direct (Yes/No)** | **Mode of Implementation-Through implementing agency (Name, CSR Registration Number)** |
| 6 | • Developing community infrastructure through the construction and repair of road and rainwater harvesting.<br>• Refurbishment of the school buildings, build community centres, improve drainage systems in villages. | Rural Development Projects | Yes | 1. Shahdol (Madhya Pradesh)<br>2. Chhindwara (Madhya Pradesh)<br>3. Chittorgarh (Rajasthan)<br>4. Raebareli (Uttar Pradesh)<br>5. Satna (Madhya Pradesh)<br>6. Durgapur (West Bengal)<br>7. Gaya (Bihar) | **83.20** | Yes | - |
| 7 | Setting up Old Age Home & Orphanage, setting up public libraries and development of traditional arts & culture, promotion & development of rural sports. | Old Age Homes, Orphanage and Rural sports | Yes | 1. Raebareli (Uttar Pradesh)<br>2. Gaya (Bihar)<br>3. Chittorgarh (Rajasthan)<br>4. Satna (Madhya Pradesh)<br>5. Durgapur (West Bengal) | **16.12** | Yes | - |
| **Total** | | | | | **662.61** | | |

**(d) Amount spent in administrative Overheads:** ₹1.67 Lakhs

**(e) Amount spent on Impact Assessment, if applicable:** Not Applicable

**(f) Total amount spent for the financial Year (8b+8c+8d+8e):** ₹664.28 Lakhs

**(g) Excess amount for set off, if any:**

| Sl.No. | Particular | Amount (in ₹ Lakhs) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per Section 135(5) | 669.62 |
| (ii) | Total amount spent for the financial year | 669.62 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:** Nil

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

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (Asset-wise details)**

**(a) Date of Creation or acquisition of the capital asset(s)** - Not Applicable

**(b) Amount of CSR Spent for creation or acquisition of capital asset** - Not Applicable

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** - Not Applicable

**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)** - Not Applicable

**11. Specify the reason (s), if the company has failed to spend two per cent of the average net profit as per the Section 135 (5)** - Not Applicable

For and on behalf of the Board of Directors

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

**Arvind Pathak**
Managing Director &
Chief Executive Officer
(DIN: 00585588)

Place: Kolkata
Dated, the 11th May, 2022

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

**ANNEXURE – C**

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-2022 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-2022:

| Sl. No. | Name of Director(s)/ KMPs | Designation | Ratio of remuneration of each Director to median remuneration of employees ** | % increase in Remuneration in the FY 2021-2022 |
|---|---|---|---|---|
| 01. | Shri Arvind Pathak | Managing Director & Chief Executive Officer | 178.22 | N.A.# |
| 02. | Shri Pracheta Majumdar* | Wholetime Director designated as Chief Management Advisor | - | - |
| 03. | Shri Aditya Saraogi | Chief Financial Officer | N.A. | 16.08% |
| 04. | Shri Manoj Kumar Mehta | Company Secretary & Legal Head | N.A. | 16.22% |

# Appointed w.e.f. 31st March, 2021, therefore % increment in the FY 2021-2022 is not applicable.

* Ceased to be the Wholetime Director of the Company w.e.f. 20th May, 2021.

** The median remuneration of employees of the Company during the financial year 2021-2022 was ₹2.41 Lakhs.

**Notes:**

a. The ratio of remuneration to Median Remuneration is provided only for those Directors who have drawn remuneration from the Company for the full financial year 2021-2022.

b. For the purpose of computation of increase in remuneration, incentive remuneration has been considered based on accruals and payments relating to earlier years have been excluded.

c. 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.

(ii) There was an increase of 1.13% in the median remuneration of employees during the financial year 2021-2022.

(iii) There were 7,184 permanent employees on the rolls of Company as on 31st March, 2022.

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2021-2022 was 6.33% whereas the increase in the managerial remuneration for the same financial year was 17.13%.

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.

(v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2022 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)

**Arvind Pathak**
Managing Director &
Chief Executive Officer
(DIN: 00585588)

Place: Kolkata
Dated, the 11th May, 2022

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

**ANNEXURE – D**

**FORM NO. MR-3**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid 19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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 31st March 2022, to the extent applicable, according to the provisions of:

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

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. 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;

v. The Investor Education and Protection Fund Authority Rules, 2016;

vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
   (e) 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;
   (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015; and
   (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

vii. The other laws applicable specifically to the Cement/Jute/Iron & Steel division of the Company, namely:
   (a) Mineral Conservation and Development Rules, 2017
   (b) The Mines and Minerals (Development and Regulation) Act, 1957
   (c) The Explosive Rules, 2008
   (d) Ammonium Nitrate Rules, 2012
   (e) The Environment (Protection) Act, 1986

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

(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 Funds and Miscellaneous Provisions Act, 1952
(l) The West Bengal Factories Rules, 1958
(m) West Bengal Labour Welfare Fund Act, 1974 & Rules 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 the Directors to schedule the Board Meetings (including meetings of the Committees), agenda and detailed notes on agenda were sent at least seven days in advance except in one case of the Board meeting dated 18th January 2022 was conducted at a shorter notice with the consent of all the Directors and in presence of independent director of the Company and all the provisions with regard to conducting meeting at a shorter notice was duly complied with. A system exists for seeking and obtaining further information and clarification 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 during the audit period the Company has redeemed 1500 Secured Redeemable Non-Convertible Debentures ('NCD') Series- V of Rs.10,00,000 each at an interest rate of 9.15% p.a. The full redemption money along with the interest @9.15% p.a. due on 18th August, 2021 has been paid to NCD holders and the Company has duly complied with applicable laws, rules, regulations and guidelines, with respect to the said redemption.

We further report that during the audit period the Company has issued and Listed 1500 Secured Redeemable Non-Convertible Debentures Series- IX of Rs.10,00,000 each at an interest rate of 5.75% p.a payable monthly, on a private placement basis and the Company has taken all the necessary approvals and duly complied with applicable laws, rules, regulations and guidelines, with respect to the said issuance.

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 has become Joint Venture:**
   No

For **Mamta Binani & Associates**

**CS Madhuri Pandey**
Partner
CP No. : 20723
Membership No.: A55836
UDIN: A055836D000383559

Date: 11.05.2022
Place: Kolkata

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

**Annexure-E**

**FORM NO. MR-3**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To
The Members of
RCCPL Private Limited
Industry House, 2nd Floor
159, Churchgate Reclamation
Mumbai - 400 020

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RCCPL Private Limited** (hereinafter called "the Company") bearing CIN: U26940MH2007PTC173458. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, to the extent applicable, according to the provisions of:

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

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015*;

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

*The Company being a 'material subsidiary' of Birla Corporation Limited (BCL) as defined in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certain employees of the Company have been categorized as Designated Persons and are covered by BCL's Code of Conduct framed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**The Company has not entered into any listing agreement with the Stock Exchanges.

(v) Other applicable laws generally applicable to the Industry/Company.

a) The Factories Act, 1948;

b) The Payment of Wages Act, 1936;

c) The Minimum Wages Act, 1948;

d) The Payment of Gratuity Act, 1972;

e) The Mines Act, 1952;

f) The Mines and Minerals (Development and Regulation) Act, 1957 and its amendment Act, 2015;

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

g) The Explosives Rules, 2008;

h) Ammonium Nitrate Rules, 2012;

i) The Limestone and Dolomites Mines Labour Welfare Fund Act, 1972;

j) The Child Labour (Prohibition& Regulations) Act, 1986;

k) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;

l) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;

m) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

n) Contract Labour (Regulation & Abolition) Act, 1970;

o) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

p) The Limestone and Dolomites Mines Labour Welfare Fund Act, 1972.

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

(i) Secretarial Standard-I and II issued by the Institute of Company Secretaries of India;

and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company is a 'material unlisted subsidiary' of Birla Corporation Limited (BCL), listed on BSE Limited and National Stock Exchange of India Limited.

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

In respect of other laws specifically applicable to the Company, I have relied in information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

**I further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings/committee 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.

**I further report** that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Equity and Preference Shareholders of the Company at their Extraordinary General Meeting and a Separate Class Meeting held on 7th December, 2021 accorded their consent to extend the maturity period of Preference Shares from existing period of 5 years to 6 years i.e., till 21st December, 2022.

**Rajesh Ghorawat**
Practising Company Secretary
M. No.: F7226
C.P. No.: 20897
UDIN: F007226D000290377
ICSI Peer Review No.: 1992/2022

Place: Kolkata
Date: 9th May, 2022

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

**ANNEXURE A**

To
The Members of
M/s. RCCPL Private Limited
Industry House, 2nd Floor
159, Churchgate Reclamation
Mumbai – 400020

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Rajesh Ghorawat**
Practising Company Secretary
M. No.: F7226
C.P. No.: 20897
UDIN: F007226D000290377
ICSI Peer Review No.: 1992/2022

Place: Kolkata
Date: 9th May, 2022

# BUSINESS RESPONSIBILITY REPORT 2021-2022

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2022, pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance. This is all the more relevant for listed entities which, considering the fact that they have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive continuous disclosures on a regular basis. 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,<br>Kolkata -700001 | | | |
| 4 | Website | www.birlacorporation.com | | | |
| 5 | E-mail id | coordinator@birlacorp.com | | | |
| 6 | Financial Year reported | 1st April, 2021 to 31st March, 2022 | | | |
| 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<br>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.<br>(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<br>(b) Number of National Locations:<br>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) | ₹4790.93 crores |
| 3 | Total profit after taxes (INR) | ₹202.92 crores |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | During the year 2021-2022, an amount of ₹669.62 Lakhs was spent on CSR activities. This represents the statutory limit of 2% of average net profit for three financial years immediately preceding the financial year 2021-2022. |

**BUSINESS RESPONSIBILITY REPORT 2021-2022** (Contd.)

| | | |
|---|---|---|
| 5 | List of activities in which expenditure in 4 above has been incurred:- | 1. Health Care activities<br>2. Educational Initiatives<br>3. Disaster Management (Covid-19 pandemic)<br>4. Livelihood & Women Empowerment<br>5. Livestock Development<br>6. Sustainable Agricultural Programme<br>7. Rural Development Program |

**SECTION C: OTHER DETAILS**

**1. Does the Company have any Subsidiary Company/ Companies?**

Yes, as on 31st March, 2022, the Company has 7 (Seven) Subsidiary Companies, viz. RCCPL Private Limited (material subsidiary), 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 | 00585588 |
| 2 | Name | Shri Arvind Pathak |
| 3 | Designation | Managing Director & Chief Executive Officer |

**b) Details of the BR head**

| No. | Particulars | Details |
|---|---|---|
| 1 | DIN Number (if applicable) | 00585588 |
| 2 | Name | Shri Arvind Pathak |
| 3 | Designation | Managing Director & Chief Executive Officer |
| 4 | Telephone Number | (033) 6603-3300 |
| 5 | E-mail ID | arvind.pathak@birlacorp.com |

**BUSINESS RESPONSIBILITY REPORT 2021-2022** (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:-

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

**BUSINESS RESPONSIBILITY REPORT 2021-2022** (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 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.

**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?**

Corporate Governance is of utmost importance to the organization and it is an integral part of the management practices and operations. All the Directors and Senior Management of the Company come under the purview of the Company's Code of Conduct. Further to maintain higher ethical standards, 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 2021-2022, the Company has received 2 (Two) complaints from the shareholders 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 understands its obligations on social and environmental concerns, risks and opportunities. The Company has adopted latest technology in manufacturing process and focusses on developing products that are environment friendly, utilising waste by product from other industries. The Company also utilises waste heat of clinkerization process for power generation by installation of Waste Heat Recovery System (WHRS). This helps into reduction of carbon footprint and making the plant more energy efficient.

The Company's major product range comprises of 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.

**BUSINESS RESPONSIBILITY REPORT 2021-2022** (Contd.)

For conservation of fossil fuel, Company is using alternate fuel sourced from waste of different sectors. Agricultural waste, industrial waste, hazardous & non-hazardous waste are used in different form (solid/liquid) to the extent of availability.

The Company is focusing on green energy to reduce carbon footprint by installation of Solar Power Plants in different location for captive consumption.

**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 Waste Heat Recovery System (WHRS) and Solar Power Plant at Satna and Chanderia units. The Company is always promoting energy efficient technology to ensure lower energy consumption. The Company, as a part of conserving natural resources and 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 – 'A' to the Directors' 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 the Company. However, at plant level the Company is taking various measures to reduce energy and water as explained under Sl. No. 2(a) above.

The Company has also installed effluent treatment plant for recycling waste water and use 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 sourced mostly through its own mines, situated close to the 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 has started sourcing fly ash through rail wagon for 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. Services like general maintenance, small repairs job, catering, housekeeping, horticulture and other various work are sourced from local contractor/workforce.

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. Company also provides training for skill development, safety measure and environment issues to workmen of these vendor/contractor for better growth led to overall well-being of their employees.

**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. 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 2021-2022** (Contd.)

**PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

1. **Please indicate the Total number of employees.**

   As on 31st March, 2022, the Company had total 7,184 number of employees.

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

   Total temporary/contractual/casual employees were 4,896 as on 31st March, 2022.

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

   There were 39 permanent women employees as on 31st March, 2022.

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

   There were 3 permanent employees with disabilities as on 31st March, 2022.

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?**

   49.70%.

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 2021-2022 | No. of complaints pending as on end of the financial year 31st March, 2022 |
|---|---|---|---|
| 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?**

| No. | Category | Safety and skill up-gradation training |
|---|---|---|
| (a) | Permanent Employees | 29.61% |
| (b) | Permanent Women Employees | 69.23% |
| (c) | Casual/Temporary/Contractual Employees | 88.97% |
| (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 its 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 2021-2022** (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 encourages 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 2021-2022, 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.

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.**

   The Company has taken initiatives to proactively address challenges like climate change, global warming etc. The Company has taken measures to reduce Carbon foot print by producing blended cements. The Company is using different waste material from different sectors as Alternative Fuels and Raw Materials (AFR) to reduce usage of scarce natural resource & fossil fuel promoting circular economy. The Company has installed Air Cooled Condenser (ACC) in Captive Power Plants to reduce water consumption. The Company has installed WHRS and solar power plants to reduce carbon emission, harvested rain water at mined out areas for supply of water to the plant as well as local areas during summer. 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 and technology to improve plant performance and energy efficiency. The Company has 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, the Company has installed system for feeding AFR (bio mass, plastic waste, co-processed industrial and chemical wastes hazardous & non-hazardous waste etc.). For further details please refer to 'Annexure - A' to the Directors' 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 2021-2022.

**BUSINESS RESPONSIBILITY REPORT 2021-2022** (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 2021-2022.

**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 Manufacturers' Association.

(c) Coal Consumers' Association of India.

**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 System 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.**

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 benefits of weaker sections of society and the same has been approved by the CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides a road map for its CSR activities. The Company has been playing a pro-active role in the socio economic growth and has contributed to all spheres ranging from Healthcare, Water & Sanitation, Education, Livelihood & Women Empowerment, Environment & Energy and Rural Development Program etc. In the past ten decades, the Company has supported a large number of social initiatives in India, touching the lives of lakhs of people positively. In recent times, the CSR Committee and Board approved initiatives taken at nearly all our units to support the State and Central Govt. initiatives to handle the Covid-19 Pandemic. The Company carried out CSR activities, primarily focusing on:

1) Health Care Activities

2) Educational Initiatives

3) Disaster Management (Covid-19 Pandemic)

4) Livelihood & Women Empowerment

5) Livestock Development

6) Sustainable Agricultural Programme

7) Rural Development Program.

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

The Company has undertaken the CSR activities directly through its employees as well as through renowned NGOs (M/s. BAIF Institute for Sustainable Livelihoods and Development, Pune; M/s. Shamayita Math, Bankura, WB; M/s. Sarv Mangal Gramin Vikas Sansthan, Bundi, Rajasthan; M/s. Priyanshi Educational, Cultural and Social Society, Bhopal, MP; Socio Economic Reforms by Voluntary Efforts, Vishwas Sansthan, Bhagwant Kaur Colony, Canal Road, Raebareli, UP; Manas Foundation, Shadol, Madhya Pradesh; Jagrati Yuwa Manch Sanstha, Satna, MP and also through Madhav Prasad Priyamvada Birla Apex Charitable Trust).

**BUSINESS RESPONSIBILITY REPORT 2021-2022** (Contd.)

**3. Have you done any impact assessment of your initiative?**

The CSR activities are designed and implemented as per community's need and priorities. Base line survey and community need assessment survey are carried out location wise. Yearly basis, project wise milestones and budget are set up to meet out the needs and priority. In house monitoring and reporting system are designed, developed and implemented to meet out the target on time. Program generally have their own sustainable approach mechanism, so that it can run self-sustainable after phasing out. The Company has implemented robust in-house monitoring and reporting systems to meet the target on time. Each program has its own sustainable approach mechanism, so that it can run self-sustainably after phasing out.

**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 2021-2022, the Company has spent ₹ 669.62 Lakhs as part of its CSR initiatives. Details of the projects are given in 'Annexure - B'- Annual Report on CSR Activities, forming part of Directors' 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. Community need assessment was carried out by using different multiple tools in the neighbourhood villages of plant locations. Primary and secondary data were procured through Participatory Appraisal method and focus group discussion and different Govt. sources. As per the need and priority of the communities different interventions are carried out in the field. Community contributions and Village level institutions are formed in villages to implement and sustain the program successfully. Regular Field visits, different MIS are designed to monitor and evaluate the programs in the field.

**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 always striving to provide best in class products and services to its customers. The Company has a team of qualified and competent people who extend all types of support to its customers be it pre-sales or post-sales. The Company has put in place a well established and formal system of complaint redressal through Toll free number, e-mail, website & Social Media Platforms. A total of 10 (ten) complaints were received from customers during the financial year 2021-2022, all of which were addressed and disposed off leaving Zero cases pending as on end of the financial year 2021-2022.

**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 follows the guidelines laid down by Bureau of Indian Standards (BIS). As mandated by BIS, the product information is clearly displayed on all the products and no other label is provided which may confuse the customers. The test reports of cement supplied is available and furnished 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.**

During the financial year 2021-2022, there have been no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any such laws.

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

Yes. The Company carries out customer satisfaction and consumer perception surveys on a periodic basis to fine tune the market offerings. The feedback of various programs for customers/ influencers education is also taken. The Company has a practice of conducting Brand Equity Surveys to gauge the health of its brand. All these activities help the Company to proactively increase customer satisfaction levels.

# REPORT ON CORPORATE GOVERNANCE

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

The philosophy of Birla Corporation Limited ("Company") on Code of Governance is to achieve the highest levels of transparency, integrity, fairness and accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the government. The Company believes that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to the stakeholders needs.

Over the years, Company has strengthened relationship with its stakeholders in a manner that is dignified, distinctive and responsible. The Company continues to review and benchmark the corporate governance practices of the Company against best practices. 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "**Listing Regulations**"), for the year ended 31st March, 2022 is given below:

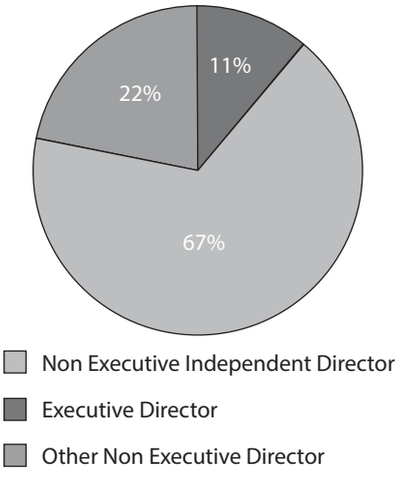
## 2. BOARD OF DIRECTORS:

**Board Composition:**

The Board of Directors ("Board") of the Company comprises of an optimum combination of Executive and Non-Executive Directors with Independent Directors forming majority which not only meet the legal obligation but also make a diversified Board with a mixed blend of experience, expertise and professionals.

The strength of the Board of Directors of the Company as on 31st March, 2022, is 9 (Nine). Of the 9 (Nine) Directors, 1 (One), is an Executive Director and 8 (Eight) i.e. more than 50% are Non-Executive Directors out of which 6 (Six) are Independent Directors including 1(One) Independent Woman Director. The Chairman of the Board is a Non-Executive Director and is not related to the Managing Director & Chief Executive Officer of the Company. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

**Composition of the Board as on 31st March, 2022**




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 holds directorship in more than 10 (Ten) public companies and in more than 7 (Seven) listed companies or serves as an Independent Director in more than 7 (Seven) listed companies, nor the Executive 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** has over 36 years of experience in the fields of business, finance, advisory and consultancy. He is the Chairman of Birla Corporation Limited, RCCPL Private Limited, Universal Cables Ltd., Vindhya Telelinks Ltd., Birla Cable Limited, Birla Furukawa Fibre Optics Pvt. Ltd. and Hindustan Gum & Chemicals Limited. He also serves as Trustee and Managing Committee Member of many social and philanthropic organizations. He is the executive committee member of Indian Chamber of Commerce. He has served as the member of the executive committee of FICCI and

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

served as the Co-Chairman of its Young Leaders Forum amongst other committees and also on the Managing Committee of Assocham. He has been a member of the Accounting Standards Board of the Institute of Chartered Accountants of India and on the board of several other leading companies in the past.

Apart from handling audits of several large publicly quoted companies in India amongst other professional work, he has been involved in 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 Lodha has served as the Honorary Consul of the Government of Romania for West Bengal, Orissa and Bihar and as Vice Consul of the Republic of Philippines for Eastern India.

**Shri Vikram Swarup, Independent Director,** is the Chairman-cum-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**, **Independent Director,** Member of the Indian Revenue Service (Retd.), held senior positions in the Central Government such as, Director Audit, Indian Customs and Central Excise, Member Finance, National Highways Authority of India. He worked in the Secretariat of the World Customs Organization, Brussels, Belgium. He undertook consultancy projects for the Harvard Institute for International Development, UNODC and Asian Development Bank.

**Shri Brij Behari Tandon, Independent Director,** was a Member of the Indian Administrative Service (IAS) and 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, Independent Director,** 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, Independent Director,** is an eminent economist and Emeritus Professor of Economics at Jawaharlal Nehru University. Earlier, he taught at the University of Oxford, University of Sussex and IIM Calcutta. More recently, he was Distinguished University Professor of Economics at the New School of Social Research, New York. He is the Chairman of the Board of the Institute of Development Studies, Sussex, in the UK. He was a Rhodes Scholar at Oxford and is Honorary Fellow, Balliol College, Oxford. He served as Chief Economic Adviser to the Government of India and Secretary, Ministry of Finance. He also served as Vice Chancellor, University of Delhi. He has published 18 books and more than 100 papers in academic journals. Dr. Nayyar was an Independent Director on the Board of the State Bank of India, ICRA, SAIL and ONGC. He is, at present, on the Board of The Press Trust of India Limited.

**Ms. Shailaja Chandra, Independent Woman Director,** was a Member of the Indian Administrative Service (IAS) who distinguished herself in several assignments including as 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 been posted in Maharashtra, Manipur, Goa, Delhi and the Andaman & Nicobar Islands.

After retirement, Ms. Chandra held a series of assignments carrying full-time 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, under the Ministry of Health & Family Welfare.

She was a full-time member of the Yamuna Monitoring Committee set up by the National Green Tribunal until early 2021. 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.

Recently she was conferred an honorary degree of Doctor of Literature by the University of Transdisciplinary Health Sciences & Technology, Bengaluru.

**Shri Dilip Ganesh Karnik**, **Non-Independent Non-Executive Director,** 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.

**Shri Arvind Pathak, Managing Director & Chief Executive Officer**, has around 39 years of overall experience of which 37 years has been in the cement industry. He has held CEO or equivalent positions for over 15 years in various large organisations which includes ACC, Dangote, Adani and Reliance ADAG group. Skilled in manufacturing, operations management, strategic planning, project development and execution, driving cost reduction and negotiations, Shri Pathak has a strong track record of successful planning and execution of long-term business plans. He holds a degree in Electrical Engineering from Indian Institute of Technology (Banaras Hindu University), Varanasi and a postgraduate degree in Industrial Engineering and Management. He has also been trained in a number of international management institutions.

**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.

Any new Director who joins the Board is presented with a brief background of the Company and its operations. While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, inter-alia, explains the role, functions, duties and responsibilities of the Director and the Board's expectations from him/her. A specimen thereof has been posted on the website of the Company which can be accessed at link https://www.birlacorporation.com/letter-of-appointment.pdf. The requirement of obtaining declarations from the Directors under the Companies Act, 2013, Listing Regulations and other relevant regulations are also explained in detail to the Directors and necessary affirmations are received from them in respect thereto.

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. Directors are regularly briefed about the industry 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 at http://www.birlacorporation.com/directors-induction.html

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

During the financial year 2021-2022, 6 (Six) Meetings of the Board of Directors of the Company were held on 12th May, 2021; 5th August, 2021; 10th September, 2021; 10th November, 2021; 18th January, 2022 and 4th February, 2022. The time gap between two consecutive board meetings did not exceed one hundred and twenty days.

The Company's Board plays a pivotal role in ensuring good governance and functioning of the Company. Members of the Board freely express their views on the meeting agenda and discuss pertinent issues at the meeting with the permission of the Chairman. They provide valuable guidance and advice on various aspects of business, policy, direction, strategy, governance and compliance. The Board is kept updated on regulatory/statutory amendments applicable to the Company.

Meetings are governed by a structured agenda which are circulated to the Directors in advance. All the agenda items are backed by comprehensive background information and documents to enable the Board to take informed decisions. In special and exceptional circumstances, additional item(s) are also considered. The Chairman along with the Executive Director, Chief Executive Officer, Chief Financial Officer, Executive Presidents, Presidents of the Company makes presentation on the quarterly and annual financial performance and on annual operating and capex budget, as and when required. 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. The Draft minutes are prepared and

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

circulated to all the Directors for their comments. The finalised Minutes duly incorporating the comments of the Directors are entered in the Minutes Book and thereafter signed by the Chairman, in due compliance with the applicable provisions of the Companies Act, 2013 and the Secretarial Standards.

The details of Directors on the Board, their relationship with other Directors, their attendance at the Board Meetings as well as at the Annual General Meeting held during the financial year 2021-2022 (through Video Conferencing/Other Audio Visual Means), 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, 2022 are as follows:

| Name of the Director | Category | No. of Board Meetings attended | Attendance at last AGM held on 29.09.2021 | No. of shares held | No. of other Directorship$ | Details of other Board Committee / Membership# | | List of Directorship held in Other Listed Companies and Category of Directorship |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Member | Chairman | |
| Shri Harsh V. Lodha (Chairman) | Non-Independent Non- Executive | 6 | P | 1260* | 7 | - | - | 1. Alfred Herbert (India) Ltd, (NED)<br>2. Birla Cable Ltd., (NED)<br>3. Universal Cables Ltd., (NED)<br>4. Vindhya Telelinks Ltd., (NED) |
| Shri Vikram Swarup | Independent Non-Executive | 6 | P | 500* | 6 | 1 | - | 1. Jay Shree Tea & Industries Limited (ID) |
| Shri Anand Bordia | Independent Non-Executive | 6 | P | 500* | 1 | 1 | - | 1. Roto Pumps Ltd., (ID) |
| Shri Brij Behari Tandon | Independent Non-Executive | 1 | A | 500* | 3 | 3 | - | 1. Filatex India Ltd., (ID)<br>2. Duncan Engineering Ltd., (ID) |
| Shri Dhruba Narayan Ghosh | Independent Non-Executive | 6 | P | 500* | 1 | - | - | None |
| Dr. Deepak Nayyar | Independent Non-Executive | 6 | A | 500* | 1 | 1 | - | None |
| Ms. Shailaja Chandra | Independent Non-Executive | 6 | A | 596** | 3 | 2 | 1 | 1. Fortis Healthcare Limited (ID)<br>2. Fortis Malar Hospitals Limited(ID) |
| Shri Dilip Ganesh Karnik | Non-Independent Non-Executive | 5 | A | 500 | 5 | 3 | - | 1. ICICI Prudential Life Insurance Co. Ltd., (ID)<br>2. Universal Cables Ltd., (NED)<br>3. Vindhya Telelinks Ltd., (NED) |
| Shri Arvind Pathak (Managing Director & Chief Executive Officer) | Executive | 6 | P | 550 | - | - | - | None |

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

* Shares held jointly with other shareholder.

** 96 shares are held in her name singly and 500 shares are held jointly with other shareholder.

$ As per the disclosure received from the respective directors and 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.

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 Vikram Swarup | Shri Anand Bordia | Shri Brij Behari Tandon | Dr. Deepak Nayyar | Shri Dhruba Narayan Ghosh | Smt. Shailaja Chandra | Shri Dilip Ganesh Karnik | Shri Arvind Pathak |
|---|---|---|---|---|---|---|---|---|---|
| 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 are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. 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. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013 and that they are independent of the management.

**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. In compliance with the relaxations granted by the Ministry of Corporate Affairs due to ongoing Covid-19 pandemic, all the Board/Committee Meetings of the Company were held through Video Conferencing during the financial year 2021-2022.

**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 has been placed on the website of the Company which can be accessed at https://www.birlacorporation.com/investors/code-of-conduct/code-of-conduct-director-and-senior-management.pdf

All Board members and senior management personnel have affirmed their adherence to the provisions of the said Code of Conduct during the year 2021-2022.

A declaration to this effect signed by the Managing Director & Chief Executive Officer in terms of the Listing Regulations is attached in this report 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 which can be accessed at link: https://www.birlacorporation.com/investors/code-of-conduct/code-of-conduct-independent-directors.pdf

## 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 as laid down under Section 177 of the Companies Act, 2013 and Regulation 18 read with Schedule II Part C of the Listing Regulations. The Committee acts as a link between the auditors and the Board of Directors.

3.2 The extract of 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. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Evaluation of internal financial controls and risk management systems;
6. 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;
7. 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 year 2021-2022, 4(Four) meetings of the Audit Committee of the Company were held on 11th May, 2021, 4th August, 2021, 9th November, 2021 and 3rd February, 2022. The time gap between any two consecutive meetings did not exceed one hundred and twenty days. The composition of the Committee and the attendance of members of the Committee during the year 2021-2022 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, 2022 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 Executive Directors, Chief Management Advisor, Chief Financial Officer, Executive Presidents, Presidents, Head of Management Audit Department and representatives of the Statutory Auditors are invited to the Audit Committee Meetings as and when required. 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 report are discussed.

During the year under review, in terms of SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2019/121 dated 4th November, 2019, the Audit Committee also held a separate one-to-one meeting with the Credit Rating Agencies to discuss issues including related party transactions, internal financial control and other material disclosures made by the management, which have a bearing on rating of the listed Non-Convertible Debentures.

The Company Secretary acts as the Secretary of the Audit Committee.

The minutes of the meetings of the Audit Committee are placed before and noted by the Board. All recommendations made by the Audit Committee were accepted by the Board of Directors of the Company during the financial year 2021-2022.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 29th September, 2021.

## 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 Regulation 19 of the Listing Regulations.

4.2 The extract of terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

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 of Directors;

iii) Devising a policy on Board diversity;

iv) To affirm compliance with the provisions of Schedule V to the Companies Act, 2013;

v) Recommend to the board, all remuneration, in whatever form, payable to senior management;

vi) Perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

4.3 During the year 2021-2022, 2 (Two) meetings of the Nomination and Remuneration Committee of the Company were held on 11th May, 2021 and 10th September, 2021. The composition of the Committee and the attendance of members of the Committee during the year 2021-2022 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 |

As on 31st March, 2022, the Nomination and Remuneration Committee consisted of five directors, all of whom are Non-Executive Directors.

The minutes of the meetings of the Nomination and Remuneration Committee are placed before and noted by the Board. All recommendations made by the Nomination and Remuneration Committee were accepted by the Board of Directors of the Company during the financial year 2021-2022.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 29th September, 2021.

4.4 **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.

4.5 **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.

4.6 **Details of remuneration paid to the Executive/Non-Executive Directors during the financial year ended 31st March, 2022:**

**(a) Shri Arvind Pathak, Managing Director & Chief Executive Officer:**

(₹ in Lakhs)

| Name | Salary | Perquisites and Allowances | Sitting Fees | Performance Linked Bonus | Total amount paid/payable in 2021-2022 | Period of Service Contract | Notice period |
|---|---|---|---|---|---|---|---|
| Shri Arvind Pathak | 120.00 | 230.41 | - | 80.00 | 430.41 | 3 Years w.e.f. 31.03.2021 | 3 months' notice period |

**(b) Shri Pracheta Majumdar, Wholetime Director designated as Chief Management Advisor*:**

(₹ in Lakhs)

| Name | Salary | Perquisites and Allowances | Sitting Fees | Performance Linked Bonus | Total amount paid/ payable in 2021-2022 | Period of Service Contract |
|---|---|---|---|---|---|---|
| Shri Pracheta Majumdar | 20.73 | 0.12 | - | - | 20.85 | 3 Years w.e.f. 20.05.2018 |

* Ceased to be the Wholetime Director w.e.f. 20th May, 2021.

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

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

The details of the commission and sitting fees paid/payable to Non-Executive Directors for the financial year 2021-2022 is given below:

(In ₹)

| Name | Commission (Relating to financial year 2021-2022) | Sitting Fees |
|---|---|---|
| Shri Harsh V. Lodha* | - | 8,00,000 |
| Shri Vikram Swarup | 10,00,000 | 13,50,000 |
| Shri Anand Bordia | 10,00,000 | 12,00,000 |
| Shri Brij Behari Tandon | 10,00,000 | 2,75,000 |
| Shri Dhruba Narayan Ghosh | 10,00,000 | 7,50,000 |
| Dr. Deepak Nayyar | 10,00,000 | 12,00,000 |
| Ms. Shailaja Chandra | 10,00,000 | 8,00,000 |
| Shri Dilip Ganesh Karnik | 10,00,000 | 6,00,000 |

* Shri Harsh V. Lodha, Non-Executive Chairman of the Company has decided not to accept any commission and foregone his right for the financial year 2021-22 in view of continuous COVID-19 pandemic situation and uncertain economic scenario.

Non-Executive Directors, including Independent Directors, are paid sitting fees for attending the meetings of the Board and Committees of the Board. The Non-Executive Directors including Independent Directors are also paid commission, the amount whereof is determined by the Board within the prescribed ceiling under the Companies Act, 2013.

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. DIRECTORS AND OFFICERS INSURANCE:

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has undertaken Directors and Officers Insurance ('D and O' insurance) for all its Directors, including Independent Directors for such quantum and risks as determined by the Board of Directors of the Company.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

6.1 Stakeholders Relationship Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

6.2 The extract of terms of reference of the Stakeholders Relationship Committee inter-alia includes the following:

i. To look into the mechanism of redressal of grievances of Shareholders, Debenture holders and other Security holders;

ii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

iii. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

iv. Perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

6.3 During the year 2021-2022, 4(Four) meetings of the Stakeholders Relationship Committee of the Company were held on 12th May, 2021, 5th August, 2021, 10th November, 2021 and 4th February, 2022. The composition of the Committee and the attendance of members of the Committee during the year 2021-2022 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 | 1 |
| Shri Vikram Swarup | Independent Non-Executive Director | 4 |
| Shri Arvind Pathak# | Executive Director | 3 |

* Ceased to be a member of the Committee w.e.f. 13th May, 2021.
# Appointed as a member of the Committee w.e.f. 13th May, 2021.

6.4 In addition, the Stakeholders Relationship Committee approved 10 (Ten) Resolutions by Circulation for effecting registration of transmission of shares request for issuance of duplicate Share Certificates, deletion of name of the deceased, correction/change of names and other issues concerning investor services during the year.

The Company has received 2 (Two) complaints from the shareholders during the year 2021-2022 and the same has been processed in time and replied/resolved to the satisfaction of the shareholders.

As on 31st March, 2022, no grievances of the shareholders remained unaddressed/pending.

The minutes of the meetings of the Stakeholders Relationship Committee are placed before and noted by the Board. During the year, all recommendations made by the Stakeholders Relationship Committee were accepted by the Board of Directors of the Company.

Shri Manoj Kumar Mehta, Company Secretary & Legal Head is the Compliance Officer of the Company for complying with the requirements of the Listing Regulations. He is also the Nodal Officer for IEPF matters.

The Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on 29th September, 2021.

## 7. COMMITTEE OF DIRECTORS:

7.1 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.

7.2 During the year 2021-2022, 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 (Chairman) | Non-Independent Non-Executive Director |
| Shri Pracheta Majumdar* | Executive Director |
| Shri Vikram Swarup | Independent Non-Executive Director |
| Shri Arvind Pathak# | Executive Director |

* Ceased to be a member of the Committee w.e.f. 13th May, 2021.
# Appointed as a member of the Committee w.e.f. 13th May, 2021.

## 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

8.1 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 the Companies (Corporate Social Responsibility Policy) Rules, 2014.

8.2 The extract of terms of reference of the Corporate Social Responsibility Committee of the Company inter-alia includes the following:

a. 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;

b. To recommend the amount of expenditure to be incurred on various CSR activities in a financial year;

c. To monitor the Corporate Social Responsibility Policy of the Company from time to time;

d. To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy;

e. To decide on 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;

f. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

8.3 During the year 2021-2022, 2 (Two) meetings of the CSR Committee of the Company were held on 12th May, 2021 and 10th November, 2021. The composition of the Committee and the attendance of members of the Committee during the year 2021-2022 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 Dhruba Narayan Ghosh | Independent Non-Executive Director | 2 |

The minutes of the meetings of the CSR Committee are placed before and noted by the Board. During the year, all recommendations made by the Corporate Social Responsibility Committee were accepted by the Board of Directors of the Company.

## 9. RISK MANAGEMENT COMMITTEE:

9.1 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. The Committee acts in accordance with the provisions of Section 134 of the Companies Act, 2013 read with the provisions of the Listing Regulations.

9.2 The extract of terms of reference of the Risk Management Committee of the Company inter-alia includes the following:

i. To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

(b) Measures for risk mitigation including systems and processes for internal control of identified risks;

(c) Business continuity plan;

ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv. To review the cyber security systems of the Company;

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

v. To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

9.3 During the year 2021-2022, 2 (Two) meetings of the Risk Management Committee were held on 4th August, 2021 and 31st January, 2022. The gap between two meetings was not more than one hundred and eighty days as stipulated under the Listing Regulations. The composition of the Committee and the attendance of members of the Committee during the year 2021-2022 is as under:

| Name of the Member | Category | No. of meetings attended |
|---|---|---|
| Shri Brij Behari Tandon (Chairman) | Independent Non-Executive Director | 0 |
| Ms. Shailaja Chandra | Independent Non-Executive Director | 2 |
| Shri Dilip Ganesh Karnik | Non-Executive Director | 2 |
| Shri Aditya Saraogi (Chief Financial Officer) | Member | 2 |
| Shri Arvind Pathak* | Executive Director | 2 |

* Appointed as a member of the Committee w.e.f. 13th May, 2021

The minutes of the meetings of the Risk Management Committee are placed before and noted by the Board. During the year, all recommendations made by the Risk Management Committee were accepted by the Board of Directors of the Company.

## 10. SEPARATE MEETING OF INDEPENDENT DIRECTORS':

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.

In compliance with Regulation 25(3) of the Listing Regulations and Schedule IV of the Companies Act, 2013, during the year under review, 1 (One) separate meeting of the Independent Directors of the Company was held on 4th February, 2022 without the presence of Non-Independent Directors and members of the management. At the said meeting, the Independent Directors, inter-alia, considered and discussed the following:

a) Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

c) 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 2021-2022 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 | 0 |
| 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.

## 11. SUBSIDIARY COMPANIES:

In terms of Regulation 24(1) of the Listing Regulations, the Company has a material unlisted Subsidiary namely RCCPL 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:

a) Financial statements, in particular the investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company;

b) Minutes of the Meetings of the Board of Directors of all subsidiary companies are placed before the Company's Board regularly;

c) 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;

d) 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, by the Audit Committee of the Company.

## 12. GENERAL BODY MEETINGS:

12.1 The details of Annual General Meeting held during the last three years are as under:

| AGM | Financial Year | Venue | Date | Time |
|---|---|---|---|---|
| 101st | 2020-2021 | AGM held through Video Conference / Other Audio-Visual Means (Deemed Venue was 1, Shakespeare Sarani, 2nd Floor, Kolkata - 700 071) | 29.09.2021 | 10:30 A.M. |
| 100th | 2019-2020 | AGM held through Video Conference / Other Audio-Visual Means (Deemed Venue was 1, Shakespeare Sarani, 2nd Floor, Kolkata - 700 071) | 25.08.2020 | 10:30 A.M. |
| 99th | 2018-2019 | Kalpataru Uttam Mancha 10/1/1, Monohar Pukur Road, Kolkata - 700 026 | 13.08.2019 | 10:30 A.M. |

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

| AGM | Financial Year | Details of Special Resolution passed |
|---|---|---|
| 101st | 2020-2021 | No Special Resolution was passed. |
| 100th | 2019-2020 | Payment of Commission to Shri Harsh V. Lodha (DIN: 00394094), Non-Executive Chairman of the Company for the financial year 2020-2021. |
| 99th | 2018-2019 | 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 2019-2020. |

12.3 **Extraordinary General Meeting:**

No Extraordinary General Meeting of the members was held during the Financial Year 2021-2022.

12.4 **Postal Ballot:**

During the Financial Year 2021-2022, no resolution has been passed through Postal Ballot.

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

## 13. 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 2021-2022 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 2021-2022 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. 61 of the Financial Statements.

The Policy on Related Party Transaction has been placed on the website of the Company and can be accessed at https://www.birlacorporation.com/investors/policies/policy-on-related-party-transactions-BCL.pdf

**ii) Compliance with Accounting Standard:**

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) specified under Section 133 of the Companies Act, 2013 read with relevant Rules made thereunder 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.

**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 ₹8,260/- (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.

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

**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.

It is affirmed that none of the Directors nor any employees of the Company has been denied access to the Chairman of 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**: As the quarterly, half yearly and annual financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders separately.

ii) **Modified Opinion in Auditors Report**: The Company's financial statements for the financial year 2021-2022 do not contain any modified audit opinion.

iii) **Reporting of Internal Auditors**: The Internal Auditors reports to the Audit Committee and they participate in the meetings of the Audit Committee and present their internal audit observations to the Audit Committee.

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

The Company's Policy for determining Material Subsidiary is placed on the website of the Company and can be accessed at the 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 regarding Non-Debarment and Non-Disqualification of Directors:**

The Certificate received from M/s. Mamta Binani & Associates, Company Secretaries certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority, is attached to this report and forms part of the Annual 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 ₹1.09 Crores on 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.

**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.

There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as on the end of the Financial Year 2021-2022.

**xiii)** The details of loans and advances granted by the Company to the firms/companies in which directors are interested has been disclosed in Note No.11 of the Standalone Financial Statements.

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

**xv)** 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.

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

## 14. PREVENTION OF INSIDER TRADING:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Prohibition of Insider Trading Regulations'), the Company has formulated and adopted the 'Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' ('Code').

The said Code was amended and approved by the Board of Directors at its meeting held on 12th May, 2021.

The said Code is applicable to all the Designated Persons, their immediate relatives, and subsidiaries of the Company and 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 at the link: http://www.birlacorporation.com/bcl-insider-trading.pdf

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.

A structured digital database is being maintained by the Company, which contains the names of the Designated Persons and other particulars as prescribed under the Code.

The Board has also 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, 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.

## 15. CEO & CFO CERTIFICATION:

The Managing 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 to this report and forms part of the Annual Report.

The 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.

## 16. COMPLIANCE CERTIFICATE OF THE AUDITORS:

A Compliance Certificate has been received from the Company's Statutory Auditors, M/s. V. Sankar Aiyar & Co., Chartered Accountants, pursuant to Schedule V of the Listing Regulations regarding the compliance of conditions of Corporate Governance. The said certificate is attached to this report and forms part of the Annual Report.

## 17. MEANS OF COMMUNICATION:

The quarterly, half-yearly and the annual financial results of the Company are published in one English newspaper circulating in whole or substantially the whole of India and in one vernacular newspaper. The results are also displayed on the Company's website at 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 at www.birlacorporation.com. 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.

**Annual Report**: Pursuant to the MCA circulars and SEBI Circulars, the Annual Report for Financial Year 2020-2021 containing the Notice of AGM was sent through email to all those Members whose email IDs were registered with the Company/Depository Participants.

**SEBI Complaints Redressal System (SCORES)**: The investors complaints are also being processed through the centralized web based 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.

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

**Communication related to Dividend and updation of records**: The Company issues various reminder letters to shareholders whose dividend is outstanding, PAN, Bank details are not updated and those whose shares are liable to be transferred to IEPF.

## 18. GENERAL SHAREHOLDERS' INFORMATION:

18.1 **Annual General Meeting**

Date and Time : 27th September, 2022 at 10.30 a.m.

Venue : Kalpatru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata - 700026.

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

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

1st Quarterly Results
2nd Quarterly/Half yearly Results : Within 45 days of the end of the quarter
3rd Quarterly Results

Audited yearly Results (for the year ending 31st March, 2023) : Within 60 days of the end of the Financial Year

18.4 **Date of Book closure** : 21st September, 2022 to 27th September, 2022 (both days inclusive)

18.5 **Dividend Payment date** : Within 30 days from the date of Annual General Meeting.

18.6 **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 Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001. | 500335 |

**B. Debt Securities**

The details of Non-Convertible Debentures issued by the Company are as under:

| Non-Convertible Debentures Series | Listing Details |
|---|---|
| Series V* | Listed on the Wholesale Debt Market Segment of BSE Limited. |
| Series VI | Listed on the Wholesale Debt Market Segment of BSE Limited. |
| Series VII | Listed on the Wholesale Debt Market Segment of BSE Limited. |
| Series VIII | Not listed |
| Series IX# | Listed on the Wholesale Debt Market Segment of BSE Limited. |

* Redeemed during the financial year 2021-2022.

# Issued during the financial year 2021-2022.

Annual Listing fees for the financial year(s) 2021-2022 and 2022-2023 have been paid by the Company on time to the above Stock Exchanges.

**C. Debenture Trustees**

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

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

INE340A01012

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

| Details of Debentures | ISIN |
|---|---|
| Secured Redeemable Non-Convertible Debentures Series –V | INE340A07076* |
| Secured Redeemable Non-Convertible Debentures Series –VI | INE340A07084 |
| Secured Redeemable Non-Convertible Debentures Series –VII | INE340A07092 |
| Secured Redeemable Non-Convertible Debentures Series –VIII | INE340A07100 |
| Secured Redeemable Non-Convertible Debentures Series –IX | INE340A07118# |

*Redeemed during the financial year 2021-2022.

#Issued during the financial year 2021-2022.

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

L01132WB1919PLC003334

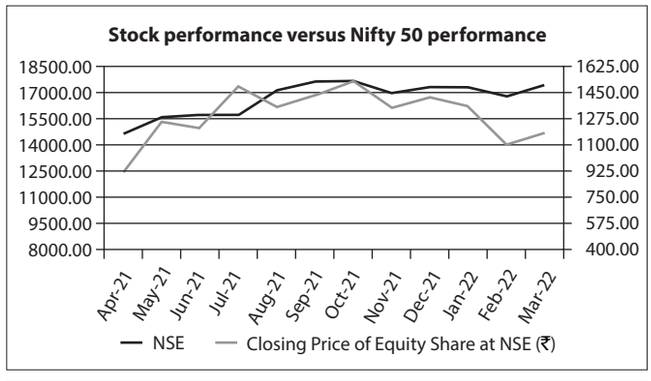
18.10 **Market Price Data during financial year 2021-2022:**

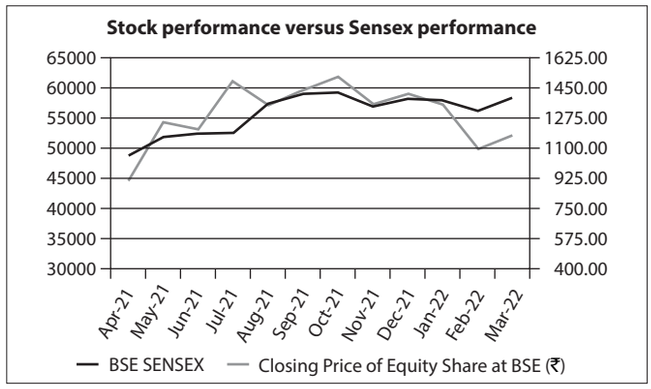
| Month | BSE Limited (in ₹) | | National Stock Exchange of India Limited (₹) | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2021 | 1014.20 | 898.45 | 1014.90 | 897.25 |
| May, 2021 | 1387.90 | 899.00 | 1384.80 | 905.00 |
| June, 2021 | 1296.90 | 1135.40 | 1296.00 | 1141.00 |
| July, 2021 | 1560.00 | 1186.60 | 1585.00 | 1186.80 |
| August, 2021 | 1518.00 | 1242.10 | 1518.00 | 1256.50 |
| September, 2021 | 1449.00 | 1278.00 | 1447.80 | 1276.15 |
| October, 2021 | 1600.00 | 1314.00 | 1602.95 | 1313.00 |
| November, 2021 | 1649.00 | 1218.00 | 1650.00 | 1211.05 |
| December, 2021 | 1514.55 | 1295.45 | 1515.00 | 1296.00 |
| January, 2022 | 1626.55 | 1303.25 | 1628.50 | 1301.40 |
| February, 2022 | 1432.15 | 1052.15 | 1432.00 | 1035.05 |
| March, 2022 | 1197.85 | 976.40 | 1197.90 | 975.00 |

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

18.11 **Stock Performance in comparison to broad-based indices like BSE and Nifty is given below:**

| Month | Closing Price of Equity Share at BSE (₹) | BSE (SENSEX) | Closing Price of Equity Share at NSE (₹) | NSE (NIFTY) |
|---|---|---|---|---|
| April, 2021 | 917.20 | 48782.36 | 918.15 | 14631.10 |
| May, 2021 | 1255.40 | 51937.44 | 1255.25 | 15582.80 |
| June, 2021 | 1212.05 | 52482.71 | 1212.85 | 15721.50 |
| July, 2021 | 1494.00 | 52586.84 | 1492.60 | 15763.05 |
| August, 2021 | 1355.10 | 57552.39 | 1354.10 | 17132.20 |
| September, 2021 | 1440.55 | 59126.36 | 1435.70 | 17618.15 |
| October, 2021 | 1521.80 | 59306.93 | 1528.30 | 17671.65 |
| November, 2021 | 1357.30 | 57064.87 | 1349.10 | 16983.20 |
| December, 2021 | 1420.20 | 58253.82 | 1421.65 | 17354.05 |
| January, 2022 | 1358.70 | 58014.17 | 1360.75 | 17339.85 |
| February, 2022 | 1095.15 | 56247.28 | 1097.25 | 16793.90 |
| March, 2022 | 1179.45 | 58568.51 | 1182.20 | 17464.75 |




18.12 **Registrar & Share Transfer Agent:**

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

18.13 **Share Transfer System:**

To enhance ease of dealing in securities market by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/ GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc.). The Board has delegated the authority for approving transmissions or transposition of shares etc. to the Stakeholders Relationship Committee. The decisions of Stakeholders Relationship Committee are placed before the Board at the subsequent Board Meeting. The Company obtains from a Company Secretary in Practice, a yearly certificate of compliance with the share transfer formalities as required under Regulation 40 of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders should communicate with MCS Share Transfer Agent Limited, the Company's Registrar & Share Transfer Agent at mcssta@rediffmail.com quoting their folio number or DP ID/ Client ID number, for any queries relating to their securities.

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).

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

Nil.

18.15 **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/ 0000000141 dated 15th November, 2018.

During the year 2021-2022, 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. 55.3.2 to the Annual Standalone Financial Statement.

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

18.16 **Details of Credit Ratings assigned/re-affirmed to the Company during financial year 2021-2022:**

| 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) |
| 7.05% Non-Convertible Debentures | 150.00 | IND AA (Stable) |
| 5.75% Non-Convertible Debentures (Floating Rate) | 150.00# | IND AA (Stable) |
| Commercial Paper | 300.00 | CRISIL A1+ |
| Long Term Bank facilities | 700.04 | CARE AA (Stable) |
| Long / Short Term Bank facilities | 733.00 | CARE AA (Stable)/ CARE A1+ |

* Redeemed during the financial year 2021-2022.

# Issued during the financial year 2021-2022.

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

| Financial Year | Date of Declaration | Dividend per Share (₹) |
|---|---|---|
| 2021 – 2022 | 27.09.2022 | 10.00* |
| 2020 – 2021 | 29.09.2021 | 10.00 |
| 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 |

* 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. Subsequent 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 paid the dividend to the Shareholders.

18.18 **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. Accordingly, during the financial year 2022-2023, final dividend for the financial year 2014-2015 declared at the Annual General Meeting of the Company held on 2nd July, 2015 which remains unpaid/unclaimed on due date i.e. 7th August, 2022, will be transferred to the IEPF Authority.

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2021 on the website of the Company at https://www.birlacorporation.com/investors/unpaid-dividend/Form-IEPF-2-web.pdf and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. The details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2022 shall be updated within 60 days of AGM.

18.19 **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 accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer shares in respect of which dividends remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. Accordingly, during the financial year 2021-2022, the Company has transferred 19,425 ordinary 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. 26th September, 2021.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority.

All shares in respect of which dividends have remained unpaid/unclaimed for a consecutive period of seven years or more since 2014-2015 will also be transferred to the IEPF Authority within 30 days from the due date of transfer i.e. 7th August, 2022. Before transferring the shares, the Company publish Notice in the newspapers inviting the Members attention in this regard. The Company also send out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the IEPF Rules. Members who have not encashed the dividend warrant(s) from financial year 2014-2015, onwards may forward their claims to the Company's Registrar & Share Transfer Agent to avoid any transfer of dividend or shares to the IEPF Authority.

Further, it may also be noted that in terms of Sections 124(6) and 125(3) of the Companies Act, 2013 read with Rule 7 of the IEPF Rules, the shares and unclaimed dividends transferred to the IEPF Authority can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The

Member/Claimant is required to make an online application to the IEPF Authority in e-Form No. IEPF-5 (available on www.iepf.gov.in) and submit the requisite documents to the Nodal Officer/Deputy Nodal Officer of the Company whose e-mail id is investorsgrievance@birlacorporation.com.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at https://www.birlacorporation.com/nodal-officer.html.

18.20 **Payment of Dividend to Investors through Electronic Mode:**

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' NACH/NEFT/Direct Credit facility mode. Members who hold shares in demat mode should inform their depository participant, whereas members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

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

The details in respect of ordinary shares lying in the unclaimed suspense account which was issued in demat form and physical form, respectively as on 31st March, 2022, 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 i.e. 1st April, 2021 | 96 | 6904 | 0 | 0 |
| Number of shareholders/ legal heirs who approached the Company for transfer of shares and to whom shares were 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 | 87 | 6654 | 0 | 0 |
| Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying at the end of the year i.e. 31st March, 2022 | 9 | 250 | 0 | 0 |

The voting rights on the aforesaid shares lying in the Unclaimed Suspense Account as on 31st March, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

Shareholders who have not claimed their shares are requested to contact the Registrar & Share Transfer Agent of the Company by forwarding a request letter duly signed by the shareholders furnishing their postal address, self-attested copies of PAN card & proof of address and for delivery of shares in DEMAT form, a copy of Demat Account-Client Master Report duly certified by the Depository Participant and a recent demat account statement, to enable the Company to release the said shares to the rightful owner.

18.22 **Distribution of shareholding as on 31st March, 2022:**

| No. of Ordinary shares held | No. of shareholders | % of Shareholders | No. of Ordinary shares | % of shareholding |
|---|---|---|---|---|
| Upto 500 | 88201 | 97.23 | 4904618 | 6.37 |
| 501 to 1000 | 1306 | 1.44 | 952945 | 1.24 |
| 1001 to 2000 | 594 | 0.65 | 860076 | 1.12 |
| 2001 to 3000 | 164 | 0.18 | 410564 | 0.53 |
| 3001 to 4000 | 88 | 0.10 | 314011 | 0.41 |
| 4001 to 5000 | 62 | 0.07 | 289430 | 0.37 |
| 5001 to 10000 | 90 | 0.10 | 663372 | 0.86 |
| 10001 and above | 205 | 0.23 | 68610331 | 89.10 |
| **Total** | **90710** | **100.00** | **77005347** | **100.00** |
| **Physical Mode** | **3074** | **3.39** | **286343** | **0.37** |
| **Electronic Mode** | **87636** | **96.61** | **76719004** | **99.63** |

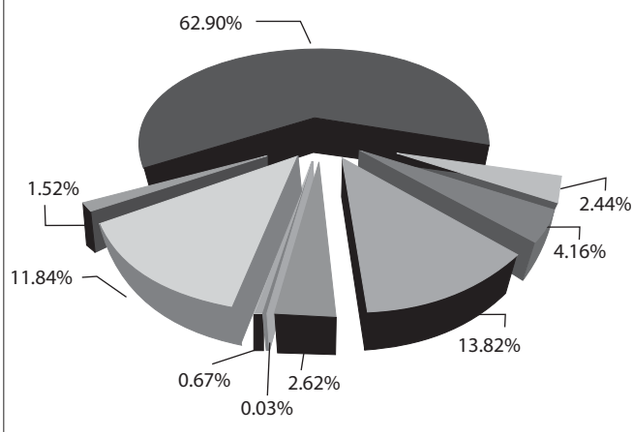
18.23 **Shareholding Pattern:**

**Category of Shareholders as on 31st March, 2022:**

| Category | No. of shareholders | % of Shareholders | No. of Ordinary shares | % of shareholding |
|---|---|---|---|---|
| Promoter & Promoter Group | 32 | 0.04 | 48434191 | 62.90 |
| Insurance Companies | 9 | 0.01 | 1878807 | 2.44 |
| Foreign Portfolio Investors | 90 | 0.10 | 3200792 | 4.16 |
| Mutual Funds | 64 | 0.07 | 10644641 | 13.82 |
| Bodies Corporate (others) | 945 | 1.04 | 2016383 | 2.62 |
| Financial Institutions/Banks | 18 | 0.02 | 23250 | 0.03 |
| NRIs/ Foreign Nationals | 2719 | 3.00 | 512194 | 0.67 |
| Individuals | 86682 | 95.55 | 9121720 | 11.84 |
| Others | 151 | 0.17 | 1173369 | 1.52 |
| **TOTAL** | **90710** | **100.00** | **77005347** | **100.00** |

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

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022**




18.24 **Dematerialisation of Shares and Liquidity:**

As on 31st March, 2022, 99.63% of the Company's total ordinary shares representing 76719004 shares were held in dematerialised form and 286343 shares representing 0.37% of paid-up share capital were held in physical form.

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE and have adequate liquidity.

18.25 **Reconciliation of Share Capital Audit:**

As stipulated by the Securities and Exchange Board of India (SEBI), 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.

18.26 **Plant Locations:**

**Birla Corporation Limited:**

| | |
|---|---|
| **Satna (Madhya Pradesh)** | P.O. Birla Vikas, Satna - 485 005, Madhya Pradesh |
| **Chanderia (Rajasthan)** | Madhavnagar, P.O. Cement Factory, Chanderia - 312 021, Rajasthan |
| **Kolkata (West Bengal)** | 102, Narkeldanga Main Road, Kolkata - 700 054 |
| **Birlapur (West Bengal)** | Birlapur - 743 318, 24 Parganas (S), West Bengal |
| **Durgapur (West Bengal)** | Near DSP Slag Bank, Durgapur - 713 203, Dist: Paschim Bardhaman, West Bengal |
| **Raebareli (Uttar Pradesh)** | Plot No. D/9 to D/15, UPSIDC Industrial Area, Phase II, Amawan Road, P.O. Raebareli - 229 001, Uttar Pradesh |
| **Chakan (Maharashtra)** | Gate nos. 357/96, 97, 98 & 100, Village - Kharabwadi, Chakan Talegaon Road, Chakan - 410 501, Taluka - Khed, Dist - Pune, Maharashtra |
| **Gurgaon (Haryana)** | Village- Nawada : Fatehpur, Post Office- Sikanderpur - Badha, Dist - Gurugram, Gurugram - 122 001 |

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

| | |
|---|---|
| **Maihar (Madhya Pradesh)** | Village - Bharauli, PO - Itahra, Maihar - 485 775, Satna, Madhya Pradesh |
| **Kundanganj (Uttar Pradesh)** | Village - Karanpur, Near Kundanganj Railway Station, Dist. Raebareli - 229 303, UP |
| **Butibori (Maharashtra)** | J-2, M.I.D.C., Butibori Industrial Area, Butibori, Nagpur - 441 122, Maharashtra |
| **Mukutban (Maharashtra)** | Taluka - Zari Jamani, Dist. Yavatmal, Maharashtra - 445 319 |

18.27 **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
Phone No.: (033) 66166729, 66166737
Fax: (033) 2248-7988/2872
Email: investorsgrievance@birlacorp.com

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

investorsgrievance@birlacorp.com

## 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, 2022 as envisaged under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **BIRLA CORPORATION LIMITED**

**(ARVIND PATHAK)**
Managing Director &
Chief Executive Officer

Place: Kolkata
Dated, the 11th May, 2022

## 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, 2022 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: A055836D000383273

Place: Kolkata
Date: 11.05.2022

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

## Managing Director & Chief Executive Officer and Chief Financial Officer (CFO) Certification

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015]

The Board of Directors
Birla Corporation Limited
9/1, R.N. Mukherjee Road,
Kolkata – 700 001

We, Arvind Pathak, Managing 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, 2022 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 has 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.

Place: Kolkata
Dated, the 11th May, 2022

**(ARVIND PATHAK)**
Managing Director & Chief Executive Officer

**(ADITYA SARAOGI)**
Chief Financial Officer

## 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, 2022, 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, 2022. 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.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
(Firm Regn. No.: 109208W)

**(M.S. BALACHANDRAN)**
Partner (M. No.: 024282)
UDIN: 22024282AIUCKD9045

Place: Kolkata
Dated, the 11th May, 2022

# STANDALONE FINANCIAL STATEMENTS

# 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 2022, the Statement of Profit and 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 2022, profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 Matters | Auditor's Response |
|---|---|
| **Recoverability of MAT Credit Entitlement in future:**<br><br>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 of long-term future profitability, future revenue from proposed projects and tax regulations and developments.<br><br>As a result, the recognition of the deferred tax asset on above is significant to our audit.<br><br>The disclosures relating to the above are included in Note No. 25 of the standalone financial statements. | Audit procedures included, among others, review of:<br>• 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.<br>• 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.<br>• The adequacy of the Company's disclosures in the financials on deferred tax assets and assumptions used. |
| **Litigations and Claims**<br><br>The Company is exposed to different laws, regulations and interpretations thereof which encompasses direct / indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal and tax proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. | Our audit procedure in response to this key Audit Matter included, among others,<br>• Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings. |

| | |
|---|---|
| Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter.<br><br>These estimates could change significantly over time as new facts emerge and each legal case progresses.<br><br>Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amounts of provisions required or to determine required disclosures, this is a key audit matter.<br><br>(Refer Note No. 41 to the standalone financial statements) | • Assessment of assumptions used in the evaluation of possible legal and tax risks by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases.<br><br>• Inquiry with the legal and tax divisions of the Company regarding the status of the most significant disputes and perusal of the relevant documentation.<br><br>• Taking note of opinion received from the experts, where available.<br><br>• Review of the adequacy of the disclosures in the notes to the standalone financial statements. |

**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, 2020 ("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, to the extent applicable.

2 As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 as on 31st March, 2022 on its financial position in its standalone financial statements – Refer Note 41 to the standalone financial statements;

ii. The Company has made provision as on 31st March 2022, 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 during the year ended 31st March, 2022 in accordance with the relevant provisions of the Act and Rules made there under;

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 59.4 to the standalone financial statements);

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 59.4 to the standalone financial statements); and

(c) Based on the audit procedures performed that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The dividend declared and paid during the year by the Company is in accordance with section 123 of the Act.

**For V. Sankar Aiyar & Co.**
Chartered Accountants
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)
Partner (M. No: 024282)
UDIN: 22024282AIUCCK5845

Place : Kolkata
Date : 11th May, 2022

## Annexure- A to the Independent Auditors' Report to the Members of Birla Corporation Limited on the standalone financial statements for the year ended 31st March, 2022.

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment, investment property, right of use (ROU) assets and non-current assets held for sale.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The property, plant and equipment 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 ₹ 0.30 crore and Auto Trim Division at Gurgaon & Chakan with carrying value, other than land and building, at ₹ 1.14 crores, where verification could not be done. We are informed that no major discrepancies were noticed on such verification. Minor discrepancies stand 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements of the Company 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.

(d) During the year Company has revalued its one class of property, plant and equipment i.e. free hold land. The revaluation is based on the basis of valuation reports obtained from the registered valuers. Changes in the value of free hold land is more by ₹153.96 crores, i.e., 13.20%, of its carrying amount from previous revalued figures.

(e) According to the information and explanations given to us and the representation obtained from the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, rest of the provisions of clause 3(i)(e) of the Order are not applicable.

(ii) (a) 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. In our opinion, the coverage and procedure of the verification by the management/ outside agencies is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification and minor discrepancies stand adjusted in the accounts.

(b) On the basis of the verification of records and information and explanations given to us, the quarterly returns or statements filed by the Company with the banks or financial institutions, from whom working capital limits have been taken, are broadly in agreement with the books of account of the Company. We have not found any major discrepancies which may require reporting under this clause.

(iii) The Company has, during the year, made investments in one company and various mutual fund schemes, granted unsecured loan to companies and employees, stood guarantee for one company.

(a) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans, guarantees and securities to subsidiaries and to parties other than subsidiaries are as per the table given below:

| Particulars | Loans | Guarantees |
|---|---|---|
| Aggregated amount granted / provided during the year | | |
| – Subsidiaries | ₹13.70 crores | – |
| – Others | – | – |
| Balance outstanding at the balance sheet date | | |
| – Subsidiaries | ₹0.07 crore | ₹295.34 crores |
| – Others | – | – |

(b) In respect of aforesaid investments, guarantees, securities and loans, the term and conditions under which investments were made, guarantees and securities provided and loans were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.

(c) The loans granted to subsidiaries are interest free and the schedule of repayment of principal has been stipulated by the Company except for one loan aggregating ₹ 0.07 crore (fully provided in the books) where no schedule of repayment of principal and payment of interest has been stipulated. Except for the aforesaid instances (where in absence of stipulation of repayment / payment terms, we are unable to comment on the regularity of repayment of principal and payment of interest), repayments of principal amount and payment of interest are regular.

(d) According to the information and explanations given to us and based on the audit procedures performed by us, there are no loans are overdue during the year, except for one loan aggregating ₹ 0.07 crore (fully provided in the books) recoverable from the subsidiary company. The subsidiary company stands liquidated as per Ethopian Laws and distribution (repatriation) of the available money after satisfaction of liabilities is still pending.

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

(f) The Company has not granted any loans or advances in the nature of loan either repayable on demand or without the specifying the terms or period of repayment.

(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 and no amount has become deemed to be a deposit during the year in terms of the provisions of section 73 to 76 or any other provisions of the Companies Act, and the Rules made thereunder. Therefore, the provisions of clause 3(v) of the Order are not applicable.

(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 goods and service tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, 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 2022, which were outstanding for a period of more than six months from the date they became payable.

(b) The disputed statutory dues of different years as referred in sub-clause (vii)(a) above, which have remained unpaid as on 31st March, 2022 for which appeals are pending as under:

| Name of the Statute | Nature of Dues | Amount (₹ in Crore) | Period to which amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Sales Tax, VAT and Entry Tax Laws | Sales Tax, VAT and Entry Tax | 78.19 | FY 1993-94 to 2015-16 | Department/ 1st Appellate Authority |
| | | 1.91 | FY 1989-90 to 2010-11 | Appellate Tribunals |
| | | 89.57 | FY 1988-89 to 2017-18 | High Court |
| IGST, SGST and CGST Act | IGST and SGST | 38.36 | FY 2017-18 to 2019-20 | Department/ 1st Appellate Authority |
| | | 0.80 | FY 2017-18 | High Court |
| Central Excise Act, 1944 | Excise Duty | 20.08 | FY 1980-81 to 2017-18 | Department/ 1st Appellate Authority |
| | | 44.17 | FY 2001-02 to 2017-18 | Appellate Tribunals |
| | | 16.57 | FY 2013-14 to 2017-18 | High Court |
| Finance Act, 1994 | Service Tax | 6.61 | FY 2005-06 to 2010-11 and 2013-14 to 2016-17 | Appellate Tribunals |
| Customs Act, 1962 | Custom Duty | 3.18 | FY 2012-13 | Appellate Tribunals |
| Income Tax Act, 1961 | Income Tax | 26.52 | AY 2016-17 to 2018-19 | Department/ 1st Appellate Authority |
| Rajasthan Municipalities Act | Octroi | 1.00 | FY 1983-84 to 1986-87 | High Court |
| Rajasthan Environment & Health Cess Rules – 2008 | Environment & Health Cess | 11.95 | FY 2008-09 to 2014-15 | Supreme Court |

| Name of the Statute | Nature of Dues | Amount (₹ in Crore) | Period to which amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| House Tax, Property Tax, Land Tax and Other Local Laws | House Tax, Property Tax, Land Tax and Other Local Tax & Cess | 1.12 | FY 1977-78 to 1996-97 | Department/ 1st Appellate Authority |
| | | 30.01 | FY 1986-87 to 2021-22 | High Court |
| Stamp Duty and State Minerals Laws | Stamp Duty, Royalty and Cess | 87.28 | FY 1979-80 to 2013-14 | High Court |
| Electricity Laws | Electricity Duty, Surcharge and Cess | 5.02 | FY 1981-82 to 2006-07 | High Court |
| | | 17.27 | FY 2006-07 to 2011-12 | Supreme Court |
| Gratuity Act, 1972 | Gratuity | 0.01 | FY 2020-21 | Department/ 1st Appellate Authority |
| Employees State Insurance Act, 1948 | Employees State Insurance | 1.13 | FY 1985-86 to 1996-97 | Department/ 1st Appellate Authority |
| | | 2.23 | FY 1984-85 to 2013-14 | High Court |

(viii) On the basis of the verification of records and information and explanations given to us, we report that there is no case, where transaction not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). We also report that there is no previously unrecorded income required to be recorded in the books of account during the year.

(ix) (a) 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 other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and the representation obtained from the management, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized term loans for the purposes for which they were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not utilized the funds raised on short term basis for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has applied the monies raised by way of debt instruments for the purposes for which they were raised.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible). Therefore, the provisions of clause 3(xiv) of the Order are not applicable.

(xi) (a) 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 has been noticed or reported during the year.

(b) We report that, no report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there were no whistle-blower complaints received by the Company during the year.

(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) (a) In our opinion and according to the information and explanation given to us, there is adequate internal audit system, commensurate with the size of the Company and the nature of its business.

(b) We have considered the internal auditors' reports for the period under audit.

(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) (a) 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. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Banks of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly reporting under clause 3(xvi)(d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

(xviii) There is no resignation by the Statutory Auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable.

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

(xx) On the basis of the verification of records, there is no unspent amount at the year-end as per the provisions of section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

(xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For V. Sankar Aiyar & Co.**
Chartered Accountants
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)
Partner (M. No: 024282)
UDIN: 22024282AIUCCK5845

Place : Kolkata
Date : 11th May, 2022

## Annexure-B referred to the Independent Auditors' Report to the Members of Birla Corporation Limited on the standalone financial statements for the year ended 31st March, 2022.

We have audited the internal financial controls with reference to the standalone financial statements of the Company as of 31st March, 2022 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 with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements reporting included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to the standalone financial statements.

**Meaning of Internal Financial Controls with reference to the standalone financial statements**

A Company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that

the internal financial control with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2022 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: 22024282AIUCCK5845

Place : Kolkata
Date : 11th May, 2022

MP BIRLA GROUP

# STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Crores)

| | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **NON-CURRENT ASSETS** | | | | | |
| Property, Plant and Equipment | **5** | 3,304.16 | | 3,050.35 | |
| Capital Work-In-Progress | **5** | 198.16 | | 189.87 | |
| Investment Property | **6** | 0.40 | | 0.13 | |
| Intangible Assets | **7** | 29.32 | | 26.97 | |
| Intangible Assets under Development | **7** | 1.74 | | 1.37 | |
| Biological Assets other than Bearer Plants | **8** | 0.85 | | 0.84 | |
| Investment in Subsidiaries | **9** | 2,280.49 | | 2,280.49 | |
| Financial Assets | | | | | |
| Investments | **10** | 407.31 | | 288.98 | |
| Loans | **11** | 0.46 | | 0.29 | |
| Other Financial Assets | **12** | 137.63 | | 147.24 | |
| Non Current Tax Asset (Net) | | 30.74 | | 15.55 | |
| Other Non-Current Assets | **13** | 80.12 | **6,471.38** | 85.77 | **6,087.85** |
| **CURRENT ASSETS** | | | | | |
| Inventories | **14** | 602.71 | | 591.56 | |
| Financial Assets | | | | | |
| Investments | **15** | 618.91 | | 524.29 | |
| Trade Receivables | **16** | 221.77 | | 196.67 | |
| Cash and Cash Equivalents | **17** | 72.92 | | 36.16 | |
| Bank Balances other than Cash and Cash Equivalents | **18** | 52.45 | | 85.43 | |
| Loans | **11** | 1.03 | | 1.24 | |
| Other Financial Assets | **12** | 134.87 | | 232.99 | |
| Other Current Assets | **13** | 185.77 | | 190.12 | |
| Non-Current Assets classified as Held for Sale | **19** | 1.08 | **1,891.51** | 1.42 | **1,859.88** |
| **Total Assets** | | | **8,362.89** | | **7,947.73** |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Equity Share Capital | **20** | 77.01 | | 77.01 | |
| Other Equity | **21** | 5,118.13 | **5,195.14** | 4,750.27 | **4,827.28** |
| **LIABILITIES** | | | | | |
| **NON-CURRENT LIABILITIES** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | **22** | 952.96 | | 978.64 | |
| Lease Liabilities | | 52.41 | | 30.70 | |
| Other Financial Liabilities | **23** | 413.28 | | 432.39 | |
| Provisions | **24** | 40.73 | | 40.33 | |
| Deferred Tax Liabilities (Net) | **25** | 373.18 | | 310.01 | |
| Non Current Tax Liabilities (Net) | | 1.26 | | 1.39 | |
| Other Non-Current Liabilities | **26** | 141.82 | **1,975.64** | 150.73 | **1,944.19** |
| **CURRENT LIABILITIES** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | **27** | 226.35 | | 272.91 | |
| Lease Liabilities | | 2.71 | | 1.00 | |
| Trade Payables | **28** | | | | |
| – Total outstanding dues of micro enterprises and small enterprises | | 7.31 | | 3.49 | |
| – Total outstanding dues of creditors other than micro enterprises and small enterprises | | 470.29 | | 393.05 | |
| Other Financial Liabilities | **23** | 268.34 | | 271.62 | |
| Other Current Liabilities | **26** | 204.54 | | 217.70 | |
| Provisions | **24** | 12.57 | | 10.76 | |
| Current Tax Liabilities (Net) | | - | **1,192.11** | 5.73 | **1,176.26** |
| **Total Equity and Liabilities** | | | **8,362.89** | | **7,947.73** |
| 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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| | Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | **29** | 4,790.93 | 4,442.15 |
| Other Income | **30** | 94.39 | 111.23 |
| **Total Income** | | **4,885.32** | **4,553.38** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | **31** | 993.49 | 959.53 |
| Purchases of Stock-In-Trade | **32** | 26.54 | 24.67 |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress | **33** | (13.98) | 35.82 |
| Employee Benefits Expense | **34** | 332.52 | 297.65 |
| Finance Costs | **35** | 100.53 | 129.71 |
| Depreciation and Amortisation Expense | **36** | 176.86 | 160.82 |
| Other Expenses | **37** | 2,965.48 | 2,514.82 |
| **Total Expenses** | | **4,581.44** | **4,123.02** |
| **Profit before Exceptional Items and Tax** | | **303.88** | **430.36** |
| Exceptional Items (Net) | **38** | 31.44 | – |
| **Profit before Tax** | | **272.44** | **430.36** |
| Tax Expense: | **39** | | |
| Current Tax | | 50.08 | 86.67 |
| Deferred Tax | | 20.35 | (34.81) |
| Income Tax for earlier years | | (0.91) | – |
| Deferred Tax for earlier years | **25.3** | – | (50.01) |
| | | 69.52 | 1.85 |
| **Profit for the year** | | **202.92** | **428.51** |
| **Other Comprehensive Income :** | | | |
| A. Items that will not be reclassified to profit or loss | **40.1** | 282.11 | 131.87 |
| Income tax relating to these items | | (41.89) | (17.79) |
| | | 240.22 | 114.08 |
| B. Items that will be reclassified to profit or loss | **40.2** | 2.66 | (9.24) |
| Income tax relating to these items | | (0.93) | 3.27 |
| | | 1.73 | (5.97) |
| **Other Comprehensive Income for the Year (Net of Tax)** | | **241.95** | **108.11** |
| **Total Comprehensive Income for the Year** | | **444.87** | **536.62** |
| Earnings Per Share (Face Value of ₹ 10/- each) | | | |
| Basic & Diluted (₹) | **47** | 26.35 | 55.65 |
| 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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

MP BIRLA GROUP

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

### a) Equity Share Capital (Refer Note No. 20)

| | |
|---|---|
| Balance as at 1st April, 2020 | 77.01 |
| Changes in Equity Share Capital due to prior period errors | – |
| Restated Balance as at 1st April, 2020 | 77.01 |
| Add/(Less): Changes in Equity Share Capital during the year | – |
| **Balance as at 31st March, 2021** | **77.01** |
| Changes in Equity Share Capital due to prior period errors | – |
| Restated Balance as at 1st April, 2021 | 77.01 |
| Add/(Less): Changes in Equity Share Capital during the year | – |
| **Balance as at 31st March, 2022** | **77.01** |

### 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 | Effective Portion of Cash Flow Hedges | Equity Instrument through Other Comprehensive Income | Revaluation Surplus | |
| **Balance as at 1st April, 2021** | **1.05** | **52.09** | **2,700.05** | **947.81** | **(0.40)** | **(6.24)** | **232.31** | **823.60** | **4,750.27** |
| Profit for the Year | – | – | – | 202.92 | – | – | – | – | 202.92 |
| **Other Comprehensive Income/ (Loss) for the year** | | | | | | | | | |
| Remeasurement Gain/(Loss) on Defined Benefit Plans | – | – | – | 8.70 | – | – | – | – | 8.70 |
| Revaluation Gain on Free Hold Land | – | – | – | – | – | – | – | 153.96 | 153.96 |
| Mark to Market Gain/(Loss) | – | – | – | – | (0.25) | 2.91 | 119.45 | – | 122.11 |
| Impact of Tax | – | – | – | (3.04) | 0.08 | (1.01) | (5.69) | (33.16) | (42.82) |
| **Total Comprehensive Income for the year** | **–** | **–** | **–** | **208.58** | **(0.17)** | **1.90** | **113.76** | **120.80** | **444.87** |
| Final Dividend Paid (₹ 10.00 per share) | – | – | – | (77.01) | – | – | – | – | (77.01) |
| Transfer to General Reserve | – | (27.13) | 27.13 | – | – | – | – | – | – |
| **Total Appropriations/Adjustments** | **–** | **(27.13)** | **27.13** | **(77.01)** | **–** | **–** | **–** | **–** | **(77.01)** |
| **Balance as at 31st March, 2022** | **1.05** | **24.96** | **2,727.18** | **1,079.38** | **(0.57)** | **(4.34)** | **346.07** | **944.40** | **5,118.13** |

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ 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 | Effective Portion of Cash Flow Hedges | Equity Instrument through Other Comprehensive Income | Revaluation Surplus | |
| **Balance as at 1st April, 2020** | **1.05** | **84.59** | **2,667.55** | **574.95** | **(0.67)** | **-** | **121.74** | **822.19** | **4,271.40** |
| Profit for the Year | – | – | – | 428.51 | – | – | – | – | 428.51 |
| **Other Comprehensive Income/ (Loss) for the year** | | | | | | | | | |
| Remeasurement Gain/(Loss) on Defined Benefit Plans | – | – | – | 3.22 | – | – | – | – | 3.22 |
| Revaluation Gain on Free Hold Land | – | – | – | – | – | – | – | – | – |
| Mark to Market Gain/(Loss) | – | – | – | – | 0.35 | (9.59) | 128.65 | – | 119.41 |
| Impact of Tax | – | – | – | (1.12) | (0.08) | 3.35 | (18.08) | 1.41 | (14.52) |
| **Total Comprehensive Income for the year** | **–** | **–** | **–** | **430.61** | **0.27** | **(6.24)** | **110.57** | **1.41** | **536.62** |
| Final Dividend Paid (₹ 7.50 per share) | – | – | – | (57.75) | – | – | – | – | (57.75) |
| Transfer to General Reserve | – | (32.50) | 32.50 | – | – | – | – | – | – |
| **Total Appropriations/Adjustments** | **–** | **(32.50)** | **32.50** | **(57.75)** | **–** | **–** | **–** | **–** | **(57.75)** |
| **Balance as at 31st March, 2021** | **1.05** | **52.09** | **2,700.05** | **947.81** | **(0.40)** | **(6.24)** | **232.31** | **823.60** | **4,750.27** |

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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

HARSH V. LODHA
Chairman
(DIN : 00394094)

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| | For the year ended 31st March, 2022 | | For the year ended 31st March, 2021 | |
|---|---|---|---|---|
| **Cash Flow from Operating Activities:** | | | | |
| **Profit after Exceptional Items & before Tax** | 272.44 | | 430.36 | |
| **Adjustments for :** | | | | |
| Depreciation & Amortisation | 176.86 | | 160.82 | |
| Investing Activities (Net) | (32.10) | | (55.90) | |
| Bad Debts | 0.03 | | 0.19 | |
| Expected Credit Loss on Incentive and Subsidy | – | | 32.62 | |
| (Profit)/Loss on sale/ discard of Property, Plant and Equipment / CWIP (Net) | (2.76) | | (0.85) | |
| (Profit)/Loss on sale of Non-Current Assets classified as Held for Sale | (0.03) | | – | |
| Fair Valuation for Biological Assets other than Bearer Plants | (0.01) | | 0.02 | |
| Amortisation of Deferred Revenue | (1.69) | | (1.24) | |
| Excess Liabilities, Unclaimed Balances and Provisions written back (Net) | (40.67) | | (15.35) | |
| Effect of Foreign Exchange Fluctuations | 0.99 | | 1.17 | |
| Finance Costs | 100.53 | | 129.71 | |
| **Operating Profit before Working Capital changes** | **473.59** | | **681.55** | |
| **Adjustments for :** | | | | |
| (Increase)/ Decrease in Trade Receivables | (24.79) | | (17.42) | |
| (Increase)/ Decrease in Inventories | (11.15) | | (7.92) | |
| (Increase)/ Decrease in Loans, Other Financial Assets & Other Assets | 40.81 | | (38.31) | |
| Increase/ (Decrease) in Trade Payables & Other Liability | 71.71 | | 135.12 | |
| Increase/ (Decrease) in Provisions | 10.91 | | 1.74 | |
| **Cash generated from operations** | **561.08** | | **754.76** | |
| Direct Taxes (Paid) / Refund Received (Net) | (70.22) | | (83.47) | |
| **Net Cash from Operating Activities** | | **490.86** | | **671.29** |
| **Cash Flow from Investing Activities:** | | | | |
| Purchase of Tangible & Intangible Assets including CWIP/ Capital Advances | (249.45) | | (179.07) | |
| Sale of Tangible Assets | 4.34 | | 4.42 | |
| (Purchase)/ Sale of Liquid Investments (Net) | (148.17) | | 58.06 | |
| Purchase of other Current Investments | (408.49) | | (615.50) | |
| Sale of other Current Investments | 434.68 | | 783.26 | |
| Purchase of Non-Current Investments | (0.28) | | | |
| Sale of Non-Current Investments | 0.76 | | – | |
| Payment towards Investment in Subsidiary | – | | (0.25) | |
| (Increase)/ Decrease in Other Bank Balances | 118.96 | | (70.10) | |
| Interest received | 9.78 | | 11.99 | |
| Dividend received | 51.65 | | 1.01 | |
| **Net Cash used in Investing Activities** | | **(186.22)** | | **(6.18)** |

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| | For the year ended 31st March, 2022 | | For the year ended 31st March, 2021 | |
|---|---|---|---|---|
| **Cash Flow from Financing Activities:** | | | | |
| Proceeds from Long Term Borrowings | 162.01 | | 312.13 | |
| Repayments of Long Term Borrowings | (350.74) | | (685.75) | |
| (Repayments)/Proceeds from Short Term Borrowings (Net) | 107.04 | | (31.58) | |
| Payment of Lease Liabilities | (5.36) | | (0.50) | |
| Interest paid | (103.82) | | (132.60) | |
| Dividend paid | (77.01) | | (115.50) | |
| Dividend Distribution Tax paid | – | | (11.87) | |
| **Net Cash used in Financing Activities** | | **(267.88)** | | **(665.67)** |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents** | | **36.76** | | **(0.56)** |
| **Cash and Cash Equivalents (Opening Balance)** | | **36.16** | | **36.72** |
| **Cash and Cash Equivalents (Closing Balance)** | | **72.92** | | **36.16** |
| **Cash and Cash Equivalents as per balance sheet (Closing Balance) (Refer Note No. 17)** | | **72.92** | | **36.16** |
| Overdraft Balance in Current Account shown under Short Term Borrowings | | – | | – |
| **Cash and Cash Equivalents (Closing Balance) after adjusting Overdraft balance** | | **72.92** | | **36.16** |

**Note :**

a) **Reconciliation of Liabilities arising from financing activities**

| Particulars | Balance as on 1st April, 2021 | Proceeds | Repayments | Forex Adjustments | Fair Value Changes/ Other Adjustments | Balance as on 31st March, 2022 |
|---|---|---|---|---|---|---|
| Long Term Borrowings (Including Current Maturity) | 1,221.13 | 162.01 | 350.74 | 12.62 | (3.17) | 1,041.85 |
| Short Term Borrowings (Excluding Overdraft Balance in Current Account and Current Maturity of Long Term Borrowings) | 30.42 | 480.24 | 373.20 | – | – | 137.46 |

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 Equivalents 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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

**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, 2022 have been approved by the Board of Directors in their meeting held on 11th May, 2022.

**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, 2022

**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.
- The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is continuing with higher income tax rate option, based on the available outstanding MAT credit entitlement and different exemptions & deduction enjoyed by the Company. However, the Company has estimated and applied the lower income tax rate on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period when the Company may be subjected to lower tax rate.

**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.
- 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.
- 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 and plant & machinery) 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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.

**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 recognizes 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 recognized, 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 recognizes 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 exercized by the Company and payments of penalties for terminating the lease, If any.

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 recognized 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 recognized 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

**3.6.4 Dividend Income**

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

**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 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

**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.
- 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).

**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**

Investments in subsidiaries 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, 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, 2022

- 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.

- **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 Hedge Accounting:**

- 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 except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).
- The Company designates certain hedging instruments in respect of certain foreign currency risk and interest rate risk as cash flow hedges. The Cash flow hedge are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:
  - hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges); or
  - hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).
- The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.
- The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.
- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.
- Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.
- When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

**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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

**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 recognized 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 recognized.

**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 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.
- When the use of a property changes from investment property to owner-occupied (for Company's business purpose), the property is reclassified as Property, Plant & Equipment at its carrying amount on the date of reclassification.

**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.
- 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:

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- 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**

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following amendments to the existing standards which are effective from 1st April, 2022:

(a) Ind AS 109: Annual Improvements to Ind AS (2021)

(b) Ind AS 103: Reference to Conceptual Framework

(c) Ind AS 37: Onerous Contracts – Costs of Fulfilling a Contract

(d) Ind AS 16: Proceeds before intended use

(e) Ind AS 41: Agriculture

Based on preliminary assessment, the Company does not expect significant impact of these changes on its standalone financial statements.

**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.
- **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 recognized 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, 2022

## 5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

**Year Ended 31st March, 2022**

| Particulars | Gross Carrying Amount | | | | | | | | Accumulated Depreciation | | | | | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2021 | Transfer from/(to) Investment Property (Refer Note No. 6.1) | Additions | Transfer | Disposals | Revaluation | Other Adjustments | **As at 31st March, 2022** | As at 1st April, 2021 | Transfer from/(to) Investment Property (Refer Note No. 6.1) | Charged during the year | Transfer | Deductions | Other Adjustments | **As at 31st March, 2022** | **As at 31st March, 2022** |
| Freehold Land (Refer Note No. 5.1 to 5.2) | 1,166.25 | (0.27) | 13.02 | - | - | 153.96 | - | 1,332.96 | - | - | - | - | - | - | - | 1,332.96 |
| **Sub-Total** | **1,166.25** | **(0.27)** | **13.02** | **-** | **-** | **153.96** | **-** | **1,332.96** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,332.96** |
| Buildings (Refer Note No. 5.1) | 239.07 | - | 16.04 | - | 0.01 | - | - | 255.10 | 49.22 | - | 9.52 | - | 0.01 | - | 58.73 | 196.37 |
| Plant and Machinery | 2,402.81 | - | 197.00 | - | 3.79 | - | - | 2,596.02 | 779.92 | - | 144.17 | - | 2.84 | - | 921.25 | 1,674.77 |
| Furniture and Fittings | 9.57 | - | 0.45 | - | 0.02 | - | - | 10.00 | 4.80 | - | 0.73 | - | 0.01 | - | 5.52 | 4.48 |
| Vehicles | 23.89 | - | 1.30 | - | 0.48 | - | - | 24.71 | 12.76 | - | 2.35 | - | 0.36 | - | 14.75 | 9.96 |
| Office Equipments | 29.27 | - | 4.28 | - | 0.44 | - | - | 33.11 | 18.96 | - | 3.25 | - | 0.40 | - | 21.81 | 11.30 |
| Railway Sidings | 14.90 | - | 10.70 | - | 0.15 | - | - | 25.45 | 6.27 | - | 1.34 | - | 0.06 | - | 7.55 | 17.90 |
| Right of Use Assets (Refer Note No. 46) | | | | | | | | | | | | | | | | |
| - Leasehold Land | 9.33 | - | - | - | - | - | - | 9.33 | 0.62 | - | 0.31 | - | - | - | 0.93 | 8.40 |
| - Plant and Machinery | 27.97 | - | 24.06 | - | - | - | - | 52.03 | 0.16 | - | 3.85 | - | - | - | 4.01 | 48.02 |
| **Total** | **3,923.06** | **(0.27)** | **266.85** | **-** | **4.89** | **153.96** | **-** | **4,338.71** | **872.71** | **-** | **165.52** | **-** | **3.68** | **-** | **1,034.55** | **3,304.16** |
| **Capital Work-In-Progress** | **189.87** | **-** | **251.08** | **242.79** | **-** | **-** | **-** | **198.16** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **198.16** |

**Year Ended 31st March, 2021**

| Particulars | Gross Carrying Amount | | | | | | | | Accumulated Depreciation | | | | | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2020 | Transfer from/(to) Investment Property (Refer Note No. 6.1) | Additions | Transfer | Disposals | Revaluation | Other Adjustments | **As at 31st March, 2021** | As at 1st April, 2020 | Transfer from/(to) Investment Property (Refer Note No. 6.1) | Charged during the year | Transfer | Deductions | Other Adjustments | **As at 31st March, 2021** | **As at 31st March, 2021** |
| Freehold Land (Refer Note No. 5.1 to 5.2) | 1,161.33 | - | 4.92 | - | - | - | - | 1,166.25 | - | - | - | - | - | - | - | 1,166.25 |
| **Sub-Total** | **1,161.33** | **-** | **4.92** | **-** | **-** | **-** | **-** | **1,166.25** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,166.25** |
| Buildings (Refer Note No. 5.1) | 230.99 | 0.04 | 8.06 | - | 0.01 | - | (0.01) | 239.07 | 40.11 | 0.01 | 9.10 | - | 0.00 | - | 49.22 | 189.85 |
| Plant and Machinery | 2,291.19 | - | 113.10 | - | 1.38 | - | (0.10) | 2,402.81 | 645.76 | - | 135.11 | - | 0.95 | - | 779.92 | 1,622.89 |
| Furniture and Fittings | 8.13 | - | 1.43 | - | 0.01 | - | 0.02 | 9.57 | 3.93 | - | 0.88 | - | 0.01 | - | 4.80 | 4.77 |
| Vehicles | 23.45 | - | 0.64 | - | 0.20 | - | - | 23.89 | 10.42 | - | 2.49 | - | 0.15 | - | 12.76 | 11.13 |
| Office Equipments | 25.88 | - | 3.34 | - | 0.04 | - | 0.09 | 29.27 | 15.59 | - | 3.40 | - | 0.03 | - | 18.96 | 10.31 |
| Railway Sidings | 14.90 | - | - | - | - | - | - | 14.90 | 5.09 | - | 1.18 | - | - | - | 6.27 | 8.63 |
| Right of Use Assets (Refer Note No. 46) | | | | | | | | | | | | | | | | |
| - Leasehold Land | 9.33 | - | - | - | - | - | - | 9.33 | 0.31 | - | 0.31 | - | - | - | 0.62 | 8.71 |
| - Plant and Machinery | - | - | 27.97 | - | - | - | - | 27.97 | - | - | 0.16 | - | - | - | 0.16 | 27.81 |
| **Total** | **3,765.20** | **0.04** | **159.46** | **-** | **1.64** | **-** | **-** | **3,923.06** | **721.21** | **0.01** | **152.63** | **-** | **1.14** | **-** | **872.71** | **3,050.35** |
| **Capital Work-In-Progress** | **146.99** | **-** | **179.60** | **136.63** | **3.00** | **-** | **2.91** | **189.87** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **189.87** |

**Notes :**

**5.1** Gross carrying amount includes ₹ 2.86 Crores (Previous Year ₹ 1.59 Crores) in Freehold 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** The Company has adopted revaluation model for one class of Property, Plant and Equipment i.e. Freehold land and have revalued as on 1st April, 2017 and 1st April, 2021 on the basis of valuation reports made by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Carrying amount of Freehold Land as on 1st April, 2021 include revaluation surplus of ₹ 1,054.56 Crores and ₹ 153.96 Crores on account of revaluation made on 1st April, 2017 and 1st April, 2021 respectively. The resulting revaluation surpluses has been recognized and presented under "Other Comprehensive Income".

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 registered valuer. Fair valuation was based on depreciated open market price method. The fair value measurement was categorized in level 2/ level 3 fair value hierarchy.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

**5.3 Capital Work In Progress ageing schedule:** (₹ in Crores)

| Particulars | As at 31st March, 2022 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 146.66 | 38.63 | 11.19 | 0.17 | 196.65 |
| Projects temporarily Suspended | – | – | – | 1.51 | 1.51 |
| **Total** | **146.66** | **38.63** | **11.19** | **1.68** | **198.16** |

| Particulars | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 86.78 | 81.68 | 19.35 | 0.55 | 188.36 |
| Projects temporarily Suspended | – | – | – | 1.51 | 1.51 |
| **Total** | **86.78** | **81.68** | **19.35** | **2.06** | **189.87** |

**5.4 Capital Work In Progress completion schedule:**

Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, are as follows:

**As at 31st March, 2022**

| Particulars | To be completed in | | | | | Reasons |
|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total | |
| Projects in progress | – | – | – | – | – | – |
| **Projects temporarily suspended** | | | | | | |
| Grinding Units in Madhya Pradesh | – | – | 1.51 | – | 1.51 | Reassessment of Technical usage feasibility is being done |
| **Total** | **–** | **–** | **1.51** | **–** | **1.51** | |

**As at 31st March, 2021**

| Particulars | To be completed in | | | | | Reasons |
|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total | |
| Projects in progress | – | – | – | – | – | – |
| **Projects temporarily suspended** | | | | | | |
| Grinding Units in Madhya Pradesh | – | – | 1.51 | – | 1.51 | Reassessment of Technical usage feasibility is being done |
| **Total** | **–** | **–** | **1.51** | **–** | **1.51** | |

**5.5** The amount of expenditures recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction:

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Assets under construction | 192.85 | 183.95 |
| Expenditure incurred on Project Development Pending Capitalization / allocation | 5.31 | 5.92 |
| **Total** | **198.16** | **189.87** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Pre-operative expenses pending allocation:** | | |
| Opening Balance | 5.92 | 1.58 |
| Salaries, wages and bonus (Refer Note No. 34) | 1.67 | 1.10 |
| Finance costs (Refer Note No. 35) | - | 2.91 |
| Other Expenses | 0.94 | 0.33 |
| **Total Pre-operative expenses** | **8.53** | **5.92** |
| Less: Capitalized/ charged during the year | 3.22 | - |
| **Balances included in Capital Work in Progress** | **5.31** | **5.92** |

**5.6** All the title deeds of the immovable property are held in the name of the Company.

**5.7** Title deed for freehold land amounting to ₹ 11.89 Crores (Previous year ₹ 9.49 Crores), although in the name of Company, is in dispute and is pending resolution before the Court of Civil Judge, Rajgurunagar (Khed) and Additional Division Commissioner, Pune.

**5.8** No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**5.9** Other Adjustments also include finance costs capitalized during the year on the qualifying assets as required by IND AS 23 Borrowing Costs amounting to Nil (Previous Year ₹ 2.91 Crores), (Refer Note No. 35).

**5.10** Right of Use Assets includes:

**(a)** "Leasehold Land" represents land obtained on long term lease from various Government and other authorities.

**(b)** "Plant & Machinery" represents:

- Machinery recognized as per long term power purchase agreement in accordance with the principles of IND AS 116 "Leases" (Refer Note No. 62); and
- Railway Wagons recognized as per long term wagon leasing agreement in accordance with the principles of IND AS 116 "Leases".

**5.11** Refer Note No. 43 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

**5.12** Refer Note No. 44 for information on property, plant and equipment pledged as securities by the Company.

### 6 INVESTMENT PROPERTY

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|
| **Gross Carrying Amount** | | |
| Opening Gross Carrying Amount | 0.15 | 0.19 |
| Additions | – | – |
| Transferred from/(to) Property, Plant & Equipment (Refer Note No. 6.1) | 0.27 | (0.04) |
| Disposals | – | – |
| Other Adjustments | – | – |
| **Closing Gross Carrying Amount** | **0.42** | **0.15** |
| **Accumulated Depreciation** | | |
| Opening Accumulated Depreciation | 0.02 | 0.03 |
| Depreciation charged during the year | 0.00 | 0.00 |
| Transferred to Property, Plant & Equipment (Refer Note No. 6.1) | – | (0.01) |
| **Closing Accumulated Depreciation** | **0.02** | **0.02** |
| **Net Carrying Amount** | **0.40** | **0.13** |

**6.1** During the year, freehold land having book value of ₹ 0.27 Crore have been transferred to Investment Property from Property, Plant and Equipment as the same have been considered by the management as not for further use for business purposes and held for capital appreciation.

In previous year, certain portion of a property was started to be used by the Company for its normal business purpose. Hence, this portion of building was transferred from Investment Property to Property, Plant and Equipment.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**6.2** Fair value of the Company's Investment Properties as at 31st March, 2022 (including Freehold Land transferred from Property, Plant & Equipment) and 31st March, 2021 (excluding proportionate portion transferred to Property, Plant & Equipment) are ₹ 27.46 Crores and ₹ 15.74 Crores respectively. The fair value has been arrived on the basis of valuation performed by independent registered valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, who are specialist in valuing these types of Investment Properties, having appropriate qualifications and recent experience in the valuation of properties in relevant locations.

**6.3** 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 registered 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.

**6.4** The amounts recognized in Statement of Profit and Loss in relation to the Investment Properties:

| Particulars | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Rental Income | 0.39 | 0.10 |
| Direct Operating Expenses in relation to – Properties generating rental income | 0.43 | 0.31 |

**6.5** 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.

### 7 INTANGIBLE ASSETS

| Particulars | Year Ended 31st March, 2022 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | | Accumulated Amortisation | | | | | Net Carrying Amount |
| | As at 1st April, 2021 | Additions | Disposals / Transfer | Other Adjustments | **As at 31st March, 2022** | As at 1st April, 2021 | Charged during the year | Deductions | Other Adjustments | **As at 31st March, 2022** | **As at 31st March, 2022** |
| Computer Software | 8.88 | 0.82 | – | – | 9.70 | 6.01 | 1.58 | – | – | 7.59 | 2.11 |
| Mining Rights (includes site preparation) | 39.64 | 12.87 | – | – | 52.51 | 15.54 | 9.76 | – | – | 25.30 | 27.21 |
| **Total** | **48.52** | **13.69** | **–** | **–** | **62.21** | **21.55** | **11.34** | **–** | **–** | **32.89** | **29.32** |
| **Intangible Assets under Development** | **1.37** | **14.06** | **13.69** | **–** | **1.74** | **–** | **–** | **–** | **–** | **–** | **1.74** |

| Particulars | Year Ended 31st March, 2021 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | | Accumulated Amortisation | | | | | Net Carrying Amount |
| | As at 1st April, 2020 | Additions | Disposals / Transfer | Other Adjustments | **As at 31st March, 2021** | As at 1st April, 2020 | Charged during the year | Deductions | Other Adjustments | **As at 31st March, 2021** | **As at 31st March, 2021** |
| Computer Software | 7.08 | 1.80 | – | – | 8.88 | 4.46 | 1.55 | – | – | 6.01 | 2.87 |
| Mining Rights (includes site preparation) | 27.34 | 12.30 | – | – | 39.64 | 8.90 | 6.64 | – | – | 15.54 | 24.10 |
| **Total** | **34.42** | **14.10** | **–** | **–** | **48.52** | **13.36** | **8.19** | **–** | **–** | **21.55** | **26.97** |
| **Intangible Assets under Development** | **1.92** | **13.55** | **14.10** | **–** | **1.37** | **–** | **–** | **–** | **–** | **–** | **1.37** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

**Notes :**

**7.1 Intangible Assets under Development ageing schedule:** (₹ in Crores)

| Particulars | As at 31st March, 2022 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 0.50 | 0.08 | – | 1.16 | 1.74 |
| Projects temporarily Suspended | – | – | – | – | – |
| **Total** | **0.50** | **0.08** | – | **1.16** | **1.74** |

| Particulars | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 0.12 | 0.09 | 0.25 | 0.91 | 1.37 |
| Projects temporarily Suspended | – | – | – | – | – |
| **Total** | **0.12** | **0.09** | **0.25** | **0.91** | **1.37** |

**7.2** There is no intangible assets under development as on 31st March 2022 and 31st March 2021, whose completion is overdue or has exceeded its cost compared to its original plan.

**7.3** The Company has not revalued its intangible assets.

**7.4** Refer Note No. 43 for disclosure of contractual commitments for the acquisition of intangible assets.

**7.5** Refer Note No. 44 for information on intangible assets pledged as securities by the Company.

**8 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS**

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|
| Opening Balance | 0.84 | 0.82 |
| Additions/Acquisitions | – | 0.05 |
| Disposals | 0.00 | 0.01 |
| Fair Value Adjustments | 0.01 | (0.02) |
| **Closing Balance** | **0.85** | **0.84** |

**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, 2022

## 9 INVESTMENT IN SUBSIDIARIES

(₹ in Crores)

| Particulars | Refer Note No. | Face Value of ₹ 10 each unless otherwise stated | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|
| | | | Qty. | Amount | Qty. | Amount |
| **EQUITY INVESTMENTS VALUED AT COST** | | | | | | |
| **UNQUOTED (FULLY PAID UP)** | | | | | | |
| **Investment In Subsidiaries** | | | | | | |
| Birla Corporation Cement Mfg PLC | 9.1 | 1,000 Birr | 1,699 | 0.45 | 1,699 | 0.45 |
| Less: Impairment | | | | 0.45 | | 0.45 |
| Net | | | | – | | – |
| Lok Cement Limited | 9.2 | 10 | 12,50,700 | 1.26 | 12,50,700 | 1.26 |
| Less: Impairment | | | | 1.01 | | 1.01 |
| Net | | | | 0.25 | | 0.25 |
| RCCPL Private Limited | | 10 | 31,28,22,900 | 2,272.26 | 31,28,22,900 | 2,272.26 |
| Talavadi Cements Limited | | 10 | 58,80,400 | 5.88 | 58,80,400 | 5.88 |
| Budge Budge Floorcoverings Limited | | 10 | 40,00,000 | 2.00 | 40,00,000 | 2.00 |
| Birla Cement (Assam) Limited | | 10 | 50,000 | 0.05 | 50,000 | 0.05 |
| Birla Jute Supply Co. Limited | | 10 | 6,000 | 0.03 | 6,000 | 0.03 |
| M.P. Birla Group Services Private Limited | | 10 | 20,000 | 0.02 | 20,000 | 0.02 |
| **TOTAL** | | | | **2,280.49** | | **2,280.49** |
| **Aggregate amount of Unquoted Investments** | | | | **2,281.95** | | **2,281.95** |
| **Aggregate amount of Impairment in Value of Investments** | | | | **1.46** | | **1.46** |

**Notes :**

**9.1** The Company stands liquidated as per Ethiopian Laws. However, distribution (repatriation) of the available money after satisfaction of liabilities still remains and hence shown in accounts.

**9.2** In the previous year, the Company had subscribed for the Right Issue of equity share aggregating to 250,000 @ ₹ 10 per share.

**9.3** In the previous year, due to diminution in the value of net assets of the investment company, a provision of ₹ 1.01 Crores had been made.

## 10 NON–CURRENT INVESTMENTS

(₹ in Crores)

| | Particulars | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|---|
| | | | | Qty. | Amount | Qty. | Amount |
| **A** | **INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | | | | | | |
| | **EQUITY INSTRUMENTS (FULLY PAID UP)** | | | | | | |
| | **QUOTED** | | | | | | |
| | Century Textiles & Industries Limited | | 10 | 18,07,660 | 154.47 | 18,07,660 | 84.06 |
| | Birla Cables Limited | | 10 | 53,88,515 | 84.44 | 53,88,515 | 32.49 |
| | Universal Cables Limited | | 10 | 8,00,157 | 11.06 | 8,00,157 | 10.91 |
| | Hindustan Media Ventures Limited | | 10 | 4,440 | 0.03 | 4,440 | 0.03 |
| | The Rameshwara Jute Mills Limited | 10.1 | 10 | 19,133 | 0.01 | 19,133 | 0.01 |
| | Vindhya Telelinks Limited | | 10 | 100 | 0.01 | 100 | 0.01 |
| | Birla Precision Technologies Limited | | 2 | 2,121 | 0.01 | 2,121 | 0.00 |
| | Zenith Steel Pipes and Industries Limited | | 10 | 6,362 | 0.00 | 6,362 | 0.00 |
| | UltraTech Cement Limited | | 10 | 2,25,957 | 149.18 | 2,25,957 | 152.25 |
| | **Sub Total** | | | | **399.21** | | **279.76** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|
| | | | Qty. | Amount | Qty. | Amount |
| **UNQUOTED** | 10.1 | | | | | |
| Birla Buildings Limited | | 10 | 24,000 | 0.02 | 24,000 | 0.02 |
| Neosym Industry Limited | | 10 | 52,000 | 0.01 | 52,000 | 0.01 |
| Lotus Court Limited | | 10 | 1 | 0.01 | 1 | 0.01 |
| Industry House Limited | | 10 | 600 | 0.01 | 600 | 0.01 |
| The Eastern Economist Limited | | 10 | 400 | 0.01 | 400 | 0.01 |
| Woodlands Multispeciality Hospital Limited | | 10 | 520 | 0.00 | 520 | 0.00 |
| Twin Star Venus Co-Operative Society Housing Society Limited | | 10 | 10 | 0.00 | 10 | 0.00 |
| Elgin Mills Company Limited | 10.2 | 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 Limited | | 10 | 15 | 0.00 | 15 | 0.00 |
| Craig Jute Mills Limited | | 3 | 50 | 0.00 | 50 | 0.00 |
| **Sub Total** | | | | **0.06** | | **0.06** |
| **Investment in Quoted Government Securities** | | | | | | |
| 8.97% GOI 2030 | 10.3 | 100 | 1,00,000 | 1.17 | 1,00,000 | 1.21 |
| **Sub Total** | | | | **1.17** | | **1.21** |
| **Investments In Quoted Bonds** | | | | | | |
| 9.70% IFCI Limited 2030 | | 10,00,000 | 63 | 6.33 | 63 | 6.54 |
| 9.55% IFCI Limited 2025 | | 10,00,000 | 5 | 0.54 | 13 | 1.41 |
| **Sub Total** | | | | **6.87** | | **7.95** |
| **TOTAL (A)** | | | | **407.31** | | **288.98** |
| **B INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS** | | | | | | |
| **Investment In Preference Shares - Unquoted (Fully paid up)** | | | | | | |
| Elgin Mills Company Limited. - 5% Preference Shares | 10.1 & 10.2 | 10 | 100 | 0.00 | 100 | 0.00 |
| **Sub Total** | | | | **0.00** | | **0.00** |
| **TOTAL (B)** | | | | **0.00** | | **0.00** |
| **TOTAL NON-CURRENT INVESTMENTS** | | | | **407.31** | | **288.98** |
| **Aggregate Book Value of Quoted Investments** | | | | **407.25** | | **288.92** |
| **Aggregate Fair Value of Quoted Investments** | | | | **407.25** | | **288.92** |
| **Aggregate amount of Unquoted Investments** | | | | **0.06** | | **0.06** |
| **Aggregate amount of Impairment in Value of Investments** | | | | **–** | | **–** |

**Notes :**

**10.1** Fair valuation not carried out as the amounts are not significant.

**10.2** The Investee company is under liquidation.

**10.3** Lien marked in favour of Clearing Corporation of India Limited.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

## 11 LOANS

(₹ in Crores)

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Loans & Advances to Related Parties** | 11.1, 11.2 & 11.3 | | | | |
| Loan Receivables | | – | – | 0.07 | 0.07 |
| Less: Provision for Doubtful Receivables | | – | – | 0.07 | 0.07 |
| | | – | – | – | – |
| **Loans & Advances to Others** | 11.1, 11.2 & 11.3 | | | | |
| Loan Receivables | | 0.46 | 0.29 | 1.03 | 1.24 |
| Less: Provision for Doubtful Receivables | | – | – | 0.00 | 0.00 |
| | | 0.46 | 0.29 | 1.03 | 1.24 |
| **Total** | | **0.46** | **0.29** | **1.03** | **1.24** |
| **11.1 Break Up of Loans** | | | | | |
| Loan Receivables considered good - Secured | | – | – | – | – |
| Loan Receivables considered good - Unsecured | | 0.46 | 0.29 | 1.03 | 1.24 |
| Loan Receivables which have significant increase in Credit Risk | | – | – | 0.07 | 0.07 |
| Loan Receivables - Credit Impaired | | – | – | – | – |
| | | 0.46 | 0.29 | 1.10 | 1.31 |
| Less: Provision for Doubtful Receivables | | – | – | 0.07 | 0.07 |
| | | **0.46** | **0.29** | **1.03** | **1.24** |

**11.2** No Loans are due from directors or other officers of the Company either severally or jointly with any other person. No 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 As at | | Maximum amount Outstanding For the year ended | |
|---|---|---|---|---|---|
| | | 31st March, 2022 | 31st March, 2021 | 31st March, 2022 | 31st March, 2021 |
| i. **Subsidiary Companies** | | | | | |
| RCCPL Private Limited | (iii)(b) | – | – | 13.62 | – |
| Lok Cement Limited | (ii)(b) | – | – | 0.00 | 0.00 |
| Birla Corporation Cement Manufacturing PLC | (ii)(a) & (c) | – | – | 0.07 | 0.07 |
| Talavadi Cements Limited | (ii)(b) | – | – | 0.07 | 0.13 |
| Birla Jute Supply Co. Limited | (ii)(b) | – | – | 0.00 | 0.00 |
| Budge Budge Floorcoverings Limited | (ii)(b) | – | – | 0.01 | 0.01 |
| Birla Cement (Assam) Limited | (ii)(b) | – | – | 0.00 | 0.00 |
| M. P. Birla Group Services Private Limited | (ii)(b) | – | – | 0.00 | 0.00 |
| ii. **Purpose for which the advance was provided** | | | | | |
| a. Advance given for implementation of Project | | | | | |
| b. Advance given for working capital needs | | | | | |
| c. Net of Provision for Doubtful Receivables | | | | | |
| iii. **For Guarantee refer Note No. 41.3 and for Investments refer Note No. 9, 10, 15 & 62.** | | | | | |

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

## 12 OTHERS FINANCIAL ASSETS

(₹ in Crores)

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Security Deposits** | | | | | |
| Unsecured, considered good | 62 | 27.97 | 27.00 | 8.61 | 8.61 |
| | | 27.97 | 27.00 | 8.61 | 8.61 |
| Incentive and Subsidy Receivable | | 138.58 | 138.58 | 34.51 | 40.67 |
| Less : Provision for Expected Credit Loss | 55.1.2 | 33.61 | 33.61 | 0.45 | 0.45 |
| | | 104.97 | 104.97 | 34.06 | 40.22 |
| Other Deposits, Advances and Claims Recoverable | | | | | |
| Unsecured, considered good | 12.1 | 1.64 | 12.24 | 19.59 | 23.62 |
| Unsecured, considered doubtful | | – | – | 2.01 | 2.01 |
| | | 1.64 | 12.24 | 21.60 | 25.63 |
| Less: Provision for Doubtful Advances | | – | – | 2.01 | 2.01 |
| | | 1.64 | 12.24 | 19.59 | 23.62 |
| Deposits with Bank having maturity of more than one year from the balance sheet date | 12.2 | 0.63 | 0.63 | – | – |
| Fixed Deposit with Others | | – | – | 70.00 | 156.00 |
| Interest Accrued on Deposits | | 0.05 | 0.03 | 2.33 | 4.27 |
| Derivative Contracts (Net) | | – | – | 0.23 | 0.26 |
| Amount Paid Under Protest | | 2.37 | 2.37 | – | – |
| Others | | – | – | 0.05 | 0.01 |
| | | 3.05 | 3.03 | 72.61 | 160.54 |
| **Total** | | **137.63** | **147.24** | **134.87** | **232.99** |

**12.1** 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.

**12.2** Represents deposits marked lien in favour of Govt. Authorities and Banks.

## 13 OTHER ASSETS

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| Advance against supply of Goods and Services | | – | – | 151.94 | 164.79 |
| Less : Provision for Doubtful Advances | | – | – | 0.04 | 0.04 |
| | | – | – | 151.90 | 164.75 |
| Capital Advances | | 31.49 | 20.60 | – | – |
| Prepaid Expenses | | 1.60 | 0.98 | 5.33 | 3.76 |
| Amount Paid Under Protest | | 44.32 | 61.47 | – | – |
| Balances with Government & Statutory Authorities | | 0.28 | 0.29 | 18.68 | 17.11 |
| **Security Deposits** | | | | | |
| Unsecured considered good | | 1.85 | 1.85 | 0.44 | 0.45 |
| Other Advances (Including Balance with Gratuity Fund) | | 0.58 | 0.58 | 9.42 | 4.05 |
| **Total** | | **80.12** | **85.77** | **185.77** | **190.12** |

**13.1** 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 ₹ 4.96 Crores (Previous Year ₹ 1.32 Crores) are receivables from a private company in which a director of the Company is director.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

## 14 INVENTORIES

(₹ in Crores)

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| (As valued and certified by the Management) | 3.1 | | |
| Raw Materials | 14.1 | 95.10 | 110.90 |
| Work-In-Progress | 14.1 | 98.10 | 87.44 |
| Finished Goods | 14.1 | 85.73 | 82.53 |
| Stock-In-Trade | 14.1 | 1.04 | 0.92 |
| Stores and Spares | 14.1 | 188.94 | 164.66 |
| Fuels | | 129.20 | 138.85 |
| Packing Materials | | 13.76 | 10.80 |
| | | **611.87** | **596.10** |
| Less: Provision for Non-Moving Stores and Spares | | 9.16 | 4.54 |
| **Total** | | **602.71** | **591.56** |

| | | | |
|---|---|---|---|
| **14.1** The above includes goods-in-transit as under: | | | |
| Raw Materials | | 2.04 | 1.68 |
| Work-In-Progress | | 3.88 | 0.12 |
| Finished Goods | | 2.20 | 7.78 |
| Stores and Spares | | 0.03 | 0.95 |
| Fuels | | 0.51 | – |
| **Total** | | **8.66** | **10.53** |

**14.2** Refer Note No. 44 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, 2022

## 15 CURRENT INVESTMENTS

(₹ in Crores)

| Particulars | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|
| | | | Qty. | Amount | Qty. | Amount |
| **A INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS** | | | | | | |
| **Investments in Mutual Funds** | | | | | | |
| **UNQUOTED** | | | | | | |
| Axis Liquid Fund - Direct Growth | | | 84,757 | 20.03 | – | – |
| Axis Money Market Fund Direct Growth | | | 1,04,509 | 12.04 | 45,178 | 5.00 |
| Axis Ultra Short Term Fund Direct Growth | | | – | – | 92,34,001 | 11.05 |
| Baroda BNP Paribas Banking & PSU Bond Fund- Direct Plan Growth (Previously known as Baroda Banking and PSU Bond Fund -Direct Plan Growth) | | | – | – | 19,99,900 | 2.00 |
| Baroda BNP Paribas Liquid Fund - Direct Growth (Previously known as Baroda Liquid Fund -Plan B Growth) | | | – | – | 33,783 | 8.00 |
| DSP Savings Fund- Direct Plan- Growth | | | 11,44,351 | 5.01 | 11,89,309 | 5.01 |
| HSBC Corporate Bond Fund Direct Growth | | | – | – | 9,99,950 | 1.02 |
| HDFC Money Market Fund- Direct Plan- Growth Option | | | 10,791 | 5.02 | – | – |
| HDFC Ultra Short Term Fund -Direct Growth | | | 1,29,05,281 | 16.02 | – | – |
| IDFC Ultra Short Term Fund -Direct Plan - Growth | | | 5,42,33,467 | 67.31 | 7,45,05,438 | 89.19 |
| IDFC Floating Rate Fund Direct Plan-Growth | | | – | – | 99,99,500 | 10.04 |
| IDFC Money Manager Fund Growth- Direct Plan | | | 25,85,925 | 9.03 | 39,04,110 | 13.14 |
| IDFC Banking & PSU Debt Fund- Direct Plan- Growth | | | 19,95,380 | 4.07 | – | – |
| IDFC Cash Fund- Growth- Direct Plan | | | 77,900 | 20.03 | – | – |
| ICICI Prudential Ultra Short Term Fund- Direct Plan- Growth | | | 8,40,132 | 2.01 | – | – |
| ICICI Prudential Liquid Fund- Direct Plan- Growth | | | 5,07,697 | 16.01 | – | – |
| Invesco India Money Market Fund- Direct Plan Growth | | | 67,240 | 17.09 | 41,014 | 10.03 |
| Invesco India Ultra Short term Fund -Direct Plan Growth | | | 21,766 | 5.02 | 10,655 | 2.36 |
| Invesco India Liquid Fund- Direct Plan Growth | | | 66,493 | 19.44 | – | – |
| Kotak Liquid Fund Direct Plan Growth | | | 11,622 | 5.00 | 12,030 | 5.00 |
| Kotak Money Market Fund -Direct Plan- Growth | | | 69,410 | 25.13 | 57,512 | 20.04 |
| Kotak Savings Fund - Direct Plan - Growth | | | 30,69,151 | 11.06 | 1,05,62,382 | 36.63 |
| LIC MF Savings Fund -Direct Plan- Growth | | | 14,57,623 | 5.02 | 15,09,828 | 5.00 |
| L & T Money Market Fund Direct Plan- Growth | | | 27,10,589 | 6.03 | 46,72,947 | 10.03 |
| L & T Ultra Short Term Fund Direct Plan- Growth | | | 1,15,26,884 | 41.95 | 1,15,26,884 | 40.45 |
| L & T Liquid Fund Direct Plan- Growth | | | 68,633 | 20.00 | – | – |
| Mahindra Manulife Liquid Fund- Direct- Growth | | | 36,129 | 5.00 | – | – |
| Nippon India Liquid Fund - Direct Plan Growth Plan -Growth Option | | | 52,516 | 27.35 | 14,417 | 7.26 |
| Nippon India Money Market Fund -Direct Growth Plan Growth Option | | | 74,946 | 25.11 | 65,430 | 21.07 |
| PGIM India Liquid Fund- Direct Plan- Growth | | | 1,80,266 | 5.00 | – | – |
| PGIM India Ultra Short Duration Fund- Direct Plan- Growth | | | 28,05,184 | 8.04 | – | – |
| Sundaram Liquid Fund -Direct Plan Growth | | | 26,614 | 5.00 | – | – |
| SBI Liquid Fund Direct Growth | | | 45,063 | 15.02 | – | – |
| SBI Magnum Low Duration Fund Direct - Growth | 15.1 | | – | – | 1,03,038 | 28.81 |
| SBI Magnum Ultra Short Duration Fund Direct Growth | | | 41,045 | 20.10 | – | – |
| SBI Floating Rate DEBT Fund Direct Plan Growth | | | 94,28,776 | 10.04 | – | – |
| SBI Savings Fund -Direct Plan- Growth | | | – | – | 70,10,551 | 23.97 |
| Tata Money Market Fund Direct Plan -Growth | | | 68,360 | 26.15 | 57,896 | 21.25 |
| Tata Liquid Fund Direct Plan- Growth | | | 20,890 | 7.02 | – | – |
| Tata Overnight Fund Direct Plan- Growth | | | 4 | 0.00 | – | – |
| UTI Treasury Advantage Fund- Direct Growth Plan Growth | | | – | – | 30,971 | 8.19 |
| UTI Liquid Cash Plan- Direct Plan- Growth | | | 14,338 | 5.00 | – | – |
| **Sub Total** | | | | **491.15** | | **384.54** |
| **Investment In Preference Shares - Unquoted (Fully paid up)** | | | | | | |
| RCCPL Private Limited - 10% Redeemable Cumulative Preference Shares | 15.2 | 100 | 1,00,00,000 | 102.77 | 1,00,00,000 | 139.75 |
| **Sub Total** | | | | **102.77** | | **139.75** |
| **TOTAL (A)** | | | | **593.92** | | **524.29** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|---|
| | | | | Qty. | Amount | Qty. | Amount |
| **B** | **INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | | | | | | |
| | **Investment in Quoted Non - Convertible Debentures** | | | | | | |
| | 2% Tata Steel Limited 2022 | | 10,00,000 | 134 | 24.99 | – | – |
| | **Sub Total** | | | | **24.99** | | **–** |
| | **TOTAL (B)** | | | | **24.99** | | **–** |
| | **TOTAL CURRENT INVESTMENTS** | | | | **618.91** | | **524.29** |
| | **Aggregate Book Value of Quoted Investments** | | | | **24.99** | | **–** |
| | **Aggregate Fair Value of Quoted Investments** | | | | **24.99** | | **–** |
| | **Aggregate amount of Unquoted Investments** | | | | **593.92** | | **524.29** |
| | **Aggregate amount of Impairment in Value of Investments** | | | | **–** | | **–** |

**Notes :**

**15.1** Out of the same Nil (Previous Year: 45,930 units) are held as margin in favour of State Bank of India against bank guarantee.

**15.2** Preference Shares of RCCPL Private Limited were extended for a period of one year from 21st December, 2021 to 21st December, 2022.

**15.3** The Company has not traded or invested in crypto currency or virtual currency during the year ended 31st March, 2022 and 31st March, 2021.

**16 TRADE RECEIVABLES**

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Trade Receivables | 16.1 & 16.2 | 232.21 | 207.45 |
| Less: Provision for Doubtful Receivables | | 10.44 | 10.78 |
| **Total** | | **221.77** | **196.67** |
| | | | |
| **Break Up of Trade Receivables** | | | |
| Trade Receivables considered good - Secured | | 90.80 | 106.53 |
| Trade Receivables considered good - Unsecured | | 130.97 | 90.14 |
| Trade Receivables which have significant increase in Credit Risk | | 10.44 | 10.78 |
| Trade Receivables - Credit Impaired | | – | – |
| **Total** | | **232.21** | **207.45** |
| Less: Provision for Doubtful Receivables | | 10.44 | 10.78 |
| **Total** | | **221.77** | **196.67** |

**16.1** Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. Refer Note No. 44 for information on amount of trade receivables pledged as securities by the Company.

**16.2** No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except ₹ 42.94 Crores (Previous year ₹ 12.34 Crores) are receivables from a private company in which directors of the Company are directors.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

**16.3 Trade Receivables ageing schedule**

**As at 31st March, 2022** (₹ in Crores)

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than Six Months | 6 Months – 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables – considered good | 26.49 | 185.29 | 4.54 | 2.42 | 0.68 | 2.35 | **221.77** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | 0.16 | 1.48 | **1.64** |
| (iii) Undisputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| (iv) Disputed Trade Receivables – considered good | – | – | – | – | – | – | **–** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | 0.13 | 8.67 | **8.80** |
| (vi) Disputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| **Total Trade Receivables** | **26.49** | **185.29** | **4.54** | **2.42** | **0.97** | **12.50** | **232.21** |
| Less: Provision for Doubtful Receivables | | | | | | | **10.44** |
| **Net Trade Receivables** | | | | | | | **221.77** |

**As at 31st March, 2021**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than Six Months | 6 Months – 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables – considered good | 10.94 | 174.83 | 4.48 | 3.03 | 0.51 | 2.88 | **196.67** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | – | – | 0.07 | 0.30 | – | 1.67 | **2.04** |
| (iii) Undisputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| (iv) Disputed Trade Receivables – considered good | – | – | – | – | – | – | **–** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | – | – | – | 0.03 | 0.05 | 8.66 | **8.74** |
| (vi) Disputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| **Total Trade Receivables** | **10.94** | **174.83** | **4.55** | **3.36** | **0.56** | **13.21** | **207.45** |
| Less: Provision for Doubtful Receivables | | | | | | | **10.78** |
| **Net Trade Receivables** | | | | | | | **196.67** |

**16.4** There are no unbilled trade receivables as on 31st March, 2022 and 31st March, 2021.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 17 CASH AND CASH EQUIVALENTS

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Balances with Banks : | | | |
| In Current/ Cash Credit Account | | 32.79 | 20.70 |
| In Deposit Accounts with Original Maturity of less than three months | | 40.02 | 14.93 |
| Cheques/ Drafts on Hand | | – | 0.41 |
| Cash on Hand | | 0.11 | 0.12 |
| **Total** | | **72.92** | **36.16** |

## 18 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | | | |
|---|---|---|---|
| Balance in Unpaid Dividend Account | 18.1 | 1.41 | 1.44 |
| Other Fixed Deposit with Banks | | 51.04 | 83.99 |
| **Total** | | **52.45** | **85.43** |
| **18.1** Includes deposits marked lien in favour of Govt. Authorities and Banks. | | **8.75** | **2.54** |

## 19 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

| | | | |
|---|---|---|---|
| Plant & Machinery | 19.1 | 1.08 | 1.42 |
| **Total** | | **1.08** | **1.42** |

**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 has been disposed off during the year ended 31st March, 2022.

**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, Maharashtra 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 was expected that the sale of the assets to be completed by March, 2022. However, due to Covid 19 Pandemic the complete disposal could not take place and now the Company expects to carry out the same by March, 2023. 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 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, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| **20.1 Authorised Share Capital** | | | | |
| 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 |
| **Total** | **9,10,00,000** | **100.00** | **9,10,00,000** | **100.00** |
| **20.2 Issued Share Capital** | | | | |
| Ordinary Shares of ₹ 10/- each | 7,70,13,416 | 77.01 | 7,70,13,416 | 77.01 |
| **Total** | **7,70,13,416** | **77.01** | **7,70,13,416** | **77.01** |
| **20.3 Subscribed and Paid-up Share Capital** | | | | |
| 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) | – | – | – | – |
| **Total** | **7,70,05,347** | **77.01** | **7,70,05,347** | **77.01** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**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 Shareholding of Promoters in the Company**

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % Holding | No. of Shares | % Holding | |
| Estate of Late Smt Priyamvada Devi Birla represented by Justice Mohit Shantilal Shah, Shri Mahendra Kumar Sharma and Shri Amal Chandra Chakrabortti in their capacity as Administrators pendente lite | 1,260 | 0.00% | 1,260 | 0.00% | NIL |
| August Agents Limited | 60,15,912 | 7.81% | 60,15,912 | 7.81% | NIL |
| Baroda Agents & Trading Co. Private Limited | 9,14,355 | 1.19% | 9,14,355 | 1.19% | NIL |
| Belle Vue Clinic | 1,75,148 | 0.23% | 1,75,148 | 0.23% | NIL |
| Birla Cable Limited | 280 | 0.00% | 280 | 0.00% | NIL |
| Birla Financial Corporation Limited | 280 | 0.00% | 280 | 0.00% | NIL |
| East India Investment Co. Private Limited | 73,475 | 0.10% | 73,475 | 0.10% | NIL |
| Eastern India Educational Institution | 33,61,200 | 4.36% | 33,61,200 | 4.36% | NIL |
| Express Dairy Company Limited | 280 | 0.00% | 280 | 0.00% | NIL |
| Gwalior Webbing Co. Private Limited | 17,75,200 | 2.31% | 17,75,200 | 2.31% | NIL |
| Hindustan Gum & Chemicals Limited | 2,70,000 | 0.35% | 2,70,000 | 0.35% | NIL |
| Hindustan Medical Institution | 71,59,460 | 9.30% | 71,59,460 | 9.30% | NIL |
| Insilco Agents Limited | 60,04,080 | 7.80% | 60,04,080 | 7.80% | NIL |
| Laneseda Agents Limited | 59,94,680 | 7.78% | 59,94,680 | 7.78% | NIL |
| M.P. Birla Foundation Educational Society | 1,00,100 | 0.13% | 1,00,100 | 0.13% | NIL |
| M.P. Birla Institute of Fundamental Research | 100 | 0.00% | 100 | 0.00% | NIL |
| Mazbat Tea Estate Limited | 14,67,689 | 1.91% | 14,67,689 | 1.91% | NIL |
| Punjab Produce Holdings Limited | 36,65,407 | 4.76% | 36,65,407 | 4.76% | NIL |
| Shreyas Medical Society | 1,17,740 | 0.15% | 1,17,740 | 0.15% | NIL |
| South Point Foundation | 1,40,000 | 0.18% | 1,40,000 | 0.18% | NIL |
| The Punjab Produce & Trading Co. Private Limited | 45,20,572 | 5.87% | 45,20,572 | 5.87% | NIL |
| Universal Cables Limited | 2,96,730 | 0.39% | 2,96,730 | 0.39% | NIL |
| Vindhya Telelinks Limited | 63,80,243 | 8.29% | 63,80,243 | 8.29% | NIL |

**20.8 Details of Equity Shareholders holding more than 5% shares in the Company**

| Name of Shareholders | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| **Ordinary Shares of ₹ 10/- each fully paid** | | | | |
| 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. Private Limited | 45,20,572 | 5.87 | 45,20,572 | 5.87 |

**20.9** 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**20.10** 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.

**20.11** No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

**20.12** No calls are unpaid by any Director or Officer of the Company 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:**

**21.1 Capital Reserve:** Capital reserve are mainly the reserve created during business combination for the gain on bargain purchase.

**21.2 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. However, this requirement is no more applicable as per the amendment in the Companies (Share capital and Debentures) Rules, 2014. Accordingly from previous year, the Company has not made any new addition in the said reserve and accounted the reversal of outstanding reserve linked to payment of specific non-convertible debentures.

**21.3 General Reserve:** General reserve is created out of retained earnings and being used for appropriation purposes.

**21.4 Retained Earnings:** Retained earnings represents the undistributed profit of the Company.

**21.5 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.

**21.6 Effective Portion of Cashflow Hedges:** The Company has designated certain hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective or instruments settled, the amount will be transferred to the statement of profit and loss.

**21.7 Equity Instrument through Other Comprehensive Income:** This reserve is created on account of fair valuation of equity instruments other than investments in subsidiaries. This will be directly transferred to retained earnings on disposal of respective equity instruments.

**21.8 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, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Non-Convertible Debentures (NCD)** | 22.1(a) | | | | |
| **(Face Value of ₹ 10,00,000/- each)** | | | | | |
| 2,500 (Previous Year - 2,500) 9.25% NCD 2026 | | 250.00 | 250.00 | – | – |
| NIL (Previous Year - 1,500) 9.15% NCD 2021 | | – | – | – | 150.00 |
| 1,500 (Previous Year - 1,500) 7.05% NCD 2024 | | 120.00 | 150.00 | 30.00 | – |
| 1,500 (Previous Year - Nil) 5.75% NCD 2027 | | 150.00 | – | – | – |
| | | **520.00** | **400.00** | **30.00** | **150.00** |
| **Term Loans** | | | | | |
| **From Banks:** | | | | | |
| Rupee Loans | 22.1(b) | 280.12 | 107.73 | 43.00 | 56.18 |
| Foreign Currency Loans | 22.1 (c) | 131.05 | 457.56 | 15.89 | 36.31 |
| **From Other:** | | | | | |
| Rupee Loan | 22.1(d) | 21.79 | 13.35 | – | – |
| | | **432.96** | **578.64** | **58.89** | **92.49** |
| **Total** | | **952.96** | **978.64** | **88.89** | **242.49** |
| Amount disclosed under the head "Short Term Borrowings" | 27 | – | – | (88.89) | (242.49) |
| **Total** | | **952.96** | **978.64** | **–** | **–** |
| **Break Up of Security Details** | | | | | |
| Secured | | 952.96 | 943.64 | 88.89 | 242.49 |
| Unsecured | | – | 35.00 | – | – |
| **Total** | | **952.96** | **978.64** | **88.89** | **242.49** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**22.1 Terms and Conditions of Long Term Borrowings :**

| | Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|---|
| **a)** | **Non-Convertible Debentures** | | | |
| | i) 9.25% NCD 2026 | 22.1 (e) (i) | 250.00 | 250.00 |
| | ii) 7.05% NCD 2024 | 22.1 (e) (ii) | 150.00 | 150.00 |
| | iii) 5.75% NCD 2027 | 22.1 (e) (iii) | 150.00 | – |
| | iv) 9.15% NCD 2021 | | – | 150.00 |
| **b)** | **Rupee Term Loans - From Banks - in Indian Rupees** | 22.1 (g) and (h) | 324.48 | 163.91 |
| **c)** | **Foreign Currency Loans - From Banks - in Foreign Currency** | 22.1 (f) | 146.94 | 495.62 |
| **d)** | **Rupee Term Loan - From Other - in Indian Rupees** | 22.1 (i) | 33.01 | 20.99 |

**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 and ₹ 20.00 Crores repayable in September 2026.

ii) 7.05% NCD 2024 of ₹ 150.00 Crores, includes ₹ 30.00 Crores repayable in December 2022, ₹ 60.00 Crores repayable in December 2023 and ₹ 60.00 Crores repayable in December 2024.

iii) 5.75% NCD 2027 of ₹ 150.00 Crores, repayable in February 2027.

**f) Foreign Currency Loan from Bank (SGD: 2.58 Crores) is repayable as under:-**

Term Loan ₹ 146.94 Crores (rate of interest @ 1.58% p.a.)

i) ₹ 19.86 Crores repayable in 5 equal quarterly installments starting from June 2022 to June 2023.

ii) ₹ 127.08 Crores repayable in 12 equal quarterly installments starting from September 2023 to June 2026.

**g) Rupee Loan from Bank is repayable as under:-**

Term Loan ₹ 252 Crores (6.75% p.a. upto 5th November, 2022 and thereafter @ 6 months MCLR + 15 bps)

₹ 56.00 Crores repayable 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 repayable in 8 equal quarterly installments from June 2026 to March 2028.

₹ 42.00 Crores repayable in 2 equal quarterly installments from June 2028 to September 2028.

The above loans (e) (i), (e) (ii), (f) and (g) 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. Non-Convertible Debentures referred in (e) (iii) is secured by first charge on freehold land belongs to Company's unit Soorah Jute Mills situated at Narkeldanga, Kolkata.

**h) Rupee Loan from Bank is repayable as under:-**

Term Loan ₹ 72.48 Crores, (6.75% p.a. upto 5th November, 2022 and thereafter @ 6 months MCLR)

₹ 22.50 Crores repayable in 6 equal quarterly installments from June 2022 to September 2023.

₹ 24.96 Crores repayable in 6 equal quarterly installments from December 2023 to March 2025.

₹ 25.02 Crores repayable in 6 equal quarterly installments from June 2025 to September 2026.

The loan is secured by first charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Company's Jute Division and land situated at Birlapur and Narkeldanga, ranking pari-passu with debenture holders.

**i) Rupee Loans from Other is repayable as under:-**

Interest free Term Loans ₹ 33.01 Crores from Pradeshiya Industrial & Investment Corporation of U.P. Ltd.

₹ 33.01 Crores includes, ₹ 2.82 Crores repayable in January 2025, ₹ 2.42 Crores repayable in March 2025, ₹ 6.67 Crores repayable in May 2025, ₹ 9.08 Crores repayable in March 2028 and ₹ 12.02 Crores repayable in March 2029.

The loans are secured by Bank Guarantees.

**22.2** The borrowings obtained by the Company from banks and proceedings from issue of Non-Convertible Debentures have been applied for the purpose for which such borrowings were taken and Non-Convertible Debentures were issued.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 23 OTHER FINANCIAL LIABILITIES

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| Trade & Security Deposits (Unsecured) | | 403.55 | 420.82 | – | – |
| Interest accrued but not due on Borrowings | | – | – | 16.81 | 26.14 |
| Interest accrued and due on Borrowings | | – | – | 1.90 | 2.01 |
| Unpaid and Unclaimed Dividends | | – | – | 1.41 | 1.44 |
| Employees Related Liabilities | | – | – | 29.40 | 25.77 |
| Amount Payable for Capital Goods | | – | – | 52.49 | 25.91 |
| Derivative Contracts (Net) | | 1.77 | 4.01 | 0.51 | 12.75 |
| Other Payables (including rebates and discounts) | | – | – | 165.82 | 177.60 |
| | | 405.32 | 424.83 | 268.34 | 271.62 |
| Liabilities Under Litigation | | 35.05 | 32.41 | – | – |
| Less : Paid Under Protest | | 27.09 | 24.85 | – | – |
| | | 7.96 | 7.56 | – | – |
| **Total** | | **413.28** | **432.39** | **268.34** | **271.62** |

## 24 PROVISIONS

| | | | | | |
|---|---|---|---|---|---|
| Provision for Employee Benefits | | 40.73 | 40.33 | 5.61 | 3.85 |
| Provision for Mines Restoration | 24.1 | – | – | 6.96 | 6.91 |
| **Total** | | **40.73** | **40.33** | **12.57** | **10.76** |

## 24.1 Movement of Provision :

| Particulars | Provision for Mines Restoration | |
|---|---|---|
| | 31st March, 2022 | 31st March, 2021 |
| **Balance as at year beginning** | 6.91 | 6.59 |
| Provision made during the year | 0.45 | 0.50 |
| Provision utilised/written back during the year | 0.40 | 0.18 |
| **Balance as at year end** | **6.96** | **6.91** |

The Company has an obligation to restore the mines after extracting of reserves. Therefore provision has been recognized for the estimated decommissioning and restoration cost in accordance with the mines closure plan.

## 25 DEFERRED TAX LIABILITIES (NET)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Arising on account of : | | |
| Depreciation & Lease adjustments | 291.52 | 285.18 |
| Revaluation Surplus | 264.12 | 230.96 |
| Mark to Market Gain on Investments | 33.69 | 26.19 |
| Others | 2.33 | 3.35 |
| | 591.66 | 545.68 |
| **Less: Deferred Tax Assets** | | |
| Arising on account of : | | |
| Mat Credit Entitlement | 162.27 | 181.28 |
| Items u/s 43B of Income Tax Act, 1961 | 48.90 | 47.97 |
| Others | 7.31 | 6.42 |
| | 218.48 | 235.67 |
| | | |
| **Deferred Tax Liabilities (Net)** | **373.18** | **310.01** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**25.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2021 and 31st March, 2022**

| Particulars | As at 1st April, 2021 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at 31st March, 2022 |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Depreciation & Lease adjustments | 285.18 | 6.34 | – | 291.52 |
| Revaluation Surplus | 230.96 | – | 33.16 | 264.12 |
| Mark to Market Gain on Investments | 26.19 | 1.89 | 5.61 | 33.69 |
| Remeasurement of the Defined Benefit Plans | – | (3.04) | 3.04 | – |
| Others | 3.35 | (2.03) | 1.01 | 2.33 |
| | **545.68** | **3.16** | **42.82** | **591.66** |
| **Deferred Tax Assets** | | | | |
| Mat Credit Entitlement | 181.28 | (19.01) | – | 162.27 |
| Items u/s 43B of Income Tax Act, 1961 | 47.97 | 0.93 | – | 48.90 |
| Others | 6.42 | 0.89 | – | 7.31 |
| | **235.67** | **(17.19)** | **–** | **218.48** |
| | | | | |
| **Deferred Tax Liabilities (Net)** | **310.01** | **20.35** | **42.82** | **373.18** |

| Particulars | As at 1st April, 2020 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at 31st March, 2021 |
|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | |
| Depreciation & Lease adjustments | 381.39 | (96.21) | – | 285.18 |
| Revaluation Surplus | 232.37 | – | (1.41) | 230.96 |
| Mark to Market Gain on Investments | 11.49 | (3.46) | 18.16 | 26.19 |
| Remeasurement of the Defined Benefit Plans | – | (1.12) | 1.12 | – |
| Others | 0.26 | 6.44 | (3.35) | 3.35 |
| | **625.51** | **(94.35)** | **14.52** | **545.68** |
| **Deferred Tax Assets** | | | | |
| Mat Credit Entitlement | 181.90 | (0.62) | – | 181.28 |
| Items u/s 43B of Income Tax Act, 1961 | 55.92 | (7.95) | – | 47.97 |
| Others | 7.38 | (0.96) | – | 6.42 |
| | **245.20** | **(9.53)** | **–** | **235.67** |
| | | | | |
| **Deferred Tax Liabilities (Net)** | **380.31** | **(84.82)** | **14.52** | **310.01** |

**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** During the previous year, the Company had recognized unused tax credits (MAT credit entitlements) of ₹ 50.01 Crores related to Financial Year 2010-11 and 2011-12, which were earlier not recognized on account of prudence.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 26 OTHER LIABILITIES

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| Liabilities Under Litigation | | 303.36 | 293.03 | – | – |
| Less : Paid Under Protest | | 175.10 | 153.49 | – | – |
| | | 128.26 | 139.54 | – | – |
| Advances Received from Customers | | – | – | 81.25 | 106.20 |
| Statutory Dues | | – | – | 109.31 | 101.40 |
| Bonus Liability | | – | – | 11.66 | 8.33 |
| Deferred Revenue | 26.1 | 8.67 | 6.30 | 2.32 | 1.77 |
| Others | | 4.89 | 4.89 | – | – |
| **Total** | | **141.82** | **150.73** | **204.54** | **217.70** |

## 26.1 Movement of Deferred Revenue

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Opening Balance | 8.07 | 5.62 |
| Grants Received during the year | 4.61 | 3.69 |
| Less: Released to Statement of Profit & Loss | 1.69 | 1.24 |
| **Closing Balance** | **10.99** | **8.07** |
| Current portion | 2.32 | 1.77 |
| Non Current portion | 8.67 | 6.30 |

## 27 SHORT TERM BORROWINGS

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Current Maturities of Long Term Debt | 22 | 88.89 | 242.49 |
| **Loans Repayable on Demand** | | | |
| From Banks | | | |
| Rupee Loans | 27.1 | 127.46 | 10.24 |
| **Other Loans** | | | |
| From Banks | | | |
| Packing Credit in Indian Currency | 27.1 | 10.00 | 20.18 |
| **Total** | | **226.35** | **272.91** |
| **The above amount includes** | | | |
| Secured Borrowings | | 108.35 | 272.91 |
| Unsecured Borrowings | | 118.00 | – |
| **Total** | | **226.35** | **272.91** |

**27.1** The Company has been sanctioned working capital facilities (fund and non-fund based) from various Banks, 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.

**27.2** The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account.

**27.3** There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**27.4** The Company has not been declared as a Wilful Defaulter by any bank or financial institution or other lender.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 28 TRADE PAYABLES

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Trade Payables for goods and services | | | |
| – Total outstanding dues of micro enterprises and small enterprises | 45 | 7.31 | 3.49 |
| – Total outstanding dues of creditors other than micro enterprises and small enterprises | | 470.29 | 393.05 |
| **Total** | | **477.60** | **396.54** |

## 28.1 Trade Payables ageing schedule

**As at 31st March, 2022**

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1–2 Years | 2–3 Years | More than 3 Years | Total |
| i) MSME | 0.28 | 2.57 | 4.25 | 0.14 | 0.05 | 0.02 | **7.31** |
| ii) Others | 118.35 | 37.28 | 270.88 | 10.03 | 11.17 | 19.45 | **467.16** |
| iii) Disputed dues – MSME | – | – | – | – | – | – | **–** |
| iv) Disputed dues – Others | – | – | 0.02 | – | – | 3.11 | **3.13** |
| **Total** | **118.63** | **39.85** | **275.15** | **10.17** | **11.22** | **22.58** | **477.60** |

**As at 31st March, 2021**

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1–2 Years | 2–3 Years | More than 3 Years | Total |
| i) MSME | 0.26 | 2.25 | 0.90 | 0.06 | 0.02 | – | **3.49** |
| ii) Others | 110.90 | 33.49 | 206.09 | 7.82 | 15.16 | 16.45 | **389.91** |
| iii) Disputed dues – MSME | – | – | – | – | – | – | **–** |
| iv) Disputed dues – Others | – | – | 0.03 | – | – | 3.11 | **3.14** |
| **Total** | **111.16** | **35.74** | **207.02** | **7.88** | **15.18** | **19.56** | **396.54** |

## 29 REVENUE FROM OPERATIONS

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| Sale of Products | 29.1 to 29.4 | 4,736.60 | 4,392.75 |
| | | **4,736.60** | **4,392.75** |
| Other Operating Revenues | | | |
| Incentives & Subsidies | 57 | 2.11 | 7.63 |
| Export Benefits | 57.5 | 2.61 | 1.90 |
| Income from Royalty | | 35.15 | 29.99 |
| Insurance and Other Claims (Net) | | 2.62 | 1.18 |
| Miscellaneous Sale | | 11.84 | 8.70 |
| | | **54.33** | **49.40** |
| **Total** | | **4,790.93** | **4,442.15** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ 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, 2022 | | | | For the year ended 31st March, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Cement | Jute | Others | Total | Cement | Jute | Others | Total |
| **Sale of Products** | | | | | | | | |
| Manufactured Goods | 4,300.23 | 398.49 | 0.56 | 4,699.28 | 4,076.97 | 284.65 | 0.17 | 4,361.79 |
| Traded Goods | 32.95 | 4.37 | – | 37.32 | 30.94 | 0.02 | – | 30.96 |
| **Total Revenue from Contracts with Customers** | **4,333.18** | **402.86** | **0.56** | **4,736.60** | **4,107.91** | **284.67** | **0.17** | **4,392.75** |
| **Other Operating Revenues** | | | | | | | | |
| Incentives & Subsidies | 1.75 | 0.36 | – | 2.11 | 7.19 | 0.44 | – | 7.63 |
| Export Benefits | – | 2.61 | – | 2.61 | – | 1.90 | – | 1.90 |
| Income from Royalty | 35.15 | – | – | 35.15 | 29.99 | – | – | 29.99 |
| Insurance and Other Claims (Net) | 2.49 | 0.13 | – | 2.62 | 1.18 | – | – | 1.18 |
| Miscellaneous Sale | 10.14 | 1.64 | 0.06 | 11.84 | 8.36 | 0.29 | 0.05 | 8.70 |
| | **49.53** | **4.74** | **0.06** | **54.33** | **46.72** | **2.63** | **0.05** | **49.40** |
| **Total Revenue from Operations** | **4,382.71** | **407.60** | **0.62** | **4,790.93** | **4,154.63** | **287.30** | **0.22** | **4,442.15** |
| Within India | 4,382.63 | 333.24 | 0.62 | 4,716.49 | 4,154.52 | 246.85 | 0.22 | 4,401.59 |
| Outside India | 0.08 | 74.36 | – | 74.44 | 0.11 | 40.45 | – | 40.56 |
| **Total Revenue from Operations** | **4,382.71** | **407.60** | **0.62** | **4,790.93** | **4,154.63** | **287.30** | **0.22** | **4,442.15** |
| **Timing of Revenue Recognition** | | | | | | | | |
| Goods or Services transferred at a point in time | 4,382.71 | 407.60 | 0.62 | 4,790.93 | 4,154.63 | 287.30 | 0.22 | 4,442.15 |
| **Total Revenue from Operations** | **4,382.71** | **407.60** | **0.62** | **4,790.93** | **4,154.63** | **287.30** | **0.22** | **4,442.15** |

b) Reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information:

| Particulars | For the year ended 31st March, 2022 | | | | For the year ended 31st March, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Cement | Jute | Others | Total | Cement | Jute | Others | Total |
| **Revenue** | | | | | | | | |
| External Sales | 4,382.71 | 407.60 | 0.62 | 4,790.93 | 4,154.63 | 287.30 | 0.22 | 4,442.15 |
| Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.04 | 5.87 | 6.51 |
| **Total** | **4,383.77** | **407.60** | **7.85** | **4,799.22** | **4,155.23** | **287.34** | **6.09** | **4,448.66** |
| Less : Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.04 | 5.87 | 6.51 |
| **Revenue from Operations** | **4,382.71** | **407.60** | **0.62** | **4,790.93** | **4,154.63** | **287.30** | **0.22** | **4,442.15** |

**29.2 Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:**

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| Trade Receivables | 16 | 221.77 | 196.67 |
| Contract Liabilities | | | |
| Advances from Customers | 26 | 81.25 | 106.20 |

**29.3 Reconciling the amount of Revenue recognized in the Statement of Profit and Loss with the Contracted Price:**

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **Revenue as per contracted price** | | 5,097.32 | 4,733.50 |
| Less: Sales Claims | | 0.59 | 0.37 |
| Less: Rebate & Discounts | | 360.13 | 340.38 |
| **Total Revenue from Contracts with Customers** | | 4,736.60 | 4,392.75 |
| Other Operating Revenues | | 54.33 | 49.40 |
| **Revenue from Operations** | | **4,790.93** | **4,442.15** |

**29.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at Balance Sheet date are, as follows:**

| | | | |
|---|---|---|---|
| Advances from Customers | 26 | 81.25 | 106.20 |

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognized as revenue during the next financial year.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 30 OTHER INCOME

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **Interest Income** | | | |
| On Investments | | 0.86 | 0.81 |
| On Deposits with Banks and Other Financial Institutions | | 7.18 | 9.91 |
| On Income Tax Refund | | 3.06 | – |
| On Other Deposits, etc. | | 2.16 | 14.24 |
| Dividend Income | | 51.65 | 1.01 |
| Net Gain/ (Loss) on sale of Investments measured at fair value through Profit & Loss | | 3.95 | 17.97 |
| Net Gain/ (Loss) on restatement of Investments (Mark to Market) measured at fair value through Profit & Loss | | (31.55) | 27.17 |
| Gain on Foreign currency transaction and translation (Net) | 30.1 | 3.68 | – |
| **Other Non Operating Income** | | | |
| Profit on sale/discard of Property, Plant and Equipment (Net) | | 2.76 | 0.06 |
| Profit on sale of Capital Work In Progress | | – | 0.79 |
| Profit on revaluation of Live Stock | | 0.01 | – |
| Profit on sale of Non Current Assets classified as Held for Sale | | 0.03 | – |
| Excess Liabilities and Unclaimed Balances written back (Net) | | 40.33 | 15.23 |
| Excess Provision written back (Net) | | 0.34 | 0.12 |
| Excess Depreciation written back | | – | – |
| Insurance and Other Claims (Net) | | 2.96 | 3.23 |
| Miscellaneous Income | | 6.97 | 20.69 |
| **Total** | | **94.39** | **111.23** |

## 30.1 Gain on Foreign currency transaction and translation (Net)

| | | | |
|---|---|---|---|
| Gain on Foreign currency transaction and translation (Net) | | 6.59 | – |
| Less: Transfer to Other Comprehensive Income | 40.2.2 | 2.91 | – |
| **Total** | | **3.68** | **–** |

## 31 COST OF MATERIALS CONSUMED

| | | | |
|---|---|---|---|
| Raw Material Consumed | | 993.49 | 959.53 |
| **Total** | | **993.49** | **959.53** |

## 32 PURCHASES OF STOCK IN TRADE

| | | | |
|---|---|---|---|
| Traded Goods | | 26.54 | 24.67 |
| **Total** | | **26.54** | **24.67** |

## 33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK–IN–TRADE AND WORK–IN–PROGRESS

| | | | |
|---|---|---|---|
| **Inventories at the beginning of the year** | | | |
| Finished Goods | | 82.53 | 145.04 |
| Stock–In–Trade | | 0.92 | 0.93 |
| Work–In–Progress | | 87.44 | 60.74 |
| | | 170.89 | 206.71 |
| **Inventories at the end of the year** | | | |
| Finished Goods | | 85.73 | 82.53 |
| Stock–In–Trade | | 1.04 | 0.92 |
| Work–In–Progress | | 98.10 | 87.44 |
| | | 184.87 | 170.89 |
| **Changes in Inventories** | | **(13.98)** | **35.82** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 34 EMPLOYEE BENEFITS EXPENSE

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| Salaries & Wages | | 293.99 | 261.96 |
| Contribution to Provident and Other Funds | | 28.77 | 26.87 |
| Staff Welfare Expenses | | 11.43 | 9.92 |
| | | 334.19 | 298.75 |
| Less: Amount Capitalized | | 1.67 | 1.10 |
| **Total** | | **332.52** | **297.65** |

## 35 FINANCE COST

| | | | |
|---|---|---|---|
| **Interest Expenses** | | | |
| To Debenture Holders | | 38.77 | 46.41 |
| To Banks on Term Loans, etc. | | 34.44 | 66.79 |
| To Banks On Working Capital Loans | | 3.54 | 0.42 |
| On Deposits and Others | | 22.75 | 21.16 |
| Exchange Differences regarded as an adjustment to Borrowing Costs | | – | (3.23) |
| **Other Borrowing Costs** | | | |
| Other Financial Charges | | 1.03 | 1.07 |
| | | 100.53 | 132.62 |
| Less : Amount Capitalised | 35.1 | – | 2.91 |
| **Total** | | **100.53** | **129.71** |

**35.1** The borrowing cost on specific borrowing has been capitalised at the rate applicable specific borrowing.

## 36 DEPRECIATION AND AMORTISATION EXPENSE

| | | | |
|---|---|---|---|
| On Tangible Assets | 5 | 161.36 | 152.16 |
| On Intangible Assets | 7 | 11.34 | 8.19 |
| On Investment Property | 6 | – | – |
| On Right of Use Assets | 5 | 4.16 | 0.47 |
| **Total** | | **176.86** | **160.82** |

## 37 OTHER EXPENSES

| | | | |
|---|---|---|---|
| **Manufacturing Expenses** | | | |
| Stores & Spare Parts Consumed | | 226.25 | 197.41 |
| Packing Materials Consumed | | 181.73 | 149.64 |
| Power & Fuel | | 1,099.43 | 817.09 |
| Royalty & Cess | | 67.57 | 62.48 |
| Repairs to Buildings | | 18.71 | 15.83 |
| Repairs to Machinery | | 87.79 | 68.94 |
| Freight & Material Handling on Inter Unit Transfer | | 54.46 | 35.35 |
| Other Manufacturing Expenses | | 84.91 | 73.96 |
| | | **1,820.85** | **1,420.70** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **Selling and Administration Expenses** | | | |
| Brokerage & Commission on Sales | | 42.16 | 36.70 |
| Transport & Forwarding Expenses | | 914.09 | 863.69 |
| Insurance | | 11.25 | 10.33 |
| Rent | | 17.39 | 16.30 |
| Repairs to Other Assets | | 5.47 | 5.04 |
| Rates & Taxes | | 11.67 | 11.36 |
| Advertisement | | 33.29 | 26.46 |
| Charity & Donation | | 1.25 | – |
| Corporate Social Responsibility Expenses | 49 | 6.64 | 4.53 |
| Auditors' Remuneration | 37.1 | 0.76 | 0.69 |
| Loss on Revaluation of Live Stock (Net) | | – | 0.02 |
| Net (Gain)/ Loss on Foreign currency transaction and translation | 37.2 | – | 1.17 |
| Provision for Diminution in value of Investment | 9.3 | – | 1.01 |
| Transfer of loss from Other Comprehensive Income related to bonds sold during the year | 40.2.1 | – | – |
| Loss on Sale of Non–Current Investments | | 0.04 | – |
| Non–Current Investments Written Off | | – | – |
| Net (Gain)/Loss on Mark to Market of Derivative Contracts related to NCDs | | 0.68 | – |
| Expected Credit Loss on Incentive and Subsidy | 55.1.2 | – | 32.62 |
| Bad Debts | | 0.03 | 0.19 |
| Directors' Fees | | 0.70 | 0.87 |
| Directors' Commission | | 0.70 | 0.70 |
| Other Expenses | | 98.51 | 82.44 |
| | | **1,144.63** | **1,094.12** |
| **Total** | | **2,965.48** | **2,514.82** |

**37.1 Auditors' Remuneration**

| | | | |
|---|---|---|---|
| a) | Statutory Auditors | | |
| | Audit Fees | 0.31 | 0.27 |
| | Tax Audit Fees | 0.07 | 0.07 |
| | Limited Review | 0.19 | 0.19 |
| | Travelling Expenses | 0.01 | 0.01 |
| | Issue of Certificates | 0.14 | 0.11 |
| | | **0.72** | **0.65** |
| b) | Cost Auditors | | |
| | Audit Fees | 0.04 | 0.04 |
| | Travelling Expenses | – | – |
| | | **0.04** | **0.04** |
| **Total** | | **0.76** | **0.69** |

**37.2 Net (Gain)/ Loss on Foreign Currency Transaction and Translation**

| | | | |
|---|---|---|---|
| Net (Gain)/ Loss on foreign currency transaction and translation | | – | 10.76 |
| Less: Transfer to Other Comprehensive Income | 40.2.2 | – | 9.59 |
| **Total** | | **–** | **1.17** |

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 38 EXCEPTIONAL ITEM

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| On account of Insurance and other claims | 38.1 | (7.00) | – |
| On account of Interest on Entry tax | 38.2 | 38.44 | – |
| **Total** | | **31.44** | **–** |

**38.1** Representing compensation claim received from a party on account of damages caused to the asset of the Company.

**38.2** On account of provision made towards interest on payment of U.P. Entry Tax. While the matter is sub judice, as a matter of abundant caution, such provision has been made.

## 39 TAX EXPENSE

| | | | |
|---|---|---|---|
| Current Tax | 39.1 | 50.08 | 86.67 |
| Deferred Tax | | | |
| On Other Items | | 1.34 | (85.44) |
| Add : MAT Credit Utilised | | 19.01 | 50.63 |
| | | **20.35** | **(34.81)** |
| Income Tax for earlier years | | (0.91) | – |
| Deferred Tax for earlier years | 25.3 | – | (50.01) |
| **Total** | | **69.52** | **1.85** |

**39.1 Reconciliation of Estimated Income Tax Expense at Indian Statutory Income Tax Rate to Income Tax Expense reported in Statement of Profit and Loss:**

| | | | |
|---|---|---|---|
| Income before Income Taxes | | 272.44 | 430.36 |
| Indian Statutory Income Tax Rate | 39.2 | 34.944% | 34.944% |
| Estimated Income Tax Expenses | | **95.20** | **150.38** |
| **Tax Effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:** | | | |
| Deduction under Chapter VIA | | (34.41) | (28.52) |
| Tax payable at different rate / Capital Gain | | 1.63 | (1.12) |
| Deferred Tax Adjustment | | (0.09) | (3.97) |
| Permanent Difference | | 12.09 | 9.78 |
| Others | | 0.38 | 0.28 |
| Income Tax for earlier years | | (0.91) | – |
| Deferred Tax for earlier years | 25.3 | – | (50.01) |
| Effect of Reversal of Deferred Tax Liability for change in income tax rates | 39.2 | (4.37) | (74.97) |
| | | **(25.68)** | **(148.53)** |
| **Income Tax Expense in the Statement of Profit and Loss** | | **69.52** | **1.85** |

**39.2** The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to a corporate for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is continuing to provide for income tax at old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Company under the Income Tax Act, 1961. However, the Company has applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realised or settled in the future period when the Company may be subjected to lower tax rate and accordingly as on 31st March, 2022 and 31st March, 2021 the Company has reversed net deferred tax liability of ₹ 4.37 Crores and ₹ 74.97 Crores respectively.

Applicable Indian Statutory Income Tax Rate for both the Fiscal Years 2022 and 2021 is 34.944%.

**39.3** There is no income or transaction which has not been disclosed or recorded in the books of accounts which has been surrendered or disclosed as income in the tax assessment during the year 31st March, 2022 and 31st March, 2021.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**40 OTHER COMPREHENSIVE INCOME**

| | Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|---|
| **40.1** | **Items that will not be reclassified to profit or loss** | | | |
| **40.1.1** | Remeasurement of the Defined Benefit Plans | | 8.70 | 3.22 |
| | Less: Tax expense on the above | | 3.04 | 1.12 |
| | | | **5.66** | **2.10** |
| **40.1.2** | Revaluation Surplus | 5.2 | 153.96 | – |
| | Less: Tax expense on the above | | 33.16 | (1.41) |
| | | | **120.80** | **1.41** |
| **40.1.3** | Equity Instruments through Other Comprehensive Income | | 119.45 | 128.65 |
| | Less: Tax expense on the above | | 5.69 | 18.08 |
| | | | **113.76** | **110.57** |
| **40.2** | **Items that will be reclassified to profit or loss** | | | |
| **40.2.1** | Debt Instruments through Other Comprehensive Income | | (0.25) | 0.35 |
| | Less: Amount reclassified to Statement of Profit and Loss | 37 | – | – |
| | | | **(0.25)** | **0.35** |
| | Less: Tax expense on the above | | (0.08) | 0.08 |
| | | | **(0.17)** | **0.27** |
| **40.2.2** | Effective Portion of Cash Flow Hedges | 55.4 | 2.91 | (9.59) |
| | Less: Amount reclassified to Statement of Profit and Loss | | – | – |
| | | | **2.91** | **(9.59)** |
| | Less: Tax expense on the above | | 1.01 | (3.35) |
| | | | **1.90** | **(6.24)** |
| | **Total Other Comprehensive Income for the year (Net of tax)** | | **241.95** | **108.11** |

**41 CONTINGENT LIABILITIES :**

**41.1 Claims/Disputes/Demands against the Company not acknowledged as debt :**

| Sl. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **41.1.1** | Sales Tax, VAT, CST and Entry Tax matters | 111.17 | 150.53 |
| **41.1.2** | Excise Duty, Service Tax, Goods & Service Tax and Custom Duty matters | 135.71 | 134.51 |
| **41.1.3** | Income Tax matters | 28.45 | 4.56 |
| **41.1.4** | Electricity Duty and Renewable Energy Surcharge matters | 21.52 | 21.52 |
| **41.1.5** | Royalty on Limestone | 67.91 | 67.91 |
| **41.1.6** | Others (Primarily related to demand for Alleged Impermissible Mining, Water Supply Charges, Stamp Duty, House Tax, Education Cess, etc.) | 37.55 | 37.30 |

**41.2** The Company is subject to electricity tariff notified by the relevant authorities. As there is substantial time lag in notifying such changes, the difference, if any, is accounted for at the time of notification of changes in tariff.

**41.3** In respect of the matters in Note No. 41.1, 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.

**41.4** The Company has provided corporate guarantee in the nature of financial guarantee to the lenders of one of its wholly owned subsidiary amounting to ₹ 295.34 Crores (Previous Year ₹ 340.75 Crores) against the long term loans availed by the Subsidiary. As on the Balance Sheet date, the balance of such loans outstanding of ₹ 295.34 Crores (Previous Year ₹ 340.75 Crores).

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**41.5 Other Contingent Liabilities**

| Sl. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **41.5.1** | Bills discounted with Banks remaining outstanding | 2.37 | 2.99 |
| **41.5.2** | 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 | – | 0.03 |

**42 Dividend**

The Board of Directors at its meeting held on 11th May, 2022 have recommended a payment of final dividend of ₹ 10.00 per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2022. The same amounts to ₹ 77.01 Crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

**43 Commitments**

**Capital Commitments**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for | 54.63 | 98.93 |

**44 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, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **Current** | | | |
| **Financial Assets** | | | |
| Trade Receivables | 16 | 221.77 | 196.67 |
| | | **221.77** | **196.67** |
| **Non-Financial Assets** | | | |
| Inventories | 14 | 602.71 | 591.56 |
| Others | 13 | 0.03 | 0.03 |
| | | **602.74** | **591.59** |
| **Total Current Assets Pledged as Security** | | **824.51** | **788.26** |
| **Non-Current** | | | |
| Land | 5 | 1,225.37 | 1,076.52 |
| Buildings | 5 | 180.91 | 173.74 |
| Plant & Machinery | 5 | 1,671.44 | 1,619.18 |
| Others Tangible Assets | 5 | 37.60 | 34.84 |
| Capital Work-In-Progress | 5 | 198.16 | 189.87 |
| Other Non Current Assets (including Intangible Assets) | 7 & 13 | 58.28 | 44.29 |
| **Total Non-Current Assets Pledged as Security** | | **3,371.76** | **3,138.44** |
| **Total Assets Pledged as Security** | | **4,196.27** | **3,926.70** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**45** 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, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| i. | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year: | | |
| | Trade Payable | | |
| | Principal | 7.31 | 3.49 |
| | Interest | – | – |
| | Other Financial Liability | | |
| | Principal | 1.48 | 0.90 |
| | Interest | – | – |
| ii. | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | | |
| | Principal | – | 0.04 |
| | Interest | – | 0.00 |
| 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. | – | – |

**46 Leases**

**46.1 As Lessee**

**46.1.1** 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.

**46.1.2 The following is the summary of practical expedients used for lease accounting:**

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(b) Applied the exemption not to recognized right of use assets and liabilities for leases with less than 12 months of lease term and low value of assets.

(c) Used hindsight in determining the lease term whether the contract contained options to extend or terminate the lease.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**46.1.3 Following is carrying value of right of use assets recognized and movements thereof during the year ended 31st March, 2021 and 31st March, 2022:**

| Particulars | Right of Use Assets | | |
|---|---|---|---|
| | Leasehold Land | Plant and Machinery | Total |
| **Balance as at 1st April, 2020** | 9.02 | – | 9.02 |
| Additions during the year | – | 27.97 | 27.97 |
| Deletion during the year | – | – | – |
| Depreciation of Right of Use Assets (Refer Note No. 36) | (0.31) | (0.16) | (0.47) |
| **Balance as at 31st March, 2021** | **8.71** | **27.81** | **36.52** |
| Additions during the year | – | 24.06 | 24.06 |
| Deletion during the year | – | – | – |
| Depreciation of Right of Use Assets (Refer Note No. 36) | (0.31) | (3.85) | (4.16) |
| **Balance as at 31st March, 2022** | **8.40** | **48.02** | **56.42** |

**46.1.4 The following is the carrying value of lease liability recognized and movements thereof during the year ended 31st March, 2021 and 31st March, 2022:**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Balance as at year beginning** | **31.70** | **5.42** |
| Additions during the year | 23.84 | 26.07 |
| Finance cost accrued during the year | 4.94 | 0.71 |
| Deletions | – | – |
| Payment of Lease Liabilities | (5.36) | (0.50) |
| **Balance as at year end** | **55.12** | **31.70** |
| | | |
| Current maturities of Lease Liability | 2.71 | 1.00 |
| Non-Current Lease Liability | 52.41 | 30.70 |

**46.1.5 Amounts recognized in the statement of profit and loss during the year:**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Depreciation charge of right-of-use assets - Leasehold Land (Refer Note No. 5) | 0.31 | 0.31 |
| Depreciation charge of right-of-use assets - Plant and Machinery (Refer Note No. 5) | 3.85 | 0.16 |
| Finance cost accrued during the year (included in finance cost) (Refer Note No. 35) | 4.94 | 0.71 |
| Expense related to short term leases (included in other expense) (Refer Note No. 37) | 17.39 | 16.30 |

**46.1.6 The maturity analysis of lease liabilities:**

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Lease Payments | Present value of Lease Payments | Lease Payments | Present value of Lease Payments |
| Within one year | 7.83 | 2.71 | 4.49 | 1.00 |
| After one year but not more than five years | 30.58 | 12.63 | 17.16 | 4.30 |
| More than five years | 60.50 | 39.78 | 47.55 | 26.40 |
| **Total lease liabilities payments** | **98.91** | **55.12** | **69.20** | **31.70** |
| Less: Amounts representing Finance Charges | 43.79 | – | 37.50 | – |
| **Present value of lease liabilities payments** | **55.12** | **55.12** | **31.70** | **31.70** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**46.1.7 Non-cash investing activities during the year:**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Acquisition of right of use assets | 24.06 | 27.97 |
| Disposals of right of use assets | – | – |

**46.1.8** The weighted average incremental borrowing rate applied to lease liabilities for leasehold land is 8.00% and for plant and machinery is 7.78% and 11.77%.

**46.1.9** 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.

**46.2 As Lessor**

**46.2.1** 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.

**47 Earnings Per Share**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Profit for the year attributable to the owner of the Company | 202.92 | 428.51 |
| Weighted average number of equity shares | 7,70,05,347 | 7,70,05,347 |
| Earnings per share basic and diluted (₹)<br>(Face value of ₹ 10/- per share) | 26.35 | 55.65 |

**48 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013:**

**48.1 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, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **48.1.1** | Provident Fund | 1.35 | 1.10 |
| **48.1.2** | Superannuation Fund | 2.55 | 2.82 |
| **48.1.3** | Pension Fund | 6.82 | 6.31 |

**48.2 Defined Benefit Plan**

The following are the types of defined benefit plans:

**48.2.1 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.

**48.2.2 Pension Plan**

Pension is payable to certain categories of employees who are eligible under the Company's Pension Scheme.

**48.2.3 Provident Fund**

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**48.2.4 Risk Exposure**

**Defined Benefit Plans**

Defined benefit plans expose the Company to actuarial risks such as Interest Rate Risk, Salary Risk and Demographic Risk.

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.

**48.2.5 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Balance at the beginning of the year | 137.79 | 134.06 | 0.60 | 0.64 |
| Current Service Cost | 8.62 | 8.20 | – | – |
| Interest Cost on Defined Benefit Obligation | 8.61 | 8.36 | 0.04 | 0.04 |
| Actuarial Gain and Losses arising from | | | | |
| Changes in Demographic Assumptions | – | – | 0.03 | – |
| Changes in Financial Assumptions | (2.89) | 0.09 | (0.01) | – |
| Experience Adjustment | (5.44) | (1.93) | (0.03) | 0.03 |
| Benefits Paid | (10.43) | (10.99) | (0.11) | (0.11) |
| **Balance at the end of the year** | **136.26** | **137.79** | **0.52** | **0.60** |

**48.2.6 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Balance at the beginning of the year | 137.48 | 128.24 | – | – |
| Interest Income on Plan Assets | 8.79 | 8.32 | – | – |
| Remeasurement of Defined Benefit Obligation: | | | | |
| Return on Plan Assets greater/ (lesser) than discount rate | 0.36 | 1.41 | – | – |
| Employer Contributions to the Plan | 6.00 | 10.50 | – | – |
| Benefits Paid | (10.43) | (10.99) | – | – |
| **Balance at the end of the year** | **142.20** | **137.48** | **–** | **–** |

**48.2.7 The amount recognized in the Balance Sheet**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Present value of Defined Benefit Obligation | 136.26 | 137.79 | 0.52 | 0.60 |
| Fair Value of Plan Assets | 142.20 | 137.48 | – | – |
| **Net Asset/ (Liability) recognized in the Balance Sheet** | **5.94** | **(0.31)** | **(0.52)** | **(0.60)** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**48.2.8 Expenses recognized in Profit and Loss**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Current Service Cost | 8.62 | 8.20 | – | – |
| Interest Cost | 8.61 | 8.36 | 0.04 | 0.04 |
| Interest Income on Plan Assets | (8.79) | (8.32) | – | – |
| **Total Expenses recognised in Profit and Loss** | **8.44** | **8.24** | **0.04** | **0.04** |

**48.2.9 Remeasurements (gain)/ loss recognized in Other Comprehensive Income**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Actuarial (gain)/ loss on Defined Benefit Obligation | (8.33) | (1.84) | (0.01) | 0.03 |
| Return on Plan Assets (greater)/ lesser than discount rate | (0.36) | (1.41) | – | – |
| **Total remeasurements (gain)/ loss recognized in Other Comprehensive Income** | **(8.69)** | **(3.25)** | **(0.01)** | **0.03** |

**48.2.10 Major Categories of Plan Assets**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| 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.

**48.2.11 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.

**48.2.12 Actuarials Assumptions**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| **Financial Assumptions** | | | | |
| Discount Rate | 6.80% | 6.50% | 6.80% | 6.50% |
| Salary Escalation Rate | 7% to 8% | 5% to 8% | – | – |
| **Demographic Assumptions** | | | | |
| Mortality Rate | IAL (2006-08) Modified Ultimate | IAL (2006-08) Modified Ultimate | Indian Individual Annuitant's Mortality (2012-2015) | LIC (1996-1998) Ultimate |
| Withdrawal Rate | 2.00% | 2.00% | – | – |

**48.2.13** 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**47.2.14** As on 31st March 2022, the weighted average duration of the Defined Benefit Obligation is 4 to 11 years (previous year 4 to 11 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Within 1 Year | 16.66 | 15.72 | 0.09 | 0.10 |
| 1 to 2 Year | 14.64 | 13.49 | 0.08 | 0.10 |
| 2 to 3 Year | 15.25 | 14.54 | 0.08 | 0.09 |
| 3 to 4 Year | 16.17 | 15.61 | 0.07 | 0.08 |
| 4 to 5 Year | 17.95 | 16.53 | 0.06 | 0.07 |
| More than 5 Years | 69.77 | 73.33 | 0.22 | 0.24 |

**48.2.15** The Company expects to contribute ₹ 5.00 Crores (previous year ₹ 10.00 Crores) to its gratuity fund in 2022-23.

**48.2.16 The following payments are expected contributions to the defined benefit plan in future years:**

| Expected contributions | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Within next 12 months (next annual reporting period) | 5.00 | 10.00 | – | – |
| Between 2 and 5 years | 5.00 | 10.00 | – | – |
| Between 5 and 10 years | 7.00 | 10.00 | – | – |
| Beyond 10 years | 10.00 | 12.00 | – | – |

**48.2.17 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Effect on DBO due to 1% increase in Discount Rate | (8.80) | (9.29) | (0.02) | (0.02) |
| Effect on DBO due to 1% decrease in Discount Rate | 10.15 | 10.56 | 0.02 | 0.03 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 9.97 | 10.40 | – | – |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (8.81) | (9.18) | – | – |

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.

**48.2.18 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 in current year. In previous year, there was shortfall in one Trust ₹ 0.10 Crore.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

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, 2022 | 367.37 | 380.43 | 13.06 |
| As at 31 March, 2021 | 348.30 | 360.90 | 12.60 |

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, 2022 | 31st March, 2021 |
|---|---|---|
| Discount Rate (per annum) | 6.80% | 6.50% |
| Expected Rate of Return on Plan Assets (per annum) | 7.75% to 8.10% | 8.00% to 8.50% |

The Company contributed ₹ 7.84 Crores and ₹ 7.01 Crores during the year ended 31st March, 2022 and 31st March, 2021 respectively.

**49 Disclosure for Expenditure on Corporate Social Responsibility Activities**

| Particulars | | For the year ended on | |
|---|---|---|---|
| | | 31st March, 2022 | 31st March, 2021 |
| Gross Amount required to be spent by the Company | | 6.70 | 4.28 |
| Less: Excess spent in previous year utilized during the year | | 0.25 | - |
| **Net Amount required to be spent by the Company** | **(A)** | 6.45 | 4.28 |
| **Amount spent by the Company during the year for** | | | |
| (i) Construction/ acquisition of any asset | | – | – |
| (ii) On purposes other than (i) above: | | 6.64 | 4.53 |
| **Total Amount spent** | **(B)** | 6.64 | 4.53 |
| **Shortfall / (Excess) ^** | **(A) - (B)** | (0.19) | (0.25) |
| **Total of previous year Shortfall** | | – | – |
| Reason for Shortfall | | NA | NA |
| Nature of CSR activities | | Rural & Community Development, Education, Health Care, Environment and others | Rural & Community Development, Education, Health Care, Environment and others |
| Related Party Transactions as per Ind AS 24 in relation to CSR Expenditure | | Nil | Nil |
| Provision made in relation to CSR Expenditure and movement thereof | | Nil | Nil |

^ Excess amount spent by the Company not showing as prepaid expenses in the accounts.

**50** 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 98.01% subsidiary company, with the Company with an appointed date of 1st April, 2013. The Scheme is pending for approval of the National Company Law Tribunal, Kolkata.

**51** The Ministry of Coal had allocated Bikram and Brahampuri Coal Blocks in the state of Madhya Pradesh through E-Auction process vide CMDPA (Coal Mine Development and Production Agreement) dated 18th December, 2019 and Vesting Order dated 10th February, 2020. The Company is in process to develop these blocks for extraction of Coal. Till 31st March 2022 and 31st March 2021, Company has spent ₹ 18.20 Crores and ₹ 15.11 Crores respectively and shown under Capital Work-In-Progress.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**52.1** 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 current year and in previous year, except in previous year in case of an investment in a Subsidiary Company (Refer Note No. 9).

**52.2** 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.

**53.1** The Company's Unit Soorah Jute Mills is under Suspension of Operations since 29th March, 2004.

**53.2** The Company's Unit Birla Vinoleum and Auto Trim Division at Birlapur, are under Suspension of Operations since 18th February, 2014.

**53.3** In respect of mining matter of 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. The Principal Bench of the National Green Tribunal (NGT), New Delhi, 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 MoEFCC has vide Notification dated 8th April, 2021 duly notified an area to an extent varying from zero to 3.0 kilometres around the boundary of Bassi Wildlife Sanctuary as the Eco-Sensitive Zone (ESZ). National Green Tribunal (NGT), on 24th September, 2021 has passed an Order to continue the interim Order dated 8th March, 2019 on the subject of prohibiting mining in the radius of 10 km from Bassi Wildlife Sanctuary. The said prohibition will continue till the decision is taken after an expert study of impact of mining beyond the boundaries of ESZ as per notification dated 8th April, 2021, subject to further orders of the Hon'ble Supreme Court. The said study will be conducted by an expert Committee constituted vide NGT's order dated 24th September, 2021 within the time limit of three months from the first meeting of the said Committee. The said committee has visited the area and the study report is expected soon. In the opinion of the management, there is no material impact of such order on the current mining operations of the Company.

**54 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.

**54.1 The following methods and assumptions were used to estimate the fair values:**

**54.1.1** The bonds, non-convertible debentures 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.

**54.1.2** 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.

**54.1.3** 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.

**54.2 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**54.3 The following table provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities:**

**54.3.1 Disclosure for the year ended 31st March, 2022**

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Trade Receivables | 221.77 | 221.77 | – | – | – |
| Loan Receivables | 1.49 | 1.49 | – | – | – |
| Cash and Cash Equivalents | 72.92 | 72.92 | – | – | – |
| Other Bank Balances | 52.45 | 52.45 | – | – | – |
| Security Deposits | 36.58 | 36.58 | – | – | – |
| Other Deposits, Advances and Claims Recoverable | 21.23 | 21.23 | – | – | – |
| Fixed Deposit with Others | 70.00 | 70.00 | – | – | – |
| Interest Accrued on Deposits | 2.38 | 2.38 | – | – | – |
| Fixed Deposits maturing after 12 months from Balance Sheet date | 0.63 | 0.63 | – | – | – |
| Other Financial Assets | 2.42 | 2.42 | – | – | – |
| Incentive and Subsidy Receivable | 139.03 | 139.03 | – | – | – |
| **Sub Total** | **620.90** | **620.90** | **–** | **–** | **–** |
| **Financial Assets at fair value through Profit & Loss** | | | | | |
| Investments | | | | | |
| - Unlisted Preference Shares | 102.77 | 102.77 | – | – | 102.77 |
| - Mutual Funds | 491.15 | 491.15 | 491.15 | – | – |
| Derivative Contracts | 0.23 | 0.23 | – | 0.23 | – |
| **Sub Total** | **594.15** | **594.15** | **491.15** | **0.23** | **102.77** |
| **Financial Assets at fair value through Other Comprehensive Income** | | | | | |
| Investments | | | | | |
| - Listed Equity Instrument | 399.21 | 399.21 | 399.21 | – | – |
| - Unlisted Equity Instrument | 0.06 | 0.06 | – | – | 0.06 |
| - Bonds | 6.87 | 6.87 | 6.87 | – | – |
| - Non-convertible Debentures | 24.99 | 24.99 | 24.99 | – | – |
| - Government Securities | 1.17 | 1.17 | 1.17 | – | – |
| **Sub Total** | **432.30** | **432.30** | **432.24** | – | **0.06** |
| **Total Financial Assets** | **1,647.35** | **1,647.35** | **923.39** | **0.23** | **102.83** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **(2) Financial Liabilities** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| **Long Term Borrowings** | | | | | |
| - Debentures | 550.00 | 556.86 | – | – | 556.86 |
| - Rupee Term Loan | 323.12 | 323.12 | – | – | – |
| - Foreign Currency Term Loan | 146.94 | 146.94 | – | – | – |
| Others - Rupee Term Loan | 21.79 | 21.79 | – | – | – |
| Short Term Borrowings (Other than current maturity of Long term Borrowings) | 137.46 | 137.46 | – | – | – |
| Lease Liabilities | 55.12 | 55.12 | – | – | – |
| Trade Payables | 477.60 | 477.60 | – | – | – |
| Trade & Security Deposits | 403.55 | 403.55 | – | – | – |
| Amount Payable for Capital Goods | 52.49 | 52.49 | – | – | – |
| Interest accrued but not due on Borrowings | 16.81 | 16.81 | – | – | – |
| Interest accrued and due on Borrowings | 1.90 | 1.90 | – | – | – |
| Employees Related Liabilities | 29.40 | 29.40 | – | – | – |
| Other Financial Liabilities | 175.19 | 175.19 | – | – | – |
| **Sub Total** | **2,391.37** | **2,398.23** | **–** | **–** | **556.86** |
| **Financial Liabilities at fair value through Profit & Loss** | | | | | |
| Derivative Contracts | 2.28 | 2.28 | – | 2.28 | – |
| **Sub Total** | **2.28** | **2.28** | **–** | **2.28** | **–** |
| **Total Financial Liabilities** | **2,393.65** | **2,400.51** | **–** | **2.28** | **556.86** |

**54.3.2 Disclosure for the year ended 31st March, 2021**

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Trade Receivables | 196.67 | 196.67 | – | – | – |
| Loan Receivables | 1.53 | 1.53 | – | – | – |
| Cash and Cash Equivalents | 36.16 | 36.16 | – | – | – |
| Other Bank Balances | 85.43 | 85.43 | – | – | – |
| Security Deposits | 35.61 | 35.61 | – | – | – |
| Other Deposits, Advances and Claims Recoverable | 35.86 | 35.86 | – | – | – |
| Fixed Deposit with Others | 156.00 | 156.00 | – | – | – |
| Interest accrued on Deposits | 4.30 | 4.30 | – | – | – |
| Fixed Deposits maturing after 12 months from Balance Sheet date | 0.63 | 0.63 | – | – | – |
| Other Financial Assets | 2.38 | 2.38 | – | – | – |
| Incentive and Subsidy Receivable | 145.19 | 145.19 | – | – | – |
| **Sub Total** | **699.76** | **699.76** | **–** | **–** | **–** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **Financial Assets at fair value through Profit & Loss** | | | | | |
| Investments | | | | | |
| - Unlisted Preference Shares | 139.75 | 139.75 | – | – | 139.75 |
| - Mutual Funds | 384.54 | 384.54 | 384.54 | – | – |
| Derivative Contracts | 0.26 | 0.26 | – | 0.26 | – |
| **Sub Total** | **524.55** | **524.55** | **384.54** | **0.26** | **139.75** |
| **Financial Assets at fair value through Other Comprehensive Income** | | | | | |
| Investments | | | | | |
| - Listed Equity Instrument | 279.76 | 279.76 | 279.76 | – | – |
| - Unlisted Equity Instrument | 0.06 | 0.06 | – | – | 0.06 |
| - Bonds | 7.95 | 7.95 | 7.95 | – | – |
| - Government Securities | 1.21 | 1.21 | 1.21 | – | – |
| **Sub Total** | **288.98** | **288.98** | **288.92** | **–** | **0.06** |
| **Total Financial Assets** | **1,513.29** | **1,513.29** | **673.46** | **0.26** | **139.81** |
| **(2) Financial Liabilities** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| **Long Term Borrowings** | | | | | |
| - Debentures | 550.00 | 552.07 | – | – | 552.07 |
| - Rupee Term Loan | 163.91 | 163.91 | – | – | – |
| - Foreign Currency Term Loan | 493.87 | 493.87 | – | – | – |
| Others - Rupee Term Loan | 13.35 | 13.35 | – | – | – |
| Short Term Borrowings (Other than current maturity of Long term Borrowings) | 30.42 | 30.42 | – | – | – |
| Lease Liabilities | 31.70 | 31.70 | – | – | – |
| Trade Payables | 396.54 | 396.54 | – | – | – |
| Trade & Security Deposits | 420.82 | 420.82 | – | – | – |
| Amount Payable for Capital Goods | 25.91 | 25.91 | – | – | – |
| Interest accrued but not due on Borrowings | 26.14 | 26.14 | – | – | – |
| Interest accrued and due on Borrowings | 2.01 | 2.01 | – | – | – |
| Employees Related Liabilities | 25.77 | 25.77 | – | – | – |
| Other Financial Liabilities | 186.60 | 186.60 | – | – | – |
| **Sub Total** | **2,367.04** | **2,369.11** | **–** | **–** | **552.07** |
| **Financial Liabilities at fair value through Profit & Loss** | | | | | |
| Derivative Contracts | 16.76 | 16.76 | – | 16.76 | – |
| **Sub Total** | **16.76** | **16.76** | **–** | **16.76** | **–** |
| **Total Financial Liabilities** | **2,383.80** | **2,385.87** | **–** | **16.76** | **552.07** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**54.4 Description of significant unobservable inputs to Valuation**

| Particulars | Significant Unobservable Inputs | Fair value as at | | Sensitivity of the Input to Fair Value |
|---|---|---|---|---|
| | | 31st March, 2022 | 31st March, 2021 | |
| Unquoted Preference Shares | Risk Adjusted Discount Rate (9.90%, Previous Year: 10.28%) | 102.77 | 139.75 | Increase in Risk adjusted discount rate by 50 bps would lead to a decrease in fair value by ₹ 0.34 Crore (Previous Year: ₹ 0.45 Crore) whereas a decline by 50 bps would increase the fair value by ₹ 0.34 Crore (Previous Year: ₹ 0.46 Crore). |

**54.5** During the year ended 31st March, 2022 and 31st March, 2021, 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.

**55 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:

**55.1 Credit Risk**

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

**55.1.1 Trade Receivables**

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. Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

**As at 31st March, 2022**

| Ageing schedule | Not due | 0-30 days past due | 31-60 days past due | 61-90 days past due | Above 90 days past due |
|---|---|---|---|---|---|
| Gross carrying amount | 26.49 | 161.26 | 11.83 | 4.66 | 27.97 |
| Expected loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 37.33% |
| Expected credit losses (Loss allowance provision) | – | – | – | – | 10.44 |
| Carrying amount of trade receivables (net of impairment) | 26.49 | 161.26 | 11.83 | 4.66 | 17.53 |

**As at 31st March, 2021**

| Ageing schedule | Not due | 0-30 days past due | 31-60 days past due | 61-90 days past due | Above 90 days past due |
|---|---|---|---|---|---|
| Gross carrying amount | 10.94 | 141.55 | 19.67 | 8.18 | 27.11 |
| Expected loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 39.76% |
| Expected credit losses (Loss allowance provision) | – | – | – | – | 10.78 |
| Carrying amount of trade receivables (net of impairment) | 10.94 | 141.55 | 19.67 | 8.18 | 16.33 |

**Reconciliation of loss allowance provision for Trade Receivable:**

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Loss allowance as at beginning | 10.78 | 10.90 |
| Changes in loss allowance (Net) | (0.34) | (0.12) |
| Loss allowance as at Year end | 10.44 | 10.78 |

There is one customer (Previous Year Nil) who represents more than 10% of the total balance of trade receivables.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**55.1.2 Incentives receivable from the Government**

The Company's manufacturing units in various states; mainly those in West Bengal, Rajasthan and Madhya Pradesh are eligible for incentives under the respective State Industrial Policy. The Company accrued these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Company and there was reasonable assurance that the incentive claims will be disbursed by the State Governments. During the previous year, in view of the management re-assessing the expected recovery period for incentives receivables, a charge of ₹ 32.62 Crores due to time value of money computed based on the expected credit loss method was included in Other Expenses. The Company is confident about the ultimate realisation of the dues from the State Governments.

**55.2 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 manages 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 equivalents 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.

**55.2.1 Maturity Analysis for financial liabilities**

**a) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2022:**

| 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 |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | – | 477.60 | – | – | – | 477.60 |
| Borrowings | | | | | | |
| Redeemable Debentures (Refer Note No. 22.1 (a)) | | | | | | |
| 2500 9.25% NCD 2026 | – | – | – | 250.00 | – | 250.00 |
| 1500 7.05% NCD 2024 | – | – | 30.00 | 120.00 | – | 150.00 |
| 1500 5.75% NCD 2027 | – | – | – | 150.00 | – | 150.00 |
| Rupee Term Loan from bank (Refer Note No. 22.1 (b)) | – | 21.50 | 21.50 | 197.48 | 84.00 | 324.48 |
| Foreign Currency Term Loan (Refer Note no. 22.1 (c)) | – | 7.94 | 7.94 | 131.06 | – | 146.94 |
| Rupee Term Loan from other (Refer Note No. 22.1 (d)) | – | – | – | 11.91 | 21.10 | 33.01 |
| Short Term Borrowings other than current maturity of long term borrowings | 2.46 | 135.00 | – | – | – | 137.46 |
| Other financial liabilities | | | | | | |
| Lease Liabilities | – | – | 2.71 | 12.63 | 39.78 | 55.12 |
| Trade & Security Deposits* | – | – | – | – | 403.55 | 403.55 |
| Amount Payable for Capital Goods | – | 52.49 | – | – | – | 52.49 |
| Interest accrued but not due on Borrowings | – | 13.69 | 3.12 | – | – | 16.81 |
| Interest accrued and due on Borrowings | – | 1.90 | – | – | – | 1.90 |
| Employees Related Liabilities | – | 29.40 | – | – | – | 29.40 |
| Others Financial Liabilities | 1.41 | 165.82 | – | 7.96 | – | 175.19 |
| **Total** | **3.87** | **905.34** | **65.27** | **881.04** | **548.43** | **2,403.95** |
| **Derivative** | | | | | | |
| Foreign Exchange forwards contracts and other Derivative Instruments | – | 0.44 | 0.07 | 1.77 | – | 2.28 |

* Trade & Security Deposits classified under more than 5 years maturity pertain to "Dealer Trade Deposit" which are refundable only after surrender of dealership subject to clearance of outstanding dues.

(₹ in Crores)

**b) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2021:**

| 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 |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | – | 396.54 | – | – | – | 396.54 |
| Borrowings | | | | | | |
| Redeemable Debentures (Refer Note No. 22.1 (a)) | | | | | | |
| 2500 9.25% NCD 2026 | – | – | – | 150.00 | 100.00 | 250.00 |
| 1500 9.15% NCD 2021 | – | 150.00 | – | – | – | 150.00 |
| 1500 7.05% NCD 2024 | – | – | – | 150.00 | – | 150.00 |
| Rupee Term Loan from bank (Refer Note No. 22.1 (b)) | – | 9.97 | 46.21 | 95.61 | 12.12 | 163.91 |
| Foreign Currency Term Loan (Refer Note no. 22.1 (c)) | – | 15.84 | 20.46 | 317.14 | 142.18 | 495.62 |
| Rupee Term Loan from other (Refer Note No. 22.1 (d)) | – | – | – | 11.91 | 9.08 | 20.99 |
| Short Term Borrowings other than current maturity of long term borrowings | 10.24 | 20.18 | – | – | – | 30.42 |
| Other financial liabilities | | | | | | |
| Lease Liabilities | – | – | 1.00 | 4.30 | 26.40 | 31.70 |
| Trade & Security Deposits* | – | – | – | – | 420.82 | 420.82 |
| Amount Payable for Capital Goods | – | 25.91 | – | – | – | 25.91 |
| Interest accrued but not due on Borrowings | – | 23.01 | 3.13 | – | – | 26.14 |
| Interest accrued and due on Borrowings | – | 2.01 | – | – | – | 2.01 |
| Employees Related Liabilities | – | 25.77 | – | – | – | 25.77 |
| Others Financial Liabilities | 1.44 | 177.60 | – | 7.56 | – | 186.60 |
| **Total** | **11.68** | **846.83** | **70.80** | **736.52** | **710.60** | **2,376.43** |
| **Derivative** | | | | | | |
| Foreign Exchange forwards contracts and other Derivative Instruments | – | 12.53 | 0.22 | 3.72 | 0.29 | 16.76 |

* Trade & Security Deposits classified under more than 5 years maturity pertain to " Dealer Trade Deposit " which are refundable only after surrender of dealership subject to clearance of outstanding dues.

**c)** The amounts are gross and undiscounted (except for lease liability) and exclude the impact of netting agreements (if any). 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.

### 55.3 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.

### 55.3.1 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.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**55.3.2 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**

| Particulars | As at 31st March, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | GBP | INR |
| **Financial Assets** | | | | | | |
| Trade Receivables | – | – | 0.01 | 0.46 | – | – |
| **Financial Liabilities** | | | | | | |
| Foreign Currency Term Loan | – | – | – | – | – | – |
| Trade Payables & Others | 0.00 | 0.03 | 0.00 | 0.23 | 0.00 | 0.05 |
| **Net Exposure (Liability)** | **0.00** | **0.03** | **0.01** | **(0.23)** | **0.00** | **0.05** |

| Particulars | As at 31st March, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | GBP | INR |
| **Financial Assets** | | | | | | |
| Trade Receivables | – | – | 0.00 | 0.15 | 0.00 | 0.17 |
| **Financial Liabilities** | | | | | | |
| Foreign Currency Term Loan | – | – | – | – | – | – |
| Trade Payables & Others | 0.00 | 0.13 | 0.01 | 0.44 | 0.00 | 0.05 |
| **Net Exposure (Liability)** | **0.00** | **0.13** | **0.01** | **0.29** | **(0.00)** | **(0.12)** |

ii) **Hedge Foreign Currency Exposure**

| Particulars | As at 31st March, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | SGD | INR |
| **Derivative Assets** | | | | | | |
| Forward Contract against Trade Receivable | 0.13 | 9.90 | – | – | – | – |
| Forward Contract against Firm Commitments | 0.22 | 16.68 | – | – | – | – |
| **Derivative Liabilities** | | | | | | |
| Forward Contract - Against Payable | – | – | – | – | – | – |
| Cross Currency Swaps Contract - Against Payable (Refer Note (b) below) | – | – | – | – | 2.58 | 146.95 |
| Forward Contract - Against Firm Commitments | 1.81 | 137.19 | – | – | – | – |
| **Net Exposure (Liability)** | **1.46** | **110.61** | **–** | **–** | **2.58** | **146.95** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | As at 31st March, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | GBP | INR |
| **Derivative Assets** | | | | | | |
| Forward Contract against Trade Receivable | 0.08 | 5.97 | – | – | – | – |
| Forward Contract against Firm Commitments | 0.19 | 13.62 | – | – | – | – |
| **Derivative Liabilities** | | | | | | |
| Forward Contract - Against Payable | 4.71 | 344.50 | – | – | – | – |
| Cross Currency Swaps Contract - Against Payable (Refer Note (b) below) | – | – | – | – | 2.79 | 151.73 |
| Forward Contract - Against Firm Commitments | 0.02 | 1.69 | – | – | – | – |
| **Net Exposure (Liability)** | **4.46** | **326.60** | **–** | **–** | **2.79** | **151.73** |

**b)** The Company uses Cross Currency Swaps to hedge foreign exchange rate and Interest rate of External Commercial Borrowings of SGD 2.58 Crores (Previous Year: SGD 2.79 Crores).

**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 and GBP to the Indian Rupee with all other variables held constant.

| Particulars | 31st March, 2022 | | | 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| USD Sensitivity Increase | 5% | (0.00) | (0.00) | 5% | (0.01) | (0.00) |
| USD Sensitivity Decrease | 5% | 0.00 | 0.00 | 5% | 0.01 | 0.00 |
| EUR Sensitivity Increase | 5% | 0.01 | 0.01 | 5% | (0.01) | (0.01) |
| EUR Sensitivity Decrease | 5% | (0.01) | (0.01) | 5% | 0.01 | 0.01 |

Sensitivity analysis for GBP is insignificant, hence ignored.

**55.3.3 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, 2022 | 31st March, 2021 |
|---|---|---|
| **Fixed Rate Instruments** | | |
| Financial Assets | – | – |
| Financial Liabilities | 146.94 | 701.71 |
| | **146.94** | **701.71** |
| **Variable Rate Instruments** | | |
| Financial Assets | – | – |
| Financial Liabilities | 874.48 | 507.82 |
| | **874.48** | **507.82** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ 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, 2022 | | | 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| Interest Rate Increase by | 0.50% | (4.37) | (2.84) | 0.50% | (2.54) | (1.65) |
| Interest Rate Decrease by | 0.50% | 4.37 | 2.84 | 0.50% | 2.54 | 1.65 |

**55.3.4 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 other comprehensive income 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, 2022 | 31st March, 2021 |
|---|---|---|
| Investment in Equity Instruments - quoted | 399.21 | 279.76 |
| Investment in Mutual Funds | 491.15 | 384.54 |
| Investment In Bonds and Non-convertible Debentures | 31.86 | 7.95 |
| Investment in Government Securities | 1.17 | 1.21 |
| | **923.39** | **673.46** |

**b) Sensitivity Analysis**

The Analysis is based on assumption that the increase/decrease by 5% with all other variables held constant.

| Particulars | 31st March, 2022 | | | 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| Market rate Increase | 5% | 46.17 | 30.04 | 5% | 33.67 | 21.91 |
| Market rate Decrease | 5% | (46.17) | (30.04) | 5% | (33.67) | (21.91) |

**55.4 Hedge Accounting - Cash Flow Hedges**

The objective of cross currency swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Company also enters into foreign currency forward contracts to hedge the foreign currency exchange risk arising from borrowings, other debt and forecasted purchases/sales. Some of the forward contracts are designated as cash flow hedges. The Company is following hedge accounting for cross currency & interest rate swaps and Interest rate swaps and some foreign currency forward contracts based on qualitative approach. The Company is having risk management objectives and strategies for undertaking these hedge transactions. The Company has maintained adequate documents stating the nature of the hedge and hedge effectiveness test. The Company assesses hedge effectiveness based on following criteria:

i. An economic relationship between the hedged item and the hedging instrument

ii. The effect of credit risk

iii. Assessment of the hedge ratio

The Company designates cross currency swaps and interest rate swaps and some foreign currency forward contracts to hedge its currency and interest risk and generally applies hedge ratio of 1:1.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**55.4.1 Disclosure of effects of hedge accounting on financial position as at 31st March, 2022:**

| Type of hedge and risks | Nominal value Assets / (Liabilities) | Carrying amount of hedging instrument Assets / (Liabilities) | Maturity date | Changes in fair value Gain / (loss) of hedging instrument since inception of hedge | Changes in the fair value Gain / (loss) of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|
| **Cash flow hedge** | | | | | |
| Foreign currency loan (SGD 2.58 Crores) Refer Note No. 22.1 (f) | | | | | |
| - Cross Currency Swap | (146.94) | (1.22) | June '22 to Jun'26 | 1.94 | (5.46) |
| **Total** | **(146.94)** | **(1.22)** | | **1.94** | **(5.46)** |

**Disclosure of effects of hedge accounting on financial position as at 31st March, 2021:**

| Type of hedge and risks | Nominal value Assets / (Liabilities) | Carrying amount of hedging instrument Assets / (Liabilities) | Maturity date | Changes in fair value Gain / (loss) of hedging instrument since inception of hedge | Changes in the fair value Gain / (loss) of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|
| **Cash flow hedge** | | | | | |
| Foreign currency loan (USD 4.70 Crores) | | | | | |
| - Forward contracts | (343.91) | (12.41) | Apr'21 to May'21 | (12.41) | 5.92 |
| Foreign currency loan (SGD 2.79 Crores) Refer Note No. 22.1 (f) | | | | | |
| - Cross Currency Swap | (151.71) | (4.33) | Sep'21 to Jun'26 | (4.33) | 1.23 |
| **Total** | **(495.62)** | **(16.74)** | | **(16.74)** | **7.15** |

**55.4.2 The movement of effective portion of Cash Flow Hedges are shown below:**

| Particulars | 31st March, 2022 | 31st March, 2021 |
|---|---|---|
| **Opening Balance** | (6.24) | – |
| Gain/(loss) recognized on cash flow hedges | 2.91 | (9.59) |
| Income tax relating to gain/(loss) recognized on cash flow hedges | (1.01) | 3.35 |
| Reclassified to Statement of Profit and Loss | – | – |
| Income tax relating to Reclassified to Statement of Profit and Loss | – | – |
| **Closing Balance** | **(4.34)** | **(6.24)** |

**55.4.3 Foreign Currency Forward Contracts and Overnight Index Swaps**

The Company enters into forward contracts with intention to reduce the foreign exchange risk of expected purchases and enters into overnight index swap to manage interest cost on fixed rate borrowings. Certain foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year. Similarly, the overnight index swaps are also not designated as cash flow hedges. The fair value of foreign currency forward contracts and overnight index swaps are as under:

| Particulars | 31st March, 2022 | | 31st March, 2021 | |
|---|---|---|---|---|
| | Assets | Liability | Assets | Liability |
| Foreign Currency Forward Contracts | 0.23 | 0.38 | 0.26 | 0.02 |
| Overnight Index Swaps | – | 0.68 | – | – |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**56 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. The Company monitors Capital using Gearing Ratio which is Net Debt (total borrowings less current investments, cash and cash equivalents and other bank balances) divided by Total Equity plus Net Debt.

| Particulars | 31st March, 2022 | 31st March, 2021 |
|---|---|---|
| Gearing Ratio | 0.07 | 0.10 |

**57 Government grants during the year comprising Incentive and Subsidies include:**

**57.1** Tax incentive for capital investments under various State Investment Promotion Schemes of ₹ 0.00 Crores (Previous Year ₹ 5.99 Crores).

**57.2** Amortisation of the deferred revenue of ₹ 1.27 Crore (Previous Year ₹ 0.74 Crore) arising due to difference between the fair value & nominal value of interest free loan granted under State Investment Promotion Scheme.

**57.3** Amortisation of the deferred revenue of ₹ 0.42 Crore (Previous Year ₹ 0.50 Crore) on account of investment in plant & machineries under various State Investment Promotion Schemes.

**57.4** 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 ₹ 0.42 Crore (Previous Year ₹ 0.40 Crore).

**57.5** The Government of India (vide press release dated 31st December, 2020) Introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021. With the introduction of the RoDTEP scheme, the benefit of ROSCTL scheme stood withdrawn, and the MEIS Scheme was also withdrawn w.e.f. 1st January, 2021. Rates of RoDTEP are notified in the current year only, therefore the Company has accrued income relating to benefits of RoDTEP scheme on the Export Sales made for the period from 1st January, 2021 to 31st March, 2021 in the current year.

**58 Financial Performance Ratios**

| Ratios | Numerator | Denominator | 31st March, 2022 | 31st March, 2021 | Variance (%) |
|---|---|---|---|---|---|
| Current Ratio (in times) | Current Assets | Current Liabilities | 1.59 | 1.58 | 0.63% |
| Debt-Equity Ratio (in times) | Non-Current Borrowings plus Current maturities of Non-Current Borrowings | Equity (excluding Revaluation Surplus and Capital Reserve) | 0.25 | 0.31 | -19.35% |
| Debt Service Coverage Ratio (in times) | Earnings before Interest, Tax and Depreciation | Interest Expense plus Principal Payment for Non-Current Borrowings during the year | 1.22 | 1.08 | 12.96% |
| Return on Equity Ratio **(Refer Note i below)** | Profit after Tax | Equity (excluding Revaluation Surplus and Capital Reserve) | 4.77% | 10.71% | -55.46% |
| Inventory Turnover Ratio (in times) | Sale of Products & Services | Average Inventory | 7.93 | 7.48 | 6.02% |
| Trade Receivables Turnover Ratio (in times) | Sale of Products & Services | Average Debtors | 22.64 | 23.37 | -3.12% |
| Trade Payables Turnover Ratio (in times) | Purchases | Average Creditors | 12.41 | 12.14 | 2.22% |
| Net Capital Turnover Ratio (in times) **(Refer Note ii below)** | Sale of Products & Services | Closing Working Capital | 6.01 | 4.74 | 26.79% |
| Net Profit Ratio **(Refer Note iii below)** | Profit after Tax | Sale of Products & Services | 4.28% | 9.75% | -56.10% |
| Return on Capital Employed **(Refer Note iv below)** | Earnings before Interest and Tax | Capital Employed (Tangible net worth plus total debt plus deferred tax liability) | 6.43% | 10.07% | -36.15% |
| Return on Investment | Return on Investments and Fixed Deposits | Average Investments and Fixed Deposits | 13.74% | 18.30% | -24.92% |

**Note: Explanation for changes in ratio by more than 25%**

(i) Return on Equity decreased on account of decrease in profitability.
(ii) Growth in revenue and decreased working capital improves net capital turnover ratio.
(iii) Net profit ratio decreased on account of decrease in profitability.
(iv) Decreased earnings resulted in decrease of return on capital employed.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**59 Additional regulatory information required by Schedule III of Companies Act, 2013**

**59.1 Struck off Companies**

(a) Details of relationships and transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at 31st March, 2022 | Balance outstanding as at 31st March, 2021 | Relationship with the Struck off company |
|---|---|---|---|---|
| Maharaja Agency Private Limited | Receivables | 0.82 | 0.02 | Vendor |
| Maharaja Agency Private Limited | Payables | 0.05 | 0.05 | Vendor |
| Surface Commercial Private Limited | Payables | 0.01 | 0.01 | Vendor |
| Mahesh Carriers Private Limited | Payables | 0.01 | 0.01 | Vendor |

(b) Details of Stuck off entities holding equity shares in the Company:

| Name of struck off Company | As at 31st March, 2022 | | As at 31st March, 2021 | | Relationship with the Struck off company |
|---|---|---|---|---|---|
| | No. of Shares Held | Paid-up value in (₹) | No. of Shares Held | Paid-up value in (₹) | |
| A.S. Moloobhoy Marine Services Private Limited | 100 | 1000 | 100 | 1000 | Shareholder |
| Mangal & Co Pvt Ltd | 6 | 60 | 6 | 60 | Shareholder |
| Rbg Investment And Finance Limited | 50 | 500 | 50 | 500 | Shareholder |
| Sanketh Metals Private Limited | – | – | 2100 | 21000 | Shareholder |
| Trump It Entertainment And Creative Services Private Limited | – | – | 75 | 750 | Shareholder |

**59.2 Compliance with number of layers of companies:**

The Company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.

**59.3 Loans or Advances to Promoters, Directors, KMPs and the related parties**

The Company has not given any loan or advance in the nature of loan to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person during the year ended 31st March, 2022 and the year ended 31st March, 2021 except as disclosed in Note No. 11.

**59.4 Utilisation of Borrowed Funds and Share Premium**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities including foreign entities (intermediaries) with the understanding that the Intermediaries shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provided any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provided any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

# NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**60 Segment Reporting**

**A) Primary Segment Information**

| Particulars | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|
| | Cement | Jute | Others | Total | Cement | Jute | Others | Total |
| **Business Segment** | | | | | | | | |
| **Segment Revenue** | | | | | | | | |
| (a) External Sales | 4,382.71 | 407.60 | 0.62 | 4,790.93 | 4,154.63 | 287.30 | 0.22 | 4,442.15 |
| (b) Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.04 | 5.87 | 6.51 |
| **Total** | **4,383.77** | **407.60** | **7.85** | **4,799.22** | **4,155.23** | **287.34** | **6.09** | **4,448.66** |
| Less : Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.04 | 5.87 | 6.51 |
| **Revenue from Operations** | **4,382.71** | **407.60** | **0.62** | **4,790.93** | **4,154.63** | **287.30** | **0.22** | **4,442.15** |
| **Segment Result** | **317.16** | **44.10** | **(2.85)** | **358.41** | **502.42** | **13.55** | **(3.11)** | **512.86** |
| Add: | | | | | | | | |
| (i) Interest Income | | | | 13.26 | | | | 24.96 |
| (ii) Unallocated Income net of unallocated Expense | | | | 1.30 | | | | 22.25 |
| Less : | | | | | | | | |
| (i) Interest Expense | | | | 100.53 | | | | 129.71 |
| **Profit before Tax** | | | | **272.44** | | | | **430.36** |
| Tax Expenses | | | | | | | | |
| Current Tax | | | | 50.08 | | | | 86.67 |
| Deferred Tax | | | | 20.35 | | | | (34.81) |
| Income Tax for earlier years | | | | (0.91) | | | | – |
| Deferred Tax for earlier years | | | | – | | | | (50.01) |
| **Profit after tax** | | | | **202.92** | | | | **428.51** |
| **Other Information** | | | | | | | | |
| **Segment Assets** | 3,482.11 | 1,073.71 | 163.99 | 4,719.81 | 3,414.06 | 926.76 | 145.48 | 4,486.30 |
| Unallocated assets | | | | 3,643.08 | | | | 3,461.43 |
| **Total Assets** | | | | **8,362.89** | | | | **7,947.73** |
| **Segment Li abilities** | 1,090.86 | 16.05 | 2.31 | 1,109.22 | 1,021.40 | 17.63 | 2.00 | 1,041.03 |
| Unallocated liabilities | | | | 2,058.53 | | | | 2,079.42 |
| **Total Liabilities** | | | | **3,167.75** | | | | **3,120.45** |
| **Segment Capital Expenditure** | 250.85 | 5.56 | – | 256.41 | 172.60 | 10.65 | 0.42 | 183.67 |
| Common Capital Expenditure | | | | 11.47 | | | | 4.55 |
| **Total Capital Expenditure** | | | | **267.88** | | | | **188.22** |
| **Segment Depreciation** | 164.14 | 6.97 | 0.75 | 171.86 | 149.89 | 6.62 | 0.87 | 157.38 |
| Common Depreciation | | | | 5.00 | | | | 3.45 |
| **Total Depreciation** | | | | **176.86** | | | | **160.83** |

**B) Secondary (Geographical) Segment Information**

Geographical segment is identified as the secondary segment and details are given below:

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| 1. Revenue from external customers | | |
| – Within India | 4,716.49 | 4,401.59 |
| – Outside India | 74.44 | 40.56 |
| **Total** | **4,790.93** | **4,442.15** |

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. Other products are Jute Goods 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**61 Related Party Disclosures**

**61.1 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 | Relation | Place of Incorporation | Ownership Interest held by the Company | |
|---|---|---|---|---|
| | | | 31st March, 2022 | 31st March, 2021 |
| Birla Corporation Cement Manufacturing PLC * | Subsidiary | 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 Limited | | India | 100% | 100% |
| Birla Cement (Assam) Limited | | India | 100% | 100% |
| M. P. Birla Group Services Private Limited | | India | 100% | 100% |
| RCCPL Private Limited | | India | 100% | 100% |
| AAA Resources Private Limited (w.e.f. 30th July, 2021) | Stepdown Subsidiary | India | 100% | N.A. |
| Utility Infrastructure & Works Private Limited (w.e.f. 31st March, 2022) | | India | 100% | N.A. |

* The subsidiary company stands liquidated as per Ethiopian Laws. However, distribution (repatriation) of the available money after satisfaction of liabilities still remains and hence shown in accounts.

**61.2 Other related parties with whom transactions have taken place during the year and previous year are:**

**61.2.1**

| Nature | Name of the Company |
|---|---|
| **Entities exercising significant influence over the Company** | Vindhya Telelinks Limited |
| | August Agents Limited |
| | Insilco Agents Limited |
| | Laneseda Agents Limited |

**61.2.2**

| Nature | Name | Designation |
|---|---|---|
| **Key Management Personnels** | Mr. Harsh V. Lodha | Chairman |
| | Mr. Arvind Pathak | Managing Director and Chief Executive Officer (appointed w.e.f. 31st March, 2021) |
| | Mr. Pracheta Majumdar | Wholetime Director and Chief Executive Officer (upto 30th March, 2021)<br>Wholetime Director designated as Chief Management Advisor (w.e.f. 31st March, 2021)<br>Ceased to be the Wholetime Director designated as Chief Management Advisor w.e.f. 20th May, 2021 |
| | Mr. Vikram Swarup | Directors |
| | Mr. Anand Bordia | |
| | Mr. Brij Behari Tandon | |
| | Mr. Dhruba Narayan Ghosh | |
| | Mr. Deepak Nayyar | |
| | Ms. Shailaja Chandra | |
| | Mr. Dilip Ganesh Karnik | |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**61.2.3**

| Nature | Name of the Trust/Fund |
|---|---|
| **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 |

**61.2.4**

| Nature | Name | Relations |
|---|---|---|
| **Close members of the family of a Key Management Personnel (KMP)** | Ms. Radhika Bordia | Daughter of Mr. Anand Bordia (Director) |
| | Ms. Devika Bordia | Daughter of Mr. Anand Bordia (Director) |

**61.3 Transactions during the year**

| Particulars | 2021–22 | | | | | | 2020–21 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiaries | | Entities exercising significant influence over the Company | Key Management Personnel | Post Employment Benefit Plan Trust | Close members of the family of a KMP | Subsidiaries | | Entities exercising significant influence over the Company | Key Management Personnel | Post Employment Benefit Plan Trust | Close members of the family of a KMP |
| | RCCPL Private Limited | Others | | | | | RCCPL Private Limited | Others | | | | |
| Sales of goods/CWIP/services provided | 405.80 | – | – | – | – | – | 310.44 | 3.78 | – | – | – | – |
| Purchase of goods/ services received | 239.40 | 0.76 | 1.20 | – | – | – | 347.77 | 0.73 | 0.66 | – | – | – |
| Gain/(Loss) on restatement of investment in Preference Shares (Mark to Market ) | (36.98) | – | – | – | – | – | 17.25 | – | – | – | – | – |
| Provision for impairment in value of Investments | – | – | – | – | – | – | – | 1.01 | – | – | – | – |
| Payment of rent | – | 0.09 | – | – | – | 0.06 | – | 0.09 | – | – | – | – |
| Receipt of rent | – | 0.00 | 0.06 | – | – | – | – | 0.00 | 0.06 | – | – | – |
| Advances given | 13.62 | 0.08 | – | – | – | – | – | 0.18 | – | – | – | – |
| Advances recovered | 13.62 | 0.08 | – | – | – | – | – | 0.18 | – | – | – | – |
| Paid to Trust–Employees Provident Fund Contribution | – | – | – | – | 7.84 | – | – | – | – | – | 7.01 | – |
| Paid to Trust–Employees Gratuity Fund Contribution | – | – | – | – | 6.00 | – | – | – | – | – | 10.50 | – |
| Paid to Trust–Employees Superannuation Fund Contribution | – | – | – | – | 2.55 | – | – | – | – | – | 2.82 | – |
| Remuneration, Perquisites & Others (Refer Note No. 61.3.1) | – | – | – | 5.91 | – | – | – | – | – | 4.98 | – | – |
| Change in the Corporate Guarantee (to the extent of changes in loan outstanding) | (45.41) | – | – | – | – | – | (37.37) | – | – | – | – | – |
| Dividend Paid | – | – | | – | – | – | – | – | | – | – | – |
| – Vindhya Telelinks Limited | | | 6.38 | | | | | | 9.57 | | | |
| – August Agents Limited | | | 6.02 | | | | | | 9.02 | | | |
| – Insilco Agents Limited | | | 6.00 | | | | | | 9.01 | | | |
| – Laneseda Agents Limited | | | 5.99 | | | | | | 8.99 | | | |
| Dividend Received | 50.00 | – | 0.00 | – | – | – | – | – | 0.00 | – | – | – |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**61.3.1 Key Management Personnel compensation**

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|
| Short-Term Employee Benefits | 4.37 | 3.41 |
| Post-Employment Benefits | 0.14 | 0.00 |
| Director's sitting fees | 0.70 | 0.87 |
| Director's Commission | 0.70 | 0.70 |
| **Total Compensation** | **5.91** | **4.98** |

The above does not include Gratuity and Leave encashment benefits since the same is computed actuarially for all employees and the amount attributable to the managerial person cannot be ascertained separately.

**61.4 Balance Outstanding as at the balance sheet date**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Trade Payables** | | |
| Entities exercising significant influence over the Company | 0.17 | 0.10 |
| **Provision for Employees benefit** | | |
| Post Employment Benefit Plan Trust | 0.68 | 0.55 |
| **Trade Receivables** | | |
| Subsidiaries - RCCPL Private Limited | 42.94 | 12.34 |
| **Other Receivables** | | |
| Subsidiaries - Others | 0.39 | 2.02 |
| Post Employment Benefit Plan Trust | 5.94 | – |
| **Advances Given / Security Deposited** | | |
| Subsidiaries - Others | 0.07 | 0.07 |
| Close members of the family of a KMP | 0.03 | – |
| **Investments (other than equity shares)** | | |
| Subsidiaries - RCCPL Private Limited | 102.77 | 139.75 |
| **Corporate Guarantee Outstanding (to the extent of loan outstanding)** | | |
| Subsidiaries - RCCPL Private Limited | 295.34 | 340.75 |
| **Provision for Doubtful Advances** | | |
| Subsidiaries - Others | 0.07 | 0.07 |
| **Short-term employee benefits** | | |
| Key Management Personnel | 1.12 | 1.41 |

**61.5 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.

**62** The Company had made an investment in AMP Solar Clean Power Private Limited ('AMP') by way of purchase of 2,54,946 (Previous Year: 2,27,040) fully paid up equity shares having face value of ₹ 10 each, amounting of ₹ 0.25 Crore (Previous Year: ₹ 0.23 Crore) (7.80% holding in AMP) and in 22,945 (Previous Year: 20,433) compulsorily convertible debentures having face value of ₹ 1000 each, amounting of ₹ 2.29 Crores (Previous Year: ₹ 2.04 Crores) under Share Purchase, Subscription and Shareholders Agreement. Further, the Company had entered into a long-term power purchase agreement ('PPA') with the AMP which is engaged in the business of generating and sales of solar power. 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.

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" at ₹ 0.54 Crore (Previous Year ₹ 0.43 Crore) as per the provision of Ind AS 109 and the difference between amortised cost and investment value of ₹ 2.12 Crores (Previous Year: ₹ 1.90 Crores) is considered for valuation of "Right of Use Assets- Plant and Machinery".

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. Consequently, Right of Use Assets and Lease Liabilities is recognized.

**63** The Company has made an assessment of the impact of the continuing COVID-19 pandemic on its current and future operations, liquidity position and cash flow giving due consideration to the internal and external factors. The Company is continuously monitoring the situation and does not foresee any significant impact on its operations and the financials position as at 31st March, 2022.

**64** The Code on Social Security, 2020 which received the President's assent on 28th September 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognized post notification of the relevant provisions.

**65** 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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

Kolkata

## 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 Private Limited | Birla Jute Supply Company Limited | Talavadi Cements Limited | Lok Cement Limited | Budge Budge Floor-coverings Limited | Birla Cement (Assam) Limited | M.P. Birla Group Services Private Limited | AAA Resources Private Limited (Refer Note 4) | Utility Infra-structure & Works Private Limited (Refer Note 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Date of acquisition/ incorporation | 22.08.2016 | 16.11.1950 | 01.12.1998 | 01.01.1999 | 26.05.2006 | 16.04.2008 | 29.04.2008 | 30.07.2021 | 31.03.2022 |
| 2 | Share Capital | 312.82 | 0.06 | 6.00 | 1.25 | 4.00 | 0.05 | 0.02 | 0.74 | 0.69 |
| 3 | Reserve & Surplus | 2,808.93 | 2.21 | 3.20 | (0.69) | (2.18) | (0.02) | (0.02) | 12.09 | (0.70) |
| 4 | Total Assets | 7,901.35 | 2.59 | 9.85 | 0.57 | 1.95 | 0.03 | 0.00 | 13.13 | 5.43 |
| 5 | Total Liabilities | 4,779.59 | 0.32 | 0.65 | 0.00 | 0.14 | 0.00 | 0.00 | 0.29 | 5.43 |
| 6 | Investments | 97.19 | – | 0.00 | – | 0.15 | – | – | 0.32 | – |
| 7 | Turnover | 3,137.51 | – | – | – | – | – | – | 0.27 | – |
| 8 | Profit before Taxation | 266.70 | 0.06 | 0.40 | 0.01 | 0.00 | (0.00) | (0.00) | 0.01 | (0.00) |
| 9 | Provision for Taxation | 69.57 | 0.01 | 0.05 | – | (0.01) | – | – | 0.01 | – |
| 10 | Profit After Taxation | 197.13 | 0.04 | 0.35 | 0.01 | 0.01 | (0.00) | (0.00) | 0.00 | (0.00) |
| 11 | Proposed Dividend | – | – | – | – | – | – | – | – | – |
| 12 | % of Shareholding | 100% | 100% | 98.01% | 100% | 100% | 100% | 100% | 100% | 100% |

**Notes :** 1. None of the subsidiaries have reporting period different from the Parent Company.

2. None of the above mentioned subsidiaries are foreign subsidiaries.

3. a) Subsidiaries which are yet to commence operations.
   i) Lok Cement Limited
   ii) Birla Cement (Assam) Limited
   iii) M.P. Birla Group Services Private Limited

   b) Subsidiaries which have been liquidated or sold during the year: Nil

4. Stepdown Indian Subsidiaries.

5. 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, 2022.

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

HARSH V. LODHA
Chairman
(DIN : 00394094)

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

Kolkata
Date: 11th May, 2022

# 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, 2022 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows 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, 2022, consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows and 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 Matters | Auditor's Response |
|---|---|
| **Recoverability of MAT Credit Entitlement in future - Relating to Parent Company:**<br><br>The Parent 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 of long-term future profitability, future revenue from proposed projects and tax regulations and developments.<br><br>As a result, the recognition of the deferred tax asset on above was significant to our audit.<br><br>The disclosures relating to the above are included in Note No. 25 of the consolidated financial statements. | Audit procedures included, among others, review of:<br>• The appropriateness of the methodology applied by the Parent Company with applicable Indian accounting standards and applicable taxation laws along with the future business forecast of taxable profits.<br>• The likelihood of the Parent Company 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.<br>• The adequacy of the Parent Company's disclosures in the financials on deferred tax assets and assumptions used. |

| **Litigations and Claims** | |
|---|---|
| The Group is exposed to different laws, regulations and interpretations thereof which encompasses direct/indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal and tax proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims.<br><br>Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter.<br><br>These estimates could change significantly over time as new facts emerge and each legal case progresses.<br><br>Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.<br><br>(Refer Note No. 41 to the consolidated financial statements) | Our audit procedure in response to this key Audit Matter included, among others,<br><br>• Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings.<br><br>• Assessment of assumptions used in the evaluation of possible legal and tax risks by the legal and tax department of the Group considering the legal precedence and other rulings in similar cases.<br><br>• Inquiry with the legal and tax divisions of the Group regarding the status of the most significant disputes and perusal of the relevant documentation.<br><br>• Taking note of opinion received from the experts, where available.<br><br>• Review of the adequacy of the disclosures in the notes to the consolidated financial statements |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

TThe 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, 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**

TThe Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity 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 in preparation of consolidated financial statements 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**

(a) We did not audit the financial statements and other financial information of six subsidiaries, whose financial statements

(before consolidation adjustments) reflect the total assets of ₹ 14.99 Crores as at 31st March 2022, total revenues of ₹ 1.03 Crores and net cash flow amounting of ₹ 0.13 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.

(b) The consolidated financial statements include unaudited financial statement and other unaudited financial information of one subsidiary, whose financial statement (before consolidation adjustments) reflect the total assets of ₹ 5.43 Crores as at 31st March 2022, total revenues of ₹ Nil for the year ended 31st March 2022 and net cash flow amounting of ₹ Nil for the year ended on that date. This unaudited financial statement and other unaudited financial information have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this statement is not material to the Group.

(c) The consolidated financial statements include financial statement and other financial information of one subsidiary, whose financial statement (before consolidation adjustments) reflect the total assets of ₹ 12.30 Crores as at 31st March 2022, total revenues of ₹ 0.40 Crore for the year ended 31st March 2022 and net cash flow amounting of ₹ (-) 0.02 Crore for the year ended on that date. This financial statement and other financial information has been audited by another auditor and for consolidation purpose, adjustments have been made by the subsidiary company's management. We have audited these consolidation adjustments made by the subsidiary company's management. Our opinion in so far relates to the balances and affairs of the above mentioned subsidiary is based on report of the other auditor and consolidation adjustments prepared by the subsidiary company's management and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statement and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and based on our audit and the consideration of report of the other auditors on separate financial statements and the financial information of the subsidiaries companies, as noted in the "Other Matter" paragraph, we give in "Annexure A" a statement on the matters specified in the paragraphs 3(xxi) of the said Order, to the extent applicable.

2 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 for 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), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the 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, 2022 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, 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in

"Annexure B", which is based on the auditor's report of the Holding Company and its 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 separate financial statements of the subsidiaries:

i. The consolidated financial statements disclose the impact of pending litigations as on 31st March, 2022 on the consolidated financial position of the Group – Refer Note 41 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements as on 31st March 2022, 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 during the year ended 31st March, 2022 in accordance with the relevant provisions of the Act and Rules made there under.

iv. (a) The respective management of the Holding Company and its subsidiaries have represented to us and the other auditors of subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Holding Company and its subsidiaries have represented to us and the other auditors of subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiaries companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of subsidiaries, nothing has come to our or other auditor's notice that has caused us or other auditor's to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The dividend declared and paid during the year by the Holding Company and one of the subsidiaries, are in compliance with section 123 of the Act.

**For V. Sankar Aiyar & Co.**
Chartered Accountants
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)
Partner (M. No: 024282)
UDIN: 22024282AIUCHM5960

Place : Kolkata
Date : 11th May, 2022

## Annexure-A referred to in the Independent Auditors' report of even date to the Members of Birla Corporation Limited on the consolidated financial statements for the year ended 31st March, 2022.

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary companies, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except the following :

| Name of the Company | CIN | Nature of Relationship | Clause No. of CARO Report | Remarks |
|---|---|---|---|---|
| RCCPL Private Limited | U26940MH2007PTC173458 | Wholly owned Subsidiary | (i) (c) | Mutation in favour of the Subsidiary Company is in process for freehold land, stated at book value of ₹ 0.78 Crores |

**For V. Sankar Aiyar & Co.**
Chartered Accountants
(Firm Regn. No.: 109208W)

(M.S. BALACHANDRAN)
Partner (M. No: 024282)
UDIN: 22024282AIUCHM5960

Place : Kolkata
Date : 11th May, 2022

## Annexure-B referred to in the Independent Auditors' report of even date to the Members of Birla Corporation Limited on the consolidated financial statements for the year ended 31st March, 2022.

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, 2022 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. The audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with reference to consolidated financial statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanation given to us and based on the reports of other auditors, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2022, based on the internal control with reference to consolidated financial statements 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 with reference to consolidated financial statements in so far as it relates to seven 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)
UDIN: 22024282AIUCHM5960

Place : Kolkata
Date : 11th May, 2022

MP BIRLA GROUP

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Crores)

| | Note No. | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **NON-CURRENT ASSETS** | | | | | |
| Property, Plant and Equipment | **6** | 6,585.91 | | 6,372.56 | |
| Capital Work-In-Progress | **6** | 2,549.32 | | 2,103.42 | |
| Investment Property | **7** | 0.40 | | 0.13 | |
| Goodwill on Consolidation | | 0.03 | | 0.03 | |
| Intangible Assets | **8** | 989.70 | | 950.05 | |
| Intangible Assets under Development | **8** | 1.74 | | 1.37 | |
| Biological Assets other than Bearer Plants | **9** | 0.85 | | 0.84 | |
| Investment in Subsidiaries | | | | | |
| Financial Assets | | | | | |
| Investments | **10** | 407.31 | | 288.98 | |
| Loans | **11** | 0.46 | | 0.29 | |
| Other Financial Assets | **12** | 229.73 | | 251.03 | |
| Non Current Tax Asset (Net) | | 42.85 | | 63.86 | |
| Other Non-Current Assets | **13** | 177.16 | **10,985.46** | 194.95 | **10,227.51** |
| **CURRENT ASSETS** | | | | | |
| Inventories | **14** | 819.99 | | 810.09 | |
| Financial Assets | | | | | |
| Investments | **15** | 601.63 | | 463.47 | |
| Trade Receivables | **16** | 302.81 | | 279.51 | |
| Cash and Cash Equivalents | **17** | 84.39 | | 90.54 | |
| Bank Balances other than Cash and Cash Equivalents | **18** | 53.59 | | 86.71 | |
| Loans | **11** | 1.03 | | 1.24 | |
| Other Financial Assets | **12** | 573.00 | | 524.80 | |
| Other Current Assets | **13** | 428.61 | | 410.30 | |
| Non-Current Assets classified as Held for Sale | **19** | 1.08 | **2,866.13** | 1.42 | **2,668.08** |
| **Total Assets** | | | **13,851.59** | | **12,895.59** |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Equity Share Capital | **20** | 77.01 | | 77.01 | |
| Other Equity | **21** | 5,971.84 | **6,048.85** | 5,408.98 | **5,485.99** |
| Non-Controlling Interest | | | **0.04** | | **0.04** |
| **LIABILITIES** | | | | | |
| **NON-CURRENT LIABILITIES** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | **22** | 3,790.59 | | 3,604.40 | |
| Lease Liabilities | | 112.47 | | 96.42 | |
| Other Financial Liabilities | **23** | 585.89 | | 603.13 | |
| Provisions | **24** | 63.66 | | 61.88 | |
| Deferred Tax Liabilities (Net) | **25** | 972.20 | | 866.79 | |
| Non Current Tax Liabilities (Net) | | 1.29 | | 1.41 | |
| Other Non-Current Liabilities | **26** | 141.82 | **5,667.92** | 150.73 | **5,384.76** |
| **CURRENT LIABILITIES** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | **27** | 417.45 | | 442.02 | |
| Lease Liabilities | | 5.43 | | 3.50 | |
| Trade Payables | **28** | | | | |
| – Total outstanding dues of micro enterprises and small enterprises | | 10.01 | | 15.61 | |
| – Total outstanding dues of creditors other than micro enterprises and small enterprises | | 751.96 | | 573.40 | |
| Other Financial Liabilities | **23** | 586.81 | | 611.64 | |
| Other Current Liabilities | **26** | 349.58 | | 361.40 | |
| Provisions | **24** | 13.54 | | 11.50 | |
| Current Tax Liabilities (Net) | | – | **2,134.78** | 5.73 | **2,024.80** |
| **Total Equity and Liabilities** | | | **13,851.59** | | **12,895.59** |
| 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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

# CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| | Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | **29** | 7,461.22 | 6,785.45 |
| Other Income | **30** | 98.78 | 99.91 |
| **Total Income** | | **7,560.00** | **6,885.36** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | **31** | 1,048.37 | 887.11 |
| Purchases of Stock-In-Trade | **32** | 25.97 | 24.61 |
| Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress | **33** | (20.82) | 75.44 |
| Employee Benefits Expense | **34** | 448.08 | 397.77 |
| Finance Costs | **35** | 242.66 | 296.28 |
| Depreciation and Amortisation Expense | **36** | 396.94 | 370.76 |
| Other Expenses | **37** | 4,849.61 | 4,062.95 |
| **Total Expenses** | | **6,990.81** | **6,114.92** |
| **Profit before Exceptional Items and Tax** | | **569.19** | **770.44** |
| Exceptional Items (Net) | **38** | 31.44 | 57.85 |
| **Profit before Tax** | | **537.75** | **712.59** |
| Tax Expense: | **39** | | |
| Current Tax | | 77.09 | 86.76 |
| Deferred Tax | | 62.98 | 45.70 |
| Income Tax for earlier years | | (0.91) | – |
| Deferred Tax for earlier years | **25.3** | – | (50.01) |
| | | 139.16 | 82.45 |
| **Profit for the year** | | **398.59** | **630.14** |
| **Profit attributable to:** | | | |
| Owners of the Parent | | **398.59** | **630.14** |
| Non-Controlling Interest | | **0.00** | **0.00** |
| **Other Comprehensive Income :** | | | |
| A. Items that will not be reclassified to profit or loss | **40.1** | 283.96 | 131.02 |
| Income tax relating to these Items | | (42.33) | (17.58) |
| | | 241.63 | 113.44 |
| B. Items that will be reclassified to profit or loss | **40.2** | (1.16) | (9.24) |
| Income tax relating to these Items | | 0.03 | 3.27 |
| | | (1.13) | (5.97) |
| **Other Comprehensive Income for the year (Net of Tax)** | | **240.50** | **107.47** |
| **Other Comprehensive Income attributable to:** | | | |
| Owners of the Parent | | **240.50** | **107.47** |
| Non-Controlling Interest | | **–** | **–** |
| **Total Comprehensive Income for the year** | | **639.09** | **737.61** |
| **Total Comprehensive Income attributable to:** | | | |
| Owners of the Parent | | **639.09** | **737.61** |
| Non-controlling Interest | | **0.00** | **0.00** |
| Earnings Per Share (Face value of ₹ 10/- each) | | | |
| Basic & Diluted ( ₹ ) | **47** | **51.76** | **81.83** |
| Basis of Preparation | **2** | | |
| Basis of Consolidation | **3** | | |
| Significant Accounting Policies | **3** | | |
| Significant Judgements and Key Estimates | **4** | | |

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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

**a) Equity Share Capital (Refer Note No. 20)**

(₹ in Crores)

| | |
|---|---|
| Balance as at 1st April, 2020 | 77.01 |
| Changes in Equity Share Capital due to prior period errors | – |
| Restated Balance as at 1st April, 2020 | 77.01 |
| Add/(Less): Changes in Equity Share Capital during the year | – |
| **Balance as at 31st March, 2021** | **77.01** |
| Changes in Equity Share Capital due to prior period errors | – |
| Restated Balance as at 1st April, 2021 | 77.01 |
| Add/(Less): Changes in Equity Share Capital during the year | – |
| **Balance as at 31st March, 2022** | **77.01** |

**b) Other Equity (Refer Note No. 21)**

| Particulars | Reserve & Surplus | | | | | Items of Other Comprehensive Income | | | | Total Attributable to the Owners of the Company | Attributable to Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Reserve on Consolidation | Debenture Redemption Reserve | General Reserve | Retained Earnings | Debt Instrument through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Equity Instrument through Other Comprehensive Income | Revaluation Surplus | | | |
| **Balance as at 1st April, 2021** | **1.05** | **108.21** | **52.09** | **2,700.40** | **1,497.68** | **(0.40)** | **(6.24)** | **232.31** | **823.88** | **5,408.98** | **0.04** | **5,409.02** |
| Profit for the Year | – | – | – | – | 398.59 | – | – | – | – | 398.59 | 0.00 | 398.59 |
| **Other Comprehensive Income / (Loss) for the year** | | | | | | | | | | | | |
| Remeasurement Gain/ (Loss) on Defined Benefit Plans | – | – | – | – | 9.49 | – | – | – | – | 9.49 | – | 9.49 |
| Revaluation Gain on Free Hold Land | – | – | – | – | – | – | – | – | 155.02 | 155.02 | – | 155.02 |
| Mark to Market Gain/ (Loss) | – | – | – | – | – | (0.25) | (0.91) | 119.45 | – | 118.29 | – | 118.29 |
| Impact of Tax | – | – | – | – | (3.24) | 0.08 | (0.05) | (5.69) | (33.40) | (42.30) | – | (42.30) |
| **Total Comprehensive Income for the year** | **–** | **–** | **–** | **–** | **404.84** | **(0.17)** | **(0.96)** | **113.76** | **121.62** | **639.09** | **0.00** | **639.09** |
| On account of Business Combination (Refer Note No. 59) | – | 0.78 | – | – | – | – | – | – | – | 0.78 | – | 0.78 |
| Final Dividend Paid (₹ 10.00 per share) | – | – | – | – | (77.01) | – | – | – | – | (77.01) | – | (77.01) |
| Transfer to General Reserve | – | – | (27.13) | 27.13 | – | – | – | – | – | – | – | – |
| **Total Appropriations / Adjustments** | **–** | **0.78** | **(27.13)** | **27.13** | **(77.01)** | **–** | **–** | **–** | **–** | **(76.23)** | **–** | **(76.23)** |
| **Balance as at 31st March, 2022** | **1.05** | **108.99** | **24.96** | **2,727.53** | **1,825.51** | **(0.57)** | **(7.20)** | **346.07** | **945.50** | **5,971.84** | **0.04** | **5,971.88** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(₹ in Crores)

| Particulars | Reserve & Surplus | | | | | Items of Other Comprehensive Income | | | | Total Attributable to the Owners of the Company | Attributable to Non Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Reserve on Consolidation | Debenture Redemption Reserve | General Reserve | Retained Earnings | Debt Instrument through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Equity Instrument through Other Comprehensive Income | Revaluation Surplus | | | |
| **Balance as at 1st April, 2020** | **1.05** | **108.21** | **84.59** | **2,667.90** | **923.83** | **(0.67)** | **–** | **121.74** | **822.47** | **4,729.12** | **0.04** | **4,729.16** |
| Profit for the Year | – | – | – | – | 630.14 | – | – | – | – | 630.14 | 0.00 | 630.14 |
| **Other Comprehensive Income / (Loss) for the year** | | | | | | | | | | | | |
| Remeasurement Gain/ (Loss) on Defined Benefit Plans | – | – | – | – | 2.37 | – | – | – | – | 2.37 | – | 2.37 |
| Revaluation Gain on Free Hold Land | – | – | – | – | – | – | – | – | – | – | | – |
| Mark to Market Gain/(Loss) | – | – | – | – | – | 0.35 | (9.59) | 128.65 | – | 119.41 | – | 119.41 |
| Impact of Tax | – | – | – | – | (0.91) | (0.08) | 3.35 | (18.08) | 1.41 | (14.31) | – | (14.31) |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **-** | **631.60** | **0.27** | **(6.24)** | **110.57** | **1.41** | **737.61** | **0.00** | **737.61** |
| Final Dividends Paid (₹ 7.50 per share) | – | – | – | – | (57.75) | – | – | – | – | (57.75) | – | (57.75) |
| Transfer to General Reserve | – | – | (32.50) | 32.50 | – | – | – | – | – | – | – | – |
| **Total Appropriations / Adjustments** | **–** | **–** | **(32.50)** | **32.50** | **(57.75)** | **–** | **–** | **–** | **–** | **(57.75)** | **–** | **(57.75)** |
| **Balance as at 31st March, 2021** | **1.05** | **108.21** | **52.09** | **2,700.40** | **1,497.68** | **(0.40)** | **(6.24)** | **232.31** | **823.88** | **5,408.98** | **0.04** | **5,409.02** |

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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

HARSH V. LODHA
Chairman
(DIN : 00394094)

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| | For the year ended 31st March, 2022 | | For the year ended 31st March, 2021 | |
|---|---|---|---|---|
| **Cash Flow from Operating Activities:** | | | | |
| **Profit after Exceptional Items & before Tax** | 537.75 | | 712.59 | |
| **Adjustments for :** | | | | |
| Depreciation & Amortisation | 396.94 | | 370.76 | |
| Investing Activities (Net) | (21.85) | | (44.31) | |
| Provision for Doubtful Debts | (2.45) | | – | |
| Bad Debts | 2.45 | | 0.19 | |
| Expected Credit Loss on Incentive and Subsidy | – | | 32.62 | |
| (Profit)/Loss on sale/ discard of Property, Plant and Equipment / CWIP (Net) | (2.76) | | 13.98 | |
| (Profit)/Loss on sale of Non Current Assets classified as Held for Sale | (0.03) | | – | |
| Fair Valuation for Biological Assets other than Bearer Plants | (0.01) | | 0.02 | |
| Lease Liability De-recognised | (0.29) | | – | |
| Amortisation of Deferred Revenue | (1.69) | | (1.24) | |
| Excess Liabilities, Unclaimed Balances and Provisions written back (Net) | (46.03) | | (15.35) | |
| Effect of Foreign Exchange Fluctuations | (4.34) | | 8.03 | |
| Unwinding of Interest on Loan | – | | 1.45 | |
| Loss on Impairment of Assets | – | | 57.85 | |
| Finance Costs | 242.66 | | 296.28 | |
| **Operating Profit before Working Capital changes** | **1,100.35** | | **1,432.87** | |
| **Adjustments for :** | | | | |
| (Increase)/ Decrease in Trade Receivables | (22.06) | | (29.20) | |
| (Increase)/ Decrease in Inventories | (9.90) | | (22.46) | |
| (Increase)/ Decrease in Loans, Other Financial Assets & Other Assets | (122.66) | | (221.39) | |
| Increase/ (Decrease) in Trade Payables & Other Liability | 141.78 | | 247.85 | |
| Increase/ (Decrease) in Provisions | 12.66 | | 5.08 | |
| **Cash generated from operations** | **1,100.17** | | **1,412.75** | |
| Direct Taxes (Paid) / Refund Received (Net) | (61.02) | | (84.32) | |
| **Net Cash from Operating Activities** | | **1,039.15** | | **1,328.43** |
| **Cash Flow from Investing Activities:** | | | | |
| Purchase of Tangible & Intangible Assets including CWIP/ Capital Advances | (780.60) | | (803.54) | |
| Sale of Tangible Assets | 4.36 | | 0.72 | |
| (Purchase)/Sale of Liquid Investments (Net) | (153.25) | | 25.51 | |
| Purchase of other Current Investments | (408.81) | | (675.50) | |
| Sale of other Current Investments | 435.42 | | 893.81 | |
| Purchase of Non-Current Investments | (1.04) | | – | |
| Sale of Non-Current Investments | 0.76 | | – | |
| (Increase)/ Decrease in Other Bank Balances | 115.88 | | (36.84) | |
| Interest received | 10.54 | | 13.32 | |
| Dividend received | 1.65 | | 1.01 | |
| **Net Cash used in Investing Activities** | | **(775.09)** | | **(581.51)** |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| | For the year ended 31st March, 2022 | | For the year ended 31st March, 2021 | |
|---|---|---|---|---|
| **Cash Flow from Financing Activities** | | | | |
| Proceeds from Long Term Borrowings | 603.32 | | 731.70 | |
| Repayments of Long Term Borrowings | (642.84) | | (902.32) | |
| (Repayments)/Proceeds from Short Term Borrowings (Net) | 179.46 | | (52.08) | |
| Payment of Lease Liabilities | (15.34) | | (2.54) | |
| Interest paid | (317.85) | | (349.26) | |
| Dividend paid | (77.01) | | (115.50) | |
| Dividend Distribution Tax paid | – | | (11.87) | |
| **Net Cash used in Financing Activities** | | **(270.26)** | | **(701.87)** |
| **Net Increase/ (Decrease) in Cash and Cash Equivalents** | | **(6.20)** | | **45.05** |
| **Cash and Cash Equivalents (Opening Balance)** | | **90.59** | | **45.49** |
| **Cash and Cash Equivalents (Closing Balance)** | | **84.39** | | **90.54** |
| **Cash and Cash Equivalents as per balance sheet (Opening Balance)** | | **90.54** | | **45.49** |
| Cash and Cash Equivalents on account of Business Combination | | 0.05 | | – |
| **Cash and Cash Equivalents (Opening Balance) after adjustment** | | **90.59** | | **45.49** |
| **Cash and Cash Equivalents as per balance sheet (Closing Balance) (Refer Note No. 17)** | | **84.39** | | **90.54** |
| Overdraft Balance in Current Account shown under Short Term Borrowings | | – | | – |
| **Cash and Cash Equivalents (Closing Balance) after adjusting Overdraft balance** | | **84.39** | | **90.54** |

**Note :**

a) **Reconciliation of Liabilities arising from financing activities**

| Particulars | Opening | Proceeds | Repayments | Forex Adjustments | Fair Value Changes/ Other Adjustments | Closing |
|---|---|---|---|---|---|---|
| Long Term Borrowings (Including Current Maturity) | 4,016.00 | 603.32 | 642.84 | 16.47 | 2.63 | 3,995.58 |
| Short Term Borrowings (Excluding Overdraft Balance in Current Account and Current Maturity of Long Term Borrowings) | 30.42 | 734.60 | 555.14 | – | 2.58 | 212.46 |

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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

HARSH V. LODHA
Chairman
(DIN : 00394094)

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 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, 2022 have been approved by the Board of Directors in their meeting held on 11th May, 2022.

### 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.

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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

## 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 recognized 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, 2022. 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. Unrealized 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 recognized 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 recognized as a reduction in the carrying amount of the investment. Unrealized 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.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized 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 recognized 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 recognized 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 recognize 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.
- 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.
- The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Group for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Parent Company is continuing with higher income tax rate option, based on the available outstanding MAT credit entitlement and different exemptions & deduction enjoyed by the Parent Company. However, the Parent Company has estimated and applied the lower income tax rate on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period when the Parent Company may be subjected to lower tax rate.

**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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 31stMarch, 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.
- 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 fulfilment 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 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 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.

**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 recognizes 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 recognizes 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 recognized, 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 Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right of use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of Non-Financial Assets'.

- **Lease Liabilities**

  At the commencement date of the lease, the Group recognizes 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 exercized by the Group and payments of penalties for terminating the lease, If any.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 recognized 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 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 recognized 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

**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.

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- 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 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 of 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 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 de-recognition 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.

➢ **De-recognition**

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, 2022

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 Hedge Accounting:**

- 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 re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately except for the effective portion of cash flow hedges which is taken in the other comprehensive income (net of tax).
- The Group designates certain hedging instruments in respect of certain foreign currency risk and interest rate risk as cash flow hedges. The Cash flow hedge are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:
  - hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges); or
  - hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).
- The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.
- The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.
- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.
- Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.
- When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- **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 recognized 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 recognized.

**4.14 Intangible Assets**

**4.14.1 Recognition and Measurement**

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

**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 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.
- When the use of a property changes from investment property to owner-occupied (for Group's business purpose), the property is reclassified as Property, Plant & Equipment at its carrying amount on the date of reclassification.

**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.

**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 re-measurement 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 Standard Issued/amended but not yet effective**

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following amendments to the existing standards which are effective from 1st April, 2022:

(a) Ind AS 109: Annual Improvements to Ind AS (2021)

(b) Ind AS 103: Reference to Conceptual Framework

(c) Ind AS 37: Onerous Contracts – Costs of Fulfilling a Contract

(d) Ind AS 16: Proceeds before intended use

(e) Ind AS 41: Agriculture

Based on preliminary assessment, the Group does not expect significant impact of these changes on its consolidated financial statements.

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- **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 recognized 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, 2022

## 6 PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

**Year Ended 31st March, 2022**

| Particulars | Gross Carrying Amount | | | | | | | | | Accumulated Depreciation | | | | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2021 | Additions through Business Combination | Transfer from/(to) Investment Property (Refer Note 7.1) | Additions | Transfer | Disposals | Re-valuation | Other Adjust-ments | As at 31st March, 2022 | As at 1st April, 2021 | Transfer from/(to) Investment Property (Refer Note 7.1) | Charged during the year | Transfer | Deductions | Other Adjust-ments | As at 31st March, 2022 | As at 31st March, 2022 |
| Freehold Land (Refer Note No. 6.1 to 6.2) | 2,023.85 | 0.36 | (0.27) | 13.60 | – | – | 155.02 | – | 2,192.56 | 33.27 | – | 7.52 | – | – | – | 40.79 | 2,151.77 |
| **Sub-Total** | **2,023.85** | **0.36** | **(0.27)** | **13.60** | **–** | **–** | **155.02** | **–** | **2,192.56** | **33.27** | **–** | **7.52** | **–** | **–** | **–** | **40.79** | **2,151.77** |
| Buildings (Refer Note No. 6.1) | 695.02 | – | – | 68.61 | – | 0.01 | – | – | 763.62 | 124.94 | – | 27.63 | – | 0.01 | – | 152.56 | 611.06 |
| Plant and Machinery | 4,819.67 | 1.91 | – | 287.96 | – | 6.91 | – | – | 5,102.63 | 1,394.36 | – | 290.17 | – | 3.28 | – | 1,681.25 | 3,421.38 |
| Furniture and Fittings | 13.69 | – | – | 1.77 | – | 0.02 | – | – | 15.44 | 6.44 | – | 1.17 | – | 0.01 | – | 7.60 | 7.84 |
| Vehicles | 27.04 | – | – | 1.82 | – | 0.56 | – | – | 28.30 | 14.00 | – | 2.77 | – | 0.44 | – | 16.33 | 11.97 |
| Office Equipments | 41.94 | – | – | 6.52 | – | 0.82 | – | – | 47.64 | 25.63 | – | 5.43 | – | 0.76 | – | 30.30 | 17.34 |
| Railway Sidings | 129.23 | – | – | 10.70 | – | 0.15 | – | – | 139.78 | 30.90 | – | 9.06 | – | 0.06 | – | 39.90 | 99.88 |
| Right of Use Assets (Refer Note No. 46) | | | | | | | | | | | | | | | | | |
| - Leasehold Land | 158.30 | – | – | – | – | – | – | – | 158.30 | 5.74 | – | 2.66 | – | – | – | 8.40 | 149.90 |
| - Buildings | 4.70 | – | – | – | – | – | – | – | 4.70 | 1.36 | – | 0.68 | – | – | – | 2.04 | 2.66 |
| - Plant and Machinery | 96.52 | – | – | 24.57 | – | – | – | – | 121.09 | 0.76 | – | 8.22 | – | – | – | 8.98 | 112.11 |
| **Total** | **8,009.96** | **2.27** | **(0.27)** | **415.55** | **–** | **8.47** | **155.02** | **–** | **8,574.06** | **1,637.40** | **–** | **355.31** | **–** | **4.56** | **–** | **1,988.15** | **6,585.91** |
| **Capital Work-In-Progress** | **2,103.42** | **–** | **–** | **605.86** | **243.53** | **–** | **–** | **83.57** | **2,549.32** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **2,549.32** |

**Year Ended 31st March, 2021**

| Particulars | Gross Carrying Amount | | | | | | | | | Accumulated Depreciation | | | | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2020 | Additions through Business Combination | Transfer from/(to) Investment Property (Refer Note 7.1) | Additions | Transfer | Disposals | Re-valuation | Other Adjust-ments | As at 31st March, 2021 | As at 1st April, 2020 | Transfer from/(to) Investment Property (Refer Note 7.1) | Charged during the year | Transfer | Deductions | Other Adjust-ments | As at 31st March, 2021 | As at 31st March, 2021 |
| Freehold Land (Refer Note No. 6.1 to 6.2) | 2,014.27 | – | – | 9.58 | – | – | – | – | 2,023.85 | 25.74 | – | 7.53 | – | – | – | 33.27 | 1,990.58 |
| **Sub-Total** | **2,014.27** | **–** | **–** | **9.58** | **–** | **–** | **–** | **–** | **2,023.85** | **25.74** | **–** | **7.53** | **–** | **–** | **–** | **33.27** | **1,990.58** |
| Buildings (Refer Note No. 6.1) | 665.26 | – | 0.04 | 32.30 | (2.56) | 0.01 | – | (0.01) | 695.02 | 99.79 | 0.01 | 25.84 | (0.70) | 0.00 | – | 124.94 | 570.08 |
| Plant and Machinery | 4,667.67 | – | – | 153.53 | – | 1.43 | – | (0.10) | 4,819.67 | 1,116.45 | – | 279.05 | – | 1.14 | – | 1,394.36 | 3,425.31 |
| Furniture and Fittings | 11.78 | – | – | 1.90 | – | 0.01 | – | 0.02 | 13.69 | 5.18 | – | 1.27 | – | 0.01 | – | 6.44 | 7.25 |
| Vehicles | 26.49 | – | – | 0.98 | – | 0.43 | – | – | 27.04 | 11.42 | – | 2.91 | – | 0.33 | – | 14.00 | 13.04 |
| Office Equipments | 36.63 | – | – | 5.39 | – | 0.17 | – | 0.09 | 41.94 | 20.43 | – | 5.36 | – | 0.16 | – | 25.63 | 16.31 |
| Railway Sidings | 94.13 | – | – | 35.10 | – | – | – | – | 129.23 | 24.20 | – | 6.70 | – | – | – | 30.90 | 98.33 |
| Right of Use Assets (Refer Note No. 46) | | | | | | | | | | | | | | | | | |
| - Leasehold Land | 155.74 | – | – | – | 2.56 | – | – | – | 158.30 | 2.38 | – | 2.66 | 0.70 | – | – | 5.74 | 152.56 |
| - Buildings | 4.70 | – | – | – | – | – | – | – | 4.70 | 0.68 | – | 0.68 | – | – | – | 1.36 | 3.34 |
| - Plant and Machinery | 2.97 | – | – | 93.55 | – | – | – | – | 96.52 | 0.12 | – | 0.64 | – | – | – | 0.76 | 95.76 |
| **Total** | **7,679.64** | **–** | **0.04** | **332.33** | **–** | **2.05** | **–** | **–** | **8,009.96** | **1,306.39** | **0.01** | **332.64** | **–** | **1.64** | **–** | **1,637.40** | **6,372.56** |
| **Capital Work-In-Progress** | **1,601.98** | **-** | **-** | **660.27** | **195.19** | **21.01** | **-** | **57.37** | **2,103.42** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **2,103.42** |

**Notes :**

**6.1** Gross carrying amount includes ₹ 2.86 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** The Group has adopted revaluation model for one class of Property, Plant and Equipment i.e. Freehold land and have revalued as on 1st April, 2017 and 1st April, 2021 on the basis of valuation reports made by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Carrying amount of Freehold Land as on 1st April, 2021 include revaluation surplus of ₹ 1,054.92 Crores and ₹ 155.02 Crores on account of revaluation made on 1st April, 2017 and 1st April, 2021 respectively. The resulting revaluation surpluses has been recognized and presented under "Other Comprehensive Income".

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 registered valuer. Fair valuation was based on depreciated open market price method. The fair value measurement was categorized in level 2/ level 3 fair value hierarchy.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

**6.3 Capital Work In Progress ageing schedule:**

(₹ in Crores)

| Particulars | As at 31st March, 2022 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 819.13 | 606.21 | 669.12 | 448.13 | 2,542.59 |
| Projects temporarily Suspended | – | – | – | 6.73 | 6.73 |
| **Total** | **819.13** | **606.21** | **669.12** | **454.86** | **2,549.32** |

| Particulars | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 771.91 | 779.34 | 64.79 | 480.65 | 2,096.69 |
| Projects temporarily Suspended | – | – | – | 6.73 | 6.73 |
| **Total** | **771.91** | **779.34** | **64.79** | **487.38** | **2,103.42** |

**6.4 Capital Work In Progress completion schedule:**

Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, are as follows:

**As at 31st March, 2022**

| Particulars | To be completed in | | | | | Reasons |
|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total | |
| **Projects in progress** | | | | | | |
| Mukutban Integrated Unit | 2,151.81 | – | – | – | 2,151.81 | Delay due to COVID 19 pandemic |
| **Projects temporarily suspended** | | | | | | |
| Maihar Integrated Unit-SILO Project | – | – | 5.22 | – | 5.22 | Reassessment of Technical usage feasibility is being done |
| Grinding Units in Madhya Pradesh | – | – | 1.51 | – | 1.51 | |
| **Total** | **2,151.81** | **–** | **6.73** | **–** | **2,158.54** | |

**As at 31st March, 2021**

| Particulars | To be completed in | | | | | Reasons |
|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total | |
| **Projects in progress** | | | | | | |
| Mukutban Integrated Unit | – | 1,613.21 | – | – | 1,613.21 | Delay due to COVID 19 pandemic |
| **Projects temporarily suspended** | | | | | | |
| Maihar Integrated Unit-SILO Project | – | – | 5.22 | – | 5.22 | Reassessment of Technical usage feasibility is being done |
| Grinding Units in Madhya Pradesh | – | – | 1.51 | – | 1.51 | |
| **Total** | **–** | **1,613.21** | **6.73** | **–** | **1,619.94** | |

**6.5** The amount of expenditures recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction:

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Assets under construction | 1,814.91 | 1,484.41 |
| Expenditure incurred on Project Development Pending Capitalization / allocation | 471.77 | 356.37 |
| Fair value of Mining Rights under Development | 262.64 | 262.64 |
| **Total** | **2,549.32** | **2,103.42** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Pre-operative expenses pending allocation:** | | |
| Opening Balance | 356.37 | 285.25 |
| Salaries, wages and bonus (Refer Note No. 34) | 24.42 | 18.33 |
| Finance costs (Refer Note No. 35) | 83.57 | 57.37 |
| Depreciation | 0.44 | 0.31 |
| Licences, Cleareances, Taxes, etc. | 2.31 | 4.31 |
| Other Expenses | 8.62 | 12.06 |
| **Total Pre-operative expenses** | **475.73** | **377.63** |
| Less: Capitalized/ charged during the year | 3.96 | 0.25 |
| Less: Reclassification | – | 6.95 |
| Less: Write off | – | 14.06 |
| **Balances included in Capital Work in Progress** | **471.77** | **356.37** |

**6.6** Title deed for freehold land amounting to ₹ 11.89 Crores (Previous year ₹ 9.49 Crores), although in the name of Group, is in dispute and is pending resolution before the Court of Civil Judge, Rajgurunagar (Khed) and Additional Division Commissioner, Pune.

**6.7** No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**6.8** The Group has capitalized during the year with the Property, Plant and Equipment amounts to ₹ 2.09 Crores (Previous Year de-capitalized ₹ 2.85 Crores) 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 consolidated financial statement.

**6.9** During the year, the Group has capitalized finance costs on the qualifying assets as required by IND AS 23 Borrowing Costs amounting to ₹ 83.57 Crores (Previous Year ₹ 57.37 Crores), (Refer Note No. 35).

**6.10** Right of Use Assets includes:

(a) "Leasehold Land" represents land obtained on long term lease from various Government and other authorities.

(b) "Plant & Machinery" represents:

– Machinery recognized as per long term power purchase agreement in accordance with the principles of IND AS 116 "Leases". (Refer Note No. 63)

– Railway Wagons recognized as per long term wagon leasing agreement in accordance with the principles of IND AS 116 "Leases".

**6.11** Refer Note No. 43 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

**6.12** Refer Note No. 44 for information on Property, Plant and Equipment pledged as securities by the Group.

**7 INVESTMENT PROPERTY**

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|
| **Gross Carrying Amount** | | |
| Opening Gross Carrying Amount | 0.15 | 0.19 |
| Additions | – | – |
| Transferred from/(to) Property Plant & Equipment (Refer Note No. 7.1) | 0.27 | (0.04) |
| Disposals | – | – |
| Other Adjustments | – | – |
| **Closing Gross Carrying Amount** | **0.42** | **0.15** |
| **Accumulated Depreciation** | | |
| Opening Accumulated Depreciation | 0.02 | 0.03 |
| Depreciation charged during the year | 0.00 | 0.00 |
| Transferred to Property Plant & Equipment (Refer Note No. 7.1) | – | (0.01) |
| **Closing Accumulated Depreciation** | **0.02** | **0.02** |
| **Net Carrying Amount** | **0.40** | **0.13** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**7.1** During the year, freehold land having book value of ₹ 0.27 Crore have been transferred to Investment Property from Property, Plant and Equipment as the same have been considered by the management as not for further use for business purposes and held for capital appreciation.

In previous year, certain portion of a property was started to be used by the Group for its normal business purpose. Hence, this portion of building was transferred from Investment Property to Property, Plant and Equipment.

**7.2** Fair value of the Group's Investment Properties as at 31st March, 2022 (including Freehold Land transferred transferred from Property, Plant & Equipment) and 31st March, 2021 (excluding proportionate portion transferred to Property, Plant & Equipment) are ₹ 27.46 Crores and ₹ 15.74 Crores respectively. The fair value has been arrived on the basis of valuation performed by independent registered valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, who are specialist in valuing these types of Investment Properties, having appropriate qualifications and recent experience in the valuation of properties in relevant locations.

**7.3** 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 registered 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.

**7.4** The amounts recognized in the Statement of Profit and Loss in relation to the investment properties:

| Particulars | For the Year ended 31st March, 2022 | For the Year ended 31st March, 2021 |
|---|---|---|
| Rental Income | 0.39 | 0.10 |
| Direct Operating Expenses in relation to – Properties generating rental income | 0.43 | 0.31 |

**7.5** 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.

**8 INTANGIBLE ASSETS**

| Particulars | Year Ended 31st March, 2022 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | | Accumulated Amortisation | | | | | Net Carrying Amount |
| | As at 1st April, 2021 | Additions | Disposals / Transfer | Other Adjustments | **As at 31st March, 2022** | As at 1st April, 2021 | Charged during the year | Deductions | Other Adjustments | **As at 31st March, 2022** | **As at 31st March, 2022** |
| Computer Software | 12.57 | 0.91 | – | – | 13.48 | 9.04 | 1.90 | – | – | 10.94 | 2.54 |
| Supplier Agreement-Flyash | 19.61 | – | – | – | 19.61 | 8.73 | 0.99 | – | – | 9.72 | 9.89 |
| Trademark | 198.27 | – | – | – | 198.27 | – | – | – | – | – | 198.27 |
| Mining Rights (includes site preparation) | 867.40 | 80.81 | – | – | 948.21 | 130.03 | 39.18 | – | – | 169.21 | 779.00 |
| **Total** | **1,097.85** | **81.72** | **–** | **–** | **1,179.57** | **147.80** | **42.07** | **–** | **–** | **189.87** | **989.70** |
| **Intangible Assets under Development** | **1.37** | **82.09** | **81.72** | **–** | **1.74** | **–** | **–** | **–** | **–** | **–** | **1.74** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Year Ended 31st March, 2021 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | | | | | Accumulated Amortisation | | | | | Net Carrying Amount |
| | As at 1st April, 2020 | Additions | Disposals / Transfer | Other Adjustments | **As at 31st March, 2021** | As at 1st April, 2020 | Charged during the year | Deductions | Other Adjustments | **As at 31st March, 2021** | **As at 31st March, 2021** |
| Computer Software | 10.53 | 2.04 | – | – | 12.57 | 6.89 | 2.15 | – | – | 9.04 | 3.53 |
| Supplier Agreement-Flyash | 19.61 | – | – | – | 19.61 | 6.12 | 2.61 | – | – | 8.73 | 10.88 |
| Trademark | 198.27 | – | – | – | 198.27 | – | – | – | – | – | 198.27 |
| Mining Rights (includes site preparation) | 832.25 | 35.15 | – | – | 867.40 | 96.36 | 33.67 | – | – | 130.03 | 737.37 |
| **Total** | **1,060.66** | **37.19** | **–** | **–** | **1,097.85** | **109.37** | **38.43** | **–** | **–** | **147.80** | **950.05** |
| **Intangible Assets under Development** | **1.92** | **36.64** | **37.19** | **–** | **1.37** | **–** | **–** | **–** | **–** | **–** | **1.37** |

**Notes :**

**8.1 Intangible Assets under Development ageing schedule:**

| Particulars | As at 31st March, 2022 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 0.50 | 0.08 | – | 1.16 | 1.74 |
| Projects temporarily Suspended | – | – | – | – | – |
| **Total** | **0.50** | **0.08** | **–** | **1.16** | **1.74** |

| Particulars | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | 0.12 | 0.09 | 0.25 | 0.91 | 1.37 |
| Projects temporarily Suspended | - | - | - | - | - |
| **Total** | **0.12** | **0.09** | **0.25** | **0.91** | **1.37** |

**8.2** There is no intangible assets under development as on 31st March 2022 and 31st March 2021, whose completion is overdue or has exceeded its cost compared to its original plan.

**8.3** The Group has not revalued its intangible assets.

**8.4** Refer Note No. 43 for disclosure of contractual commitments for the acquisition of Intangible Assets.

**8.5** Refer Note No. 44 for information on Intangible Assets pledged as securities by the Group.

**9 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS**

| Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|
| Opening Balance | 0.84 | 0.82 |
| Additions/Acquisitions | – | 0.05 |
| Disposals | 0.00 | 0.01 |
| Fair Value Adjustments | 0.01 | (0.02) |
| **Closing Balance** | **0.85** | **0.84** |

**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, 2022

**10 NON–CURRENT INVESTMENTS** (₹ in Crores)

| | Particulars | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|---|
| | | | | Qty. | Amount | Qty. | Amount |
| **A** | **DEBT INSTRUMENTS AT AMORTISED COST** | | | | | | |
| | **Unquoted** | | | | | | |
| | National Savings Certificate | 10.1 | 10,000 | 1.00 | 0.00 | 1.00 | 0.00 |
| | **Sub Total** | | | | **0.00** | | **0.00** |
| | **TOTAL (A)** | | | | **0.00** | | **0.00** |
| **B** | **INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | | | | | | |
| | **EQUITY INSTRUMENTS (FULLY PAID UP)** | | | | | | |
| | **QUOTED** | | | | | | |
| | Century Textiles & Industries Limited | | 10 | 18,07,660 | 154.47 | 18,07,660 | 84.06 |
| | Birla Cables Limited | | 10 | 53,88,515 | 84.44 | 53,88,515 | 32.49 |
| | Universal Cables Limited | | 10 | 8,00,157 | 11.06 | 8,00,157 | 10.91 |
| | Hindustan Media Ventures Limited | | 10 | 4,440 | 0.03 | 4,440 | 0.03 |
| | The Rameshwara Jute Mills Limited | 10.2 | 10 | 19,133 | 0.01 | 19,133 | 0.01 |
| | Vindhya Telelinks Limited | | 10 | 100 | 0.01 | 100 | 0.01 |
| | Birla Precision Technologies Limited | | 2 | 2,121 | 0.01 | 2,121 | 0.00 |
| | Zenith Steel Pipes and Industries Limited | | 10 | 6,362 | 0.00 | 6,362 | 0.00 |
| | UltraTech Cement Limited | | 10 | 2,25,957 | 149.18 | 2,25,957 | 152.25 |
| | **Sub Total** | | | | **399.21** | | **279.76** |
| | **UNQUOTED** | 10.2 | | | | | |
| | Birla Buildings Limited | | 10 | 24,000 | 0.02 | 24,000 | 0.02 |
| | Neosym Industry Limited | | 10 | 52,000 | 0.01 | 52,000 | 0.01 |
| | Lotus Court Limited | | 10 | 1 | 0.01 | 1 | 0.01 |
| | Industry House Limited | | 10 | 600 | 0.01 | 600 | 0.01 |
| | The Eastern Economist Limited | | 10 | 400 | 0.01 | 400 | 0.01 |
| | Woodlands Multispeciality Hospital Limited | | 10 | 520 | 0.00 | 520 | 0.00 |
| | Twin Star Venus Co-Operative Society Housing Society Limited | | 10 | 10 | 0.00 | 10 | 0.00 |
| | Elgin Mills Company Limited | 10.3 | 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 Limited | | 10 | 15 | 0.00 | 15 | 0.00 |
| | Craig Jute Mills Limited | | 3 | 50 | 0.00 | 50 | 0.00 |
| | **Sub Total** | | | | **0.06** | | **0.06** |
| | **Investment in Quoted Government Securities** | | | | | | |
| | 8.97% GOI 2030 | 10.4 | 100 | 1,00,000 | 1.17 | 1,00,000 | 1.21 |
| | **Sub Total** | | | | **1.17** | | **1.21** |
| | **Investments In Quoted Bonds** | | | | | | |
| | 9.70% IFCI Limited 2030 | | 10,00,000 | 63 | 6.33 | 63 | 6.54 |
| | 9.55% IFCI Limited 2025 | | 10,00,000 | 5 | 0.54 | 13 | 1.41 |
| | **Sub Total** | | | | **6.87** | | **7.95** |
| | **TOTAL (B)** | | | | **407.31** | | **288.98** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|---|
| | | | | Qty. | Amount | Qty. | Amount |
| **C** | **INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS** | | | | | | |
| | **Investment In Preference Shares - Unquoted (Fully paid up)** | | | | | | |
| | Elgin Mills Company Limited. - 5% Preference Shares | 10.2 & 10.3 | 10 | 100 | 0.00 | 100 | 0.00 |
| | **Sub Total** | | | | **0.00** | | **0.00** |
| | **TOTAL (C)** | | | | **0.00** | | **0.00** |
| | **TOTAL NON-CURRENT INVESTMENTS** | | | | **407.31** | | **288.98** |
| | **Aggregate Book Value of Quoted Investments** | | | | **407.25** | | **288.92** |
| | **Aggregate Fair Value of Quoted Investments** | | | | **407.25** | | **288.92** |
| | **Aggregate amount of Unquoted Investments** | | | | **0.06** | | **0.06** |
| | **Aggregate amount of Impairment in Value of Investments** | | | | **–** | | **–** |

**Notes :**

**10.1** Deposited with Government Department as Security.

**10.2** Fair valuation not carried out as the amounts are not significant.

**10.3** The investee company is under liquidation.

**10.4** Lien marked in favour of Clearing Corporation of India Limited.

**11 LOANS**

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Loans & Advances to Related Parties** | 11.1, 11.2 & 11.3 | | | | |
| Loan Receivables | | – | – | 0.07 | 0.07 |
| Less: Provision for Doubtful Receivables | | – | – | 0.07 | 0.07 |
| | | – | – | – | – |
| **Loans & Advances to Others** | 11.1, 11.2 & 11.3 | | | | |
| Loan Receivables | | 0.46 | 0.29 | 1.03 | 1.24 |
| Less: Provision for Doubtful Receivables | | – | – | 0.00 | 0.00 |
| | | 0.46 | 0.29 | 1.03 | 1.24 |
| **Total** | | **0.46** | **0.29** | **1.03** | **1.24** |
| **11.1 Break Up of Loans** | | | | | |
| Loan Receivables considered good - Secured | | – | – | – | – |
| Loan Receivables considered good - Unsecured | | 0.46 | 0.29 | 1.03 | 1.24 |
| Loan Receivables which have significant increase in Credit Risk | | – | – | 0.07 | 0.07 |
| Loan Receivables - Credit Impaired | | – | – | – | – |
| | | 0.46 | 0.29 | 1.10 | 1.31 |
| Less: Provision for Doubtful Receivables | | – | – | 0.07 | 0.07 |
| | | **0.46** | **0.29** | **1.03** | **1.24** |

**11.2** No Loans are due from directors or other officers of the Group either severally or jointly with any other person. No 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**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 As at | | Maximum amount Outstanding For the year ended | |
|---|---|---|---|---|---|
| | | 31st March, 2022 | 31st March, 2021 | 31st March, 2022 | 31st March, 2021 |
| i. **Subsidiary Company (not consolidated)** | | | | | |
| Birla Corporation Cement Manufacturing PLC | (ii) (a) & (b) | – | – | 0.07 | 0.07 |
| ii. **Purpose for which the advance was provided** | | | | | |
| a. Advance given for implementation of Project | | | | | |
| b. Net of Provision for Doubtful Receivables | | | | | |
| iii. **For Guarantee refer Note No. 41.3 and for Investments refer Note No. 9, 10, 15 & 63.** | | | | | |

**12 OTHERS FINANCIAL ASSETS**

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Security Deposits** | | | | | |
| Unsecured, considered good | 63 | 46.73 | 52.53 | 8.61 | 8.61 |
| | | 46.73 | 52.53 | 8.61 | 8.61 |
| Incentive and Subsidy Receivable | | 199.64 | 207.77 | 473.03 | 334.50 |
| Less : Provision for Expected Credit Loss | 55.1.2 | 33.61 | 33.61 | 0.45 | 0.45 |
| | | 166.03 | 174.16 | 472.58 | 334.05 |
| Other Deposits, Advances and Claims Recoverable | | | | | |
| Unsecured, considered good | 12.1 | 1.64 | 12.24 | 17.55 | 21.60 |
| Unsecured, considered doubtful | | – | – | 2.01 | 2.01 |
| | | 1.64 | 12.24 | 19.56 | 23.61 |
| Less: Provision for Doubtful Advances | | – | – | 2.01 | 2.01 |
| | | 1.64 | 12.24 | 17.55 | 21.60 |
| Deposits with Bank having maturity of more than one year from the balance sheet date | 12.2 | 12.91 | 9.70 | – | – |
| Fixed Deposits with Others | | – | – | 70.00 | 156.00 |
| Interest accrued on Deposits | | 0.05 | 0.03 | 2.33 | 4.27 |
| Derivative Contracts (Net) | | – | – | 0.23 | 0.26 |
| Amount paid under Protest | | 2.37 | 2.37 | – | – |
| Others | | – | – | 1.70 | 0.01 |
| | | 15.33 | 12.10 | 74.26 | 160.54 |
| **Total** | | **229.73** | **251.03** | **573.00** | **524.80** |

**12.1** No other receivables are due from directors or other officers of the Group either severally or jointly with any other person. No other receivables are due from firms or private companies respectively in which any director of Group is a partner, a director or a member.

**12.2** Represents deposits marked lien in favour of Govt. Authorities and Banks.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

## 13 OTHER ASSETS

(₹ in Crores)

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| Advance against supply of Goods and Services | | – | – | 197.04 | 221.08 |
| Less : Provision for Doubtful Advances | | – | – | 0.04 | 0.04 |
| | | – | – | 197.00 | 221.04 |
| Capital Advances | | 99.59 | 101.13 | – | – |
| Prepaid Expenses | | 3.75 | 2.93 | 11.37 | 9.88 |
| Amount Paid Under Protest | | 62.95 | 80.09 | – | – |
| Balances with Government & Statutory Authorities | | 0.60 | 0.60 | 209.86 | 174.30 |
| **Security Deposits** | | | | | |
| Unsecured considered good | | 1.85 | 1.85 | 0.44 | 0.45 |
| Other Advances / Receivables (Including Balance with Gratuity Fund) | 13.2 | 8.42 | 8.35 | 9.94 | 4.63 |
| **Total** | | **177.16** | **194.95** | **428.61** | **410.30** |

**13.1** 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 ₹ 4.96 Crores (Previous Year ₹ 1.32 Crores) are receivable from private companies in which directors of the Group are directors.

**13.2** Other Advances / Receivable (Non-Current) includes ₹ 6.95 Crores (Previous Year ₹ 6.95 Crores), represents the realizable value of expenditures incurred on shelved future projects.

## 14 INVENTORIES

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| (As valued and certified by the Management) | 4.1 | | |
| Raw Materials | 14.1 | 98.13 | 124.28 |
| Work-In-Progress | 14.1 | 142.95 | 126.42 |
| Finished Goods | 14.1 | 109.33 | 105.16 |
| Stock-In-Trade | | 1.04 | 0.92 |
| Stores and Spares | 14.1 | 245.80 | 226.40 |
| Fuels | 14.1 | 208.54 | 211.83 |
| Packing Materials | | 24.31 | 20.05 |
| | | **830.10** | **815.06** |
| Less Provision on Non-Moving Stores and Spares | | 10.11 | 4.97 |
| **Total** | | **819.99** | **810.09** |

| | | | |
|---|---|---|---|
| **14.1** The above includes goods-in-transit as under: | | | |
| Raw Materials | | 5.62 | 6.62 |
| Work-In-Progress | | 3.88 | 0.12 |
| Finished Goods | | 2.20 | 7.78 |
| Stores and Spares | | 0.03 | 3.06 |
| Fuels | | 0.51 | 46.98 |
| **Total** | | **12.24** | **64.56** |

**14.2** Refer Note No. 44 for information on amount of inventories pledged as securities by the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

## 15 CURRENT INVESTMENTS

(₹ in Crores)

| Particulars | | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|---|
| | | | | Qty. | Amount | Qty. | Amount |
| A | **INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS** | | | | | | |
| | **Investments in Mutual Funds** | | | | | | |
| | **UNQUOTED** | | | | | | |
| | Axis Liquid Fund - Direct Growth | | | 84,757 | 20.03 | 74,440 | 17.01 |
| | Axis Money Market Fund Direct Growth | | | 1,04,509 | 12.04 | 45,178 | 5.00 |
| | Axis Ultra Short Term Fund Direct Growth | | | – | – | 92,34,001 | 11.05 |
| | Baroda BNP Paribas Banking & PSU Bond Fund - Direct Plan Growth (Previously known as Baroda Banking and PSU Bond Fund - Direct Plan Growth) | | | – | – | 19,99,900 | 2.00 |
| | Baroda BNP Paribas Liquid Fund - Direct Growth (Previously known as Baroda Liquid Fund - Plan B Growth) | | | 20,388 | 5.00 | 71,789 | 17.01 |
| | Baroda BNP Paribas Overnight Fund - Direct Plan Growth Growth (Previously Baroda Overnight Fund - Direct Plan Growth) | | | 44,810 | 5.00 | – | – |
| | DSP Savings Fund- Direct Plan - Growth | | | 11,44,351 | 5.01 | 11,89,309 | 5.01 |
| | DSP Liquidity Fund- Direct Plan - Growth | | | 16,434 | 5.00 | – | – |
| | HSBC Corporate Bond Fund Direct Growth | | | – | – | 9,99,950 | 1.02 |
| | HDFC Money Market Fund- Direct Plan - Growth Option | | | 10,791 | 5.02 | – | – |
| | HDFC Ultra Short Term Fund - Direct Growth | | | 1,29,05,281 | 16.02 | 6,00,000 | 0.72 |
| | HDFC Liquid Fund- Direct Plan - Growth Option | | | 11,951 | 5.00 | – | – |
| | IDFC Ultra Short Term Fund Direct Plan - Growth | | | 5,42,33,467 | 67.31 | 7,45,05,438 | 89.19 |
| | IDFC Floating Rate Fund Direct Plan - Growth | | | – | – | 99,99,500 | 10.04 |
| | IDFC Money Manager Fund Growth - Direct Plan | | | 25,85,925 | 9.03 | 39,04,110 | 13.14 |
| | IDFC Banking & PSU Debt Fund- Direct Plan- Growth | | | 19,95,380 | 4.07 | – | – |
| | IDFC Cash Fund- Growth- Direct Plan | | | 77,900 | 20.03 | – | – |
| | ICICI Prudential Ultra Short Term Fund- Direct Plan- Growth | | | 8,40,132 | 2.01 | – | – |
| | ICICI Prudential Liquid Fund - Direct Plan -Growth | | | 5,07,697 | 16.01 | 1,64,170 | 5.00 |
| | Invesco India Money Market Fund - Direct Plan Growth | | | 67,240 | 17.09 | 41,014 | 10.03 |
| | Invesco India Ultra Short term Fund - Direct Plan Growth | | | 21,766 | 5.02 | 10,655 | 2.36 |
| | Invesco India Liquid Fund- Direct Plan Growth | | | 66,493 | 19.44 | – | – |
| | Kotak Liquid Fund Direct Plan Growth | | | 11,622 | 5.00 | 38,525 | 16.02 |
| | Kotak Money Market Fund -Direct Plan- Growth | | | 69,410 | 25.13 | 57,512 | 20.04 |
| | Kotak Savings Fund - Direct Plan - Growth | | | 30,69,151 | 11.06 | 1,05,62,382 | 36.63 |
| | Kotak Overnight Fund Direct- Growth | | | 88,227 | 10.00 | | |
| | LIC MF Savings Fund -Direct Plan- Growth | | | 14,57,623 | 5.02 | 15,09,828 | 5.00 |
| | LIC MF Liquid Fund- Direct Plan- Growth | | | 12,933 | 5.00 | | |
| | L & T Money Market Fund Direct Plan- Growth | | | 27,10,589 | 6.03 | 46,72,947 | 10.03 |
| | L & T Ultra Short Term Fund Direct Plan- Growth | | | 1,15,26,884 | 41.95 | 1,15,26,884 | 40.45 |
| | L & T Liquid Fund Direct Plan- Growth | | | 68,633 | 20.00 | – | – |
| | Mahindra Manulife Liquid Fund- Direct- Growth | | | 36,129 | 5.00 | – | – |
| | Mirae Asset Overnight Fund Direct Plan- Growth | | | 91,818 | 10.00 | – | – |
| | Mirae Asset Cash Management Fund- Direct Plan Growth | | | 22,256 | 5.00 | – | – |
| | Nippon India Liquid Fund - Direct Plan Growth Plan -Growth Option | | | 79,426 | 41.37 | 36,325 | 18.29 |
| | Nippon India Money Market Fund -Direct Growth Plan Growth Option | | | 75,908 | 25.43 | 65,430 | 21.07 |
| | Nippon India Low Duration Fund- Retail Option Growth Plan | | | 476 | 0.14 | 476 | 0.13 |
| | PGIM India Liquid Fund- Direct Plan- Growth | | | 1,80,266 | 5.00 | – | – |
| | PGIM India Ultra Short Duration Fund- Direct Plan- Growth | | | 28,05,184 | 8.04 | – | – |
| | Sundaram Liquid Fund -Direct Plan Growth | | | 63,879 | 12.00 | – | – |
| | SBI Liquid Fund Direct Growth | | | 45,063 | 15.02 | 62,117 | 20.01 |
| | SBI Magnum Low Duration Fund Direct - Growth | 15.1 | | – | – | 1,03,038 | 28.81 |
| | SBI Magnum Ultra Short Duration Fund Direct Growth | | | 41,045 | 20.10 | – | – |
| | SBI Floating Rate DEBT Fund Direct Plan Growth | | | 94,28,776 | 10.04 | – | – |
| | SBI Savings Fund -Direct Plan- Growth | | | – | – | 70,10,551 | 23.97 |
| | Tata Money Market Fund Direct Plan -Growth | | | 68,360 | 26.15 | 57,896 | 21.25 |
| | Tata Liquid Fund Direct Plan- Growth | | | 62,563 | 21.03 | 15,405 | 5.00 |
| | Tata Overnight Fund Direct Plan- Growth | | | 4 | 0.00 | – | – |
| | UTI Treasury Advantage Fund- Direct Growth Plan Growth | | | – | – | 30,971 | 8.19 |
| | UTI Liquid Cash Plan- Direct Plan- Growth | | | 14,338 | 5.00 | – | – |
| | **TOTAL (A)** | | | | **576.64** | | **463.47** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | | Refer Note No. | Face Value | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|---|---|
| | | | | Qty. | Amount | Qty. | Amount |
| **B** | **INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | | | | | | |
| | **Investment in Quoted Non -Convertible Debentures** | | | | | | |
| | 2% Tata Steel Limited 2022 | | 10,00,000 | 134 | 24.99 | – | – |
| | **TOTAL (B)** | | | | **24.99** | | **–** |
| | **TOTAL CURRENT INVESTMENTS** | | | | **601.63** | | **463.47** |
| | **Aggregate Book Value of Quoted Investments** | | | | **24.99** | | **–** |
| | **Aggregate Fair Value of Quoted Investments** | | | | **24.99** | | **–** |
| | **Aggregate amount of Unquoted Investments** | | | | **576.64** | | **463.47** |
| | **Aggregate amount of Impairment in Value of Investments** | | | | **–** | | **–** |

**Notes :**

**15.1** Out of the same Nil units (Previous Year: 45,930 units) are held as margin in favour of State Bank of India against bank guarantee.

**15.2** The Group has not traded or invested in crypto currency or virtual currency during the year ended 31st March, 2022 and 31st March, 2021.

**16 TRADE RECEIVABLES**

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Trade Receivables | 16.1 & 16.2 | 314.67 | 294.37 |
| Less: Provision for Doubtful Receivables | | 11.86 | 14.86 |
| **Total** | | **302.81** | **279.51** |
| **Break Up of Trade Receivables** | | | |
| Trade Receivables considered good - Secured | | 128.46 | 139.29 |
| Trade Receivables considered good - Unsecured | | 174.35 | 140.22 |
| Trade Receivables which have significant increase in Credit Risk | | 11.86 | 14.86 |
| Trade Receivables - Credit Impaired | | – | – |
| **Total** | | **314.67** | **294.37** |
| Less: Provision for Doubtful Receivables | | 11.86 | 14.86 |
| **Total** | | **302.81** | **279.51** |

**16.1** Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. Refer Note No. 44 for information on amount of trade receivables pledged as security by the Group.

**16.2** No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. No any trade receivables are due from firms or private companies respectively in which any director of the Group is a partner, a director or a member.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

**16.3 Trade Receivables ageing schedule**

(₹ in Crores)

**As at 31st March, 2022**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than Six Months | 6 Months – 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables – considered good | 113.04 | 168.25 | 10.82 | 6.31 | 1.69 | 2.70 | **302.81** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | 0.16 | 2.90 | **3.06** |
| (iii) Undisputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| (iv) Disputed Trade Receivables – considered good | – | – | – | – | – | – | **–** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | 0.13 | 8.67 | **8.80** |
| (vi) Disputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| **Total Trade Receivables** | **113.04** | **168.25** | **10.82** | **6.31** | **1.98** | **14.27** | **314.67** |
| Less: Provision for Doubtful Receivables | | | | | | | **11.86** |
| **Net Trade Receivables** | | | | | | | **302.81** |

**As at 31st March, 2021**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than Six Months | 6 Months – 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade Receivables – considered good | 76.92 | 184.82 | 9.53 | 4.84 | 0.51 | 2.89 | **279.51** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | – | – | 0.07 | 0.30 | 1.01 | 4.74 | **6.12** |
| (iii) Undisputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| (iv) Disputed Trade Receivables – considered good | – | – | – | – | – | – | **–** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | – | – | – | 0.03 | 0.05 | 8.66 | **8.74** |
| (vi) Disputed Trade Receivables – credit impaired | – | – | – | – | – | – | **–** |
| **Total Trade Receivables** | **76.92** | **184.82** | **9.60** | **5.17** | **1.57** | **16.29** | **294.37** |
| Less: Provision for Doubtful Receivables | | | | | | | **14.86** |
| **Net Trade Receivables** | | | | | | | **279.51** |

**16.4** There are no unbilled trade receivables as on 31st March, 2022 and 31st March, 2021.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

## 17 CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Balances With Banks : | | | |
| In Current/ Cash Credit Account | | 43.17 | 75.01 |
| In Deposit Accounts with Original Maturity of less than three months | | 40.02 | 14.93 |
| Cheques/ Drafts on Hand | | 1.03 | 0.41 |
| Cash on Hand | | 0.17 | 0.19 |
| **Total** | | **84.39** | **90.54** |

## 18 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | | | |
|---|---|---|---|
| Balance in Unpaid Dividend Account | 18.1 | 1.41 | 1.44 |
| Other Fixed Deposit with Banks | | 52.18 | 85.27 |
| **Total** | | **53.59** | **86.71** |
| **18.1** Includes deposits marked lien in favour of Govt. Authorities and Banks | | **8.75** | **2.54** |

## 19 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

| | | | |
|---|---|---|---|
| Plant & Machinery | 19.1 | 1.08 | 1.42 |
| **Total** | | **1.08** | **1.42** |

**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 has been disposed off during the year ended 31st March, 2022.

**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, Maharashtra 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 was expected that the sale of the assets will be completed by March, 2022. However, due to Covid 19 Pandemic the complete disposal could not take place and now the Parent Company expects to carry out the same by March, 2023. 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 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, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| **20.1 Authorised Share Capital** | | | | |
| 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 |
| **Total** | **9,10,00,000** | **100.00** | **9,10,00,000** | **100.00** |
| **20.2 Issued Share Capital** | | | | |
| Ordinary Shares of ₹ 10/- each | 7,70,13,416 | 77.01 | 7,70,13,416 | 77.01 |
| **Total** | **7,70,13,416** | **77.01** | **7,70,13,416** | **77.01** |
| **20.3 Subscribed and Paid-up Share Capital** | | | | |
| 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 |
| **Total** | **7,70,05,347** | **77.01** | **7,70,05,347** | **77.01** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**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 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 Shareholding of Promoters in the Parent Company**

| Name of Promoters | As at 31st March, 2022 | | As at 31st March, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | % Holding | No. of Shares | % Holding | |
| Estate of Late Smt Priyamvada Devi Birla represented by Justice Mohit Shantilal Shah, Shri Mahendra Kumar Sharma and Shri Amal Chandra Chakrabortti in their capacity as Administrators pendente lite | 1,260 | 0.00% | 1,260 | 0.00% | NIL |
| August Agents Limited | 60,15,912 | 7.81% | 60,15,912 | 7.81% | NIL |
| Baroda Agents & Trading Co. Private Limited | 9,14,355 | 1.19% | 9,14,355 | 1.19% | NIL |
| Belle Vue Clinic | 1,75,148 | 0.23% | 1,75,148 | 0.23% | NIL |
| Birla Cable Limited | 280 | 0.00% | 280 | 0.00% | NIL |
| Birla Financial Corporation Limited | 280 | 0.00% | 280 | 0.00% | NIL |
| East India Investment Co. Private Limited | 73,475 | 0.10% | 73,475 | 0.10% | NIL |
| Eastern India Educational Institution | 33,61,200 | 4.36% | 33,61,200 | 4.36% | NIL |
| Express Dairy Company Limited | 280 | 0.00% | 280 | 0.00% | NIL |
| Gwalior Webbing Co. Private Limited | 17,75,200 | 2.31% | 17,75,200 | 2.31% | NIL |
| Hindustan Gum & Chemicals Limited | 2,70,000 | 0.35% | 2,70,000 | 0.35% | NIL |
| Hindustan Medical Institution | 71,59,460 | 9.30% | 71,59,460 | 9.30% | NIL |
| Insilco Agents Limited | 60,04,080 | 7.80% | 60,04,080 | 7.80% | NIL |
| Laneseda Agents Limited | 59,94,680 | 7.78% | 59,94,680 | 7.78% | NIL |
| M.P. Birla Foundation Educational Society | 1,00,100 | 0.13% | 1,00,100 | 0.13% | NIL |
| M.P. Birla Institute of Fundamental Research | 100 | 0.00% | 100 | 0.00% | NIL |
| Mazbat Tea Estate Limited | 14,67,689 | 1.91% | 14,67,689 | 1.91% | NIL |
| Punjab Produce Holdings Limited | 36,65,407 | 4.76% | 36,65,407 | 4.76% | NIL |
| Shreyas Medical Society | 1,17,740 | 0.15% | 1,17,740 | 0.15% | NIL |
| South Point Foundation | 1,40,000 | 0.18% | 1,40,000 | 0.18% | NIL |
| The Punjab Produce & Trading Co. Private Limited | 45,20,572 | 5.87% | 45,20,572 | 5.87% | NIL |
| Universal Cables Limited | 2,96,730 | 0.39% | 2,96,730 | 0.39% | NIL |
| Vindhya Telelinks Limited | 63,80,243 | 8.29% | 63,80,243 | 8.29% | NIL |

**20.8 Details of Equity Shareholders holding more than 5% shares in the Company**

| Name of Shareholders | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| **Ordinary Shares of ₹ 10/- each fully paid** | | | | |
| 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. Private Limited | 45,20,572 | 5.87 | 45,20,572 | 5.87 |

**20.9** 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**20.10** 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.

**20.11** No securities convertible into Equity/ Preference shares have been issued by the Group during the year.

**20.12** No calls are unpaid by any Director or Officer of the Group during the year.

**21 OTHER EQUITY (Refer Statement of Changes in Equity)**

**The Description of the nature and purpose of each reserve within equity is as follows:**

**21.1 Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase.

**21.2 Capital Reserve on Consolidation:** This reserve arises on account of consolidation of the financials of subsidiaries.

**21.3 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 Parent 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. However, this requirement is no more applicable as per the amendment in the Companies (Share capital and Debentures) Rules, 2014. Accordingly from previous year, the Parent Company has not made any new addition in the said reserve and accounted the reversal of outstanding reserve linked to payment of specific non-convertible debentures.

**21.4 General Reserve:** The general reserve is created out of retained earnings and use for appropriation purposes.

**21.5 Retained Earnings:** Retained earnings represents the undistributed profit of the Group.

**21.6 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.

**21.7 Effective Portion of Cashflow Hedges:** The Group has designated certain hedging instruments as cash flow hedges and any effective portion of cashflow hedge is maintained in the said reserve. In case the hedging becomes ineffective or instruments settled, the amount will be transferred to the statement of profit and loss.

**21.8 Equity Instrument 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.

**21.9 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, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Non-Convertible Debentures (NCD)** | 22.1(a) | | | | |
| **(Face Value of ₹ 10,00,000/- each)** | | | | | |
| 2,500 (Previous Year - 2,500) 9.25% NCD 2026 | | 250.00 | 250.00 | – | – |
| NIL (Previous Year - 1,500) 9.15% NCD 2021 | | – | – | – | 150.00 |
| 1,500 (Previous Year - 1,500) 7.05% NCD 2024 | | 120.00 | 150.00 | 30.00 | – |
| 1,500 (Previous Year - Nil) 5.75% NCD 2027 | | 150.00 | – | – | – |
| | | **520.00** | **400.00** | **30.00** | **150.00** |
| **Term Loans** | | | | | |
| **From Banks:** | | | | | |
| Rupee Loans | 22.1(b) | 2,922.88 | 2,356.36 | 136.48 | 147.19 |
| Foreign Currency Loans | 22.1(c) | 325.92 | 834.69 | 38.51 | 114.41 |
| **From Others:** | | | | | |
| Rupee Loans | 22.1(d) | 21.79 | 13.35 | – | – |
| | | **3,270.59** | **3,204.40** | **174.99** | **261.60** |
| **Total** | | **3,790.59** | **3,604.40** | **204.99** | **411.60** |
| Amount disclosed under the head "Other Financial Liabilities" | 27 | – | – | (204.99) | (411.60) |
| **Total** | | **3,790.59** | **3,604.40** | **–** | **–** |
| **Break Up of Security Details** | | | | | |
| Secured | | 3,767.97 | 3,525.76 | 182.37 | 389.78 |
| Unsecured | | 22.62 | 78.64 | 22.62 | 21.82 |
| **Total** | | **3,790.59** | **3,604.40** | **204.99** | **411.60** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**22.1 Terms and Conditions of Long Term Borrowings :**

| | Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|---|
| **a)** | **Non-Convertible Debentures** | | | |
| | i) 9.25% NCD 2026 | 22.1 (e) (i) | 250.00 | 250.00 |
| | ii) 7.05% NCD 2024 | 22.1 (e) (ii) | 150.00 | 150.00 |
| | iii) 5.75% NCD 2027 | 22.1 (e) (iii) | 150.00 | – |
| | iv) 9.15% NCD 2021 | | – | 150.00 |
| **b)** | **Rupee Term Loan- From Banks- in Indian Rupees** | 22.1 (f) | 3,073.44 | 2,517.59 |
| **c)** | **Foreign Currency Loans - From Banks - in Foreign Currency** | 22.1 (g) | 364.42 | 955.31 |
| **d)** | **Rupee Term Loan - From Other - in Indian Rupees** | 22.1 (h) | 33.01 | 20.99 |

**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) 7.05% NCD 2024 of ₹ 150.00 Crores, includes ₹ 30.00 Crores repayable in December 2022, ₹ 60.00 Crores repayable in December 2023 and ₹ 60.00 Crores repayable in December 2024.

iii) 5.75% NCD 2027 of ₹ 150.00 Crores, repayable in February 2027.

The Non-Convertible Debentures referred in (e) (i) and (e) (ii) 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 lender banks. Non-Convertible Debentures referred in (e) (iii) is secured by first charge on freehold land belongs to Parent Company's unit Soorah Jute Mills situated at Narkeldanga, Kolkata.

**f) Rupee Loan from Banks :**

i) **₹ 252 Crores (6.75% p.a. upto 5th November, 2022 and thereafter @ 6 months MCLR + 15 bps) is repayable as under:**

₹ 56.00 Crores repayable in 8 equal quarterly installments from June 2022 to March 2024.

₹ 70.00 Crores repayable in 8 equal quarterly installments from June 2024 to March 2026.

₹ 84.00 Crores repayable in 8 equal quarterly installments from June 2026 to March 2028.

₹ 42.00 Crores repayable in 2 equal quarterly installments from June 2028 to September 2028.

The loan is 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 debenture holders and other lender banks.

ii) **₹ 72.48 Crores (6.75% p.a. upto 5th November, 2022 and thereafter @ 6 months MCLR) is repayable as under:**

₹ 22.50 Crores repayable in 6 equal quarterly installments from June 2022 to September 2023.

₹ 24.96 Crores repayable in 6 equal quarterly installments from December 2023 to March 2025.

₹ 25.02 Crores repayable in 6 equal quarterly installments from June 2025 to September 2026.

The loan is secured by first charge on the movable and immovable Property, Plant and Equipment & Intangible Assets of the Parent Company's Jute Division and land situated at Birlapur and Narkeldanga, ranking pari-passu with debenture holders.

iii) **₹ 507.47 Crores (3 months repo rate plus spread of 1.50% p.a.) is repayable as under:**

₹ 38.87 Crores repayable in 4 equal quarterly installments from June, 2022 to March, 2023.

₹ 142.27 Crores repayable in 8 equal quarterly installments from June, 2023 to March, 2025.

₹ 271.59 Crores repayable in 14 equal quarterly installments from June, 2025 to September, 2028.

₹ 54.74 Crores repayable in December, 2028.

iv) **₹ 262.60 Crores (3 months mibor plus spread of 1.40% p.a.) is repayable as under:**

₹ 76.33 Crores repayable in 8 equal quarterly installments from June, 2023 to March, 2025.

₹ 145.71 Crores repayable in 14 equal quarterly installments from June, 2025 to September, 2028.

₹ 40.56 Crores repayable in December, 2028.

v) **₹ 265.31 Crores (rate of interest linked to G-Sec) is repayable as under:**

₹ 76.33 Crores repayable in 8 equal quarterly installments from June, 2023 to March, 2025.

₹ 145.72 Crores repayable in 14 equal quarterly installments from June, 2025 to September, 2028.

₹ 43.26 Crores repayable in December, 2028.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

vi) **₹ 93.05 Crores (1 year MCLR plus spread of 0.30% p.a.) outstanding as on 31st March, 2022 against sanctioned amount of ₹ 190 Crores, balance amount to be drawn in future. Sanctioned amount of ₹ 190 Crores is repayable as under:**

₹ 1.90 Crores repayable in 2 equal quarterly installment from December, 2022 to March, 2023.

₹ 9.50 Crores repayable in 4 equal quarterly installments from June, 2023 to March, 2024.

₹ 19.00 Crores repayable in 4 equal quarterly installments from June, 2024 to March, 2025.

₹ 30.40 Crores repayable in 4 equal quarterly installments from June, 2025 to March, 2026.

₹ 36.10 Crores repayable in 4 equal quarterly installments from June, 2026 to March, 2027.

₹ 68.40 Crores repayable in 8 equal quarterly installments from June, 2027 to March, 2029.

₹ 24.70 Crores repayable in 2 equal quarterly installments from June, 2029 to September, 2029.

The above loans as referred in f (iii), f (iv), f (v) and f (vi) are secured by way of first charge on all present and future movable and immovable Property, Plant and Equipment & Intangible Assets pertaining to Projects at Maihar (Madhya Pradesh), 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.

vii) **₹ 250.10 Crores (7.25% p.a. upto 16th February, 2026 and thereafter @ 1 year MCLR) is repayable as under:**

₹ 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.

₹ 9.66 Crores repayable in August, 2028

The Loan is secured by way of subservient charge on all present and future movable and immovable Property, Plant and Equipment and Intangible Assets relating to Subsidiary Company except assets relating to Projects at Maihar (Madhya Pradesh) and Kundanganj (Uttar Pradesh).

viii) **₹ 1,313.43 Crores (1 year MCLR plus spread of 0.05% to 0.30% p.a.) outstanding as on 31st March, 2022 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 Loans (consortium) are secured by way of first pari-passu charge on all present and future movable and immovable Property, Plant and Equipment & Intangible Assets pertaining to Projects at Mukutban (Maharashtra) and movable fixed assets at Butibori (Maharashtra) of the subsidiary Company and second charge on entire current assets of the subsidiary Company ranking pari passu with other lender banks.

ix) **₹ 57.00 Crores (7.25% p.a. upto 16th February, 2026 and thereafter @ 1 year MCLR) is repayable as under:**

The loan is repayable in 27 quarterly installments of ₹ 2.00 Crores each from June 2022 to December 2028 and balance ₹ 3.00 Crores repayable on March 2029.

The loan is secured by way of first charge on all present and future movable and immovable Property, Plant and Equipment & Intangible Assets pertaining to Projects at Maihar (Madhya Pradesh), ranking pari passu with other lender banks.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**g) Foreign Currency Loans from Banks are repayable as under:-**

i) **Term Loan ₹ 146.94 Crores (SGD : 2.58 Crores), rate of interest @ 1.58% p.a., is repayable as under:**

₹ 19.86 Crores repayable in 5 equal quarterly installments starting from June 2022 to June 2023.

₹ 127.08 Crores repayable in 12 equal quarterly installments starting from September 2023 to June 2026.

The 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 Debenture holders and other lender banks.

ii) **₹ 172.24 Crores (USD : 2.27 Crores), rate of interest @ 6.40% p.a., is repayable as under:**

₹ 57.26 Crores repayable in 8 equal quarterly installments from June, 2023 to March, 2025.

₹ 109.32 Crores repayable in 14 equal quarterly installments from June, 2025 to September, 2028.

₹ 5.66 Crores repayable in December, 2028

The loan is secured by way of first charge on all present and future movable and immovable Property, Plant and Equipment & Intangible Assets pertaining to Projects at Maihar (Madhya Pradesh), 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.

iii) **₹ 45.24 Crores (USD : 0.60 Crore), rate of interest @ 6M LIBOR plus 175 bps p.a.**

The loan is unsecured and repayable in 4 semi-annual installments from September 2022 to March 2024.

**h) Rupee Loans from Other is repayable as under:-**

Interest free Term Loan of ₹ 33.01 Crores from Pradeshiya Industrial & Investment Corporation of U.P. Ltd.

i) ₹ 33.01 Crores includes, ₹ 2.82 Crores repayable in January 2025, ₹ 2.42 Crores repayable in March 2025, ₹ 6.67 Crores repayable in May 2025, ₹ 9.08 Crores repayable in March 2028 and ₹ 12.02 Crores repayable in March 2029.

The loans are secured by Bank Guarantees.

**22.2** The borrowings obtained by the Group from banks and proceedings from issue of Non-Convertible Debentures have been applied for the purpose for which such borrowings were taken and Non-Convertible Debentures were issued.

**23 OTHER FINANCIAL LIABILITIES**

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| Trade & Security Deposits (Unsecured) | | 576.16 | 591.56 | – | – |
| Interest accrued but not due on Borrowings | | – | – | 17.13 | 28.72 |
| Interest accrued and due on Borrowings | | – | – | 1.90 | 2.01 |
| Unpaid and Unclaimed dividends | | – | – | 1.41 | 1.44 |
| Employees Related Liabilities | | – | – | 52.67 | 46.99 |
| Amount Payable for Capital Goods | | – | – | 186.89 | 145.68 |
| Derivative Contracts (Net) | | 1.77 | 4.01 | 1.14 | 16.62 |
| Other Payables (Including rebates and discounts) | | – | – | 325.67 | 370.18 |
| | | 577.93 | 595.57 | 586.81 | 611.64 |
| Liability Under Litigation | | 35.05 | 32.41 | – | – |
| Less: Paid Under Protest | | 27.09 | 24.85 | – | – |
| | | 7.96 | 7.56 | – | – |
| **Total** | | **585.89** | **603.13** | **586.81** | **611.64** |

**24 PROVISIONS**

| | | | | | |
|---|---|---|---|---|---|
| Provision for Employee Benefits | | 54.29 | 53.27 | 6.58 | 4.59 |
| Provision for Mines Restoration | 24.1 | 9.37 | 8.61 | 6.96 | 6.91 |
| **Total** | | **63.66** | **61.88** | **13.54** | **11.50** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**24.1 Movement of Provision :**

| Particulars | Non Current | | Current | |
|---|---|---|---|---|
| | Provision for Mines Restoration | | Provision for Mines Restoration | |
| | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| **Balance as at year beginning** | 8.61 | 4.75 | 6.91 | 6.59 |
| Provision made during the year | 0.76 | 3.86 | 0.45 | 0.50 |
| Provision utilised/written back during the year | – | – | 0.40 | 0.18 |
| **Balance as at year end** | **9.37** | **8.61** | **6.96** | **6.91** |

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, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Arising on account of : | | |
| Depreciation & Lease adjustments | 916.06 | 911.13 |
| Revaluation Surplus | 264.43 | 231.03 |
| Mark to Market Gain on Investments | 33.72 | 26.24 |
| Others | (14.23) | (12.38) |
| | 1,199.98 | 1,156.02 |
| **Less: Deferred Tax Assets** | | |
| Arising on account of : | | |
| Mat Credit Entitlement | 162.73 | 181.69 |
| Items u/s 43B of Income Tax Act, 1961 | 54.54 | 58.01 |
| Unused Tax Credit | 0.48 | 39.92 |
| Others | 10.03 | 9.61 |
| | 227.78 | 289.23 |
| | | |
| **Deferred Tax Liabilities (Net)** | **972.20** | **866.79** |

**25.1 Movement in deferred tax assets and liabilities during the year ended 31st March, 2021 and 31st March, 2022**

| Particulars | As at 1st April, 2021 | Recognized in Statement of Profit and Loss | Recognized in Other Comprehensive Income | Acquired through Business Combinations | As at 31st March, 2022 |
|---|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | | |
| Depreciation & Lease adjustments | 911.13 | 4.28 | – | 0.65 | 916.06 |
| Revaluation Surplus | 231.03 | – | 33.40 | – | 264.43 |
| Remeasurement of the Defined Benefit Plans | – | (3.24) | 3.24 | – | – |
| Mark to Market Gain on Investments | 26.24 | 1.87 | 5.61 | – | 33.72 |
| Others | (12.38) | (1.90) | 0.05 | – | (14.23) |
| | **1,156.02** | **1.01** | **42.30** | **0.65** | **1,199.98** |
| **Deferred Tax Assets** | | | | | |
| Mat Credit Entitlement | 181.69 | (18.96) | – | – | 162.73 |
| Items u/s 43B of Income Tax Act, 1961 | 58.01 | (3.47) | – | – | 54.54 |
| Unused Tax Credit | 39.92 | (39.96) | – | 0.52 | 0.48 |
| Others | 9.61 | 0.42 | – | – | 10.03 |
| | **289.23** | **(61.97)** | **–** | **0.52** | **227.78** |
| | | | | | |
| **Deferred Tax Liabilities (Net)** | **866.79** | **62.98** | **42.30** | **0.13** | **972.20** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | As at 1st April, 2020 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at 31st March, 2021 |
|---|---|---|---|---|
| **Deferred Income Tax Liabilities** | | | | |
| Depreciation & Lease adjustments | 999.35 | (88.22) | – | 911.13 |
| Revaluation Surplus | 232.44 | – | (1.41) | 231.03 |
| Remeasurement of the Defined Benefit Plans | – | (0.91) | 0.91 | – |
| Mark to Market Gain on Investments | 11.53 | (3.45) | 18.16 | 26.24 |
| Others | 1.36 | (10.39) | (3.35) | (12.38) |
| | **1,244.68** | **(102.97)** | **14.31** | **1,156.02** |
| **Deferred Income Tax Assets** | | | | |
| Mat Credit Entitlement | 182.25 | (0.56) | – | 181.69 |
| Items u/s 43B of Income Tax Act, 1961 | 58.88 | (0.87) | – | 58.01 |
| Unused Tax Credit | 137.14 | (97.22) | – | 39.92 |
| Others | 9.62 | (0.01) | – | 9.61 |
| | **387.89** | **(98.66)** | **–** | **289.23** |
| | | | | |
| **Deferred Tax Liabilities (Net)** | **856.79** | **(4.31)** | **14.31** | **866.79** |

**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** During the previous year, the Group had recognized unused tax credits (MAT credit entitlements) of ₹ 50.01 Crores related to Financial Year 2010-11 and 2011-12, which were earlier not recognised on account of prudence.

**26 OTHER LIABILITIES**

| Particulars | Refer Note No. | Non Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31st March, 2022 | As at 31st March, 2021 | As at 31st March, 2022 | As at 31st March, 2021 |
| Liabilities Under Litigation | | 303.36 | 293.03 | – | – |
| Less : Paid Under Protest | | 175.10 | 153.49 | – | – |
| | | 128.26 | 139.54 | – | – |
| Advance Received from Customers | | – | – | 136.37 | 155.17 |
| Statutory Dues | | – | – | 199.23 | 196.13 |
| Bonus Liability | | – | – | 11.66 | 8.33 |
| Deferred Revenue | 26.1 | 8.67 | 6.30 | 2.32 | 1.77 |
| Others | | 4.89 | 4.89 | 0.00 | 0.00 |
| **Total** | | **141.82** | **150.73** | **349.58** | **361.40** |

**26.1 Movement of Deferred Revenue**

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Opening Balance | 8.07 | 5.62 |
| Grants Received during the year | 4.61 | 3.69 |
| Less: Released to the Statement of Profit & Loss | 1.69 | 1.24 |
| **Closing Balance** | **10.99** | **8.07** |
| Current portion | 2.32 | 1.77 |
| Non Current portion | **8.67** | **6.30** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**27 SHORT TERM BORROWINGS**

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Current maturities of Long Term Debt | | 204.99 | 411.60 |
| **Loans Repayable on Demand** | | | |
| From Banks | | | |
| Rupee Loans | 27.1 | 202.46 | 10.24 |
| **Other Loans** | | | |
| From Banks | | | |
| Packing Credit in Indian Currency | 27.1 | 10.00 | 20.18 |
| **Total** | | **417.45** | **442.02** |
| **The above amount includes** | | | |
| Secured Borrowings | | 201.83 | 420.20 |
| Unsecured Borrowings | | 215.62 | 21.82 |
| **Total** | | **417.45** | **442.02** |

**27.1** The Group has been sanctioned working capital facilities (fund and non-fund based) from various Banks. Security terms are as follows:

(a) Working Capital Loans of ₹ 137.46 Crores, 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.

(b) Working Capital Loans of ₹ 75 Crores, secured by way of first charge on hypothecation of Subsidiary 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 fixed assets pertaining to Maihar (Madhya Pradesh), Kundangunj (Uttar Pradesh), Mukutban (Maharashtra) and Coal Mines located at Sial Ghogri Coal Mines, Madhya Pradesh.

**27.2** The Group has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account.

**27.3** The Group has not been declared as a Wilful Defaulter by any bank or financial institution or other lender.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 28 TRADE PAYABLES

| Particulars | Refer Note No. | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| Trade Payables for goods and services | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 45 | 10.01 | 15.61 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 751.96 | 573.40 |
| **Total** | | **761.97** | **589.01** |

## 28.1 Trade Payables ageing schedule

**As at 31st March, 2022**

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1–2 Years | 2–3 Years | More than 3 Years | Total |
| i) MSME | 0.28 | 5.27 | 4.25 | 0.14 | 0.05 | 0.02 | 10.01 |
| ii) Others | 165.57 | 129.06 | 400.84 | 19.84 | 11.64 | 21.23 | 748.18 |
| iii) Disputed dues – MSME | – | – | – | – | – | – | – |
| iv) Disputed dues – Others | – | – | 0.02 | – | – | 3.76 | 3.78 |
| **Total** | **165.85** | **134.33** | **405.11** | **19.98** | **11.69** | **25.01** | **761.97** |

**As at 31st March, 2021**

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1–2 Years | 2–3 Years | More than 3 Years | Total |
| i) MSME | 0.26 | 14.37 | 0.90 | 0.06 | 0.02 | – | 15.61 |
| ii) Others | 110.90 | 100.32 | 315.24 | 10.01 | 15.39 | 17.75 | 569.61 |
| iii) Disputed dues – MSME | – | – | – | – | – | – | – |
| iv) Disputed dues – Others | – | – | 0.03 | 0.00 | 0.65 | 3.11 | 3.79 |
| **Total** | **111.16** | **114.69** | **316.17** | **10.07** | **16.06** | **20.86** | **589.01** |

## 29 REVENUE FROM OPERATIONS

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| Sale of Products | 29.1 to 29.4 | 7,287.75 | 6,598.53 |
| | | **7,287.75** | **6,598.53** |
| Other Operating Revenues | | | |
| Incentives & Subsidies | | 152.08 | 172.23 |
| Export Benefits | | 2.61 | 1.90 |
| Insurance and Other Claims (Net) | | 2.62 | 1.19 |
| Miscellaneous Sale | | 16.16 | 11.60 |
| | | **173.47** | **186.92** |
| **Total** | | **7,461.22** | **6,785.45** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ 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, 2022 | | | | For the year ended 31st March, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Cement | Jute | Others | Total | Cement | Jute | Others | Total |
| **Sale of Products** | | | | | | | | |
| Manufactured Goods | 6,851.38 | 398.49 | 0.56 | 7,250.43 | 6,282.81 | 284.65 | 0.17 | 6,567.63 |
| Traded Goods | 32.95 | 4.37 | – | 37.32 | 30.88 | 0.02 | – | 30.90 |
| **Total Revenue from Contracts with Customers** | **6,884.33** | **402.86** | **0.56** | **7,287.75** | **6,313.69** | **284.67** | **0.17** | **6,598.53** |
| **Other Operating Revenues** | | | | | | | | |
| Incentives & Subsidies | 151.72 | 0.36 | – | 152.08 | 171.79 | 0.44 | – | 172.23 |
| Export Benefits | – | 2.61 | – | 2.61 | – | 1.90 | – | 1.90 |
| Insurance and Other Claims (Net) | 2.49 | 0.13 | – | 2.62 | 1.19 | – | – | 1.19 |
| Miscellaneous Sale | 14.46 | 1.64 | 0.06 | 16.16 | 11.26 | 0.29 | 0.05 | 11.60 |
| | **168.67** | **4.74** | **0.06** | **173.47** | **184.24** | **2.63** | **0.05** | **186.92** |
| **Total Revenue from Operations** | **7,053.00** | **407.60** | **0.62** | **7,461.22** | **6,497.93** | **287.30** | **0.22** | **6,785.45** |
| Within India | 7,052.92 | 333.24 | 0.62 | 7,386.78 | 6,497.82 | 246.85 | 0.22 | 6,744.89 |
| Outside India | 0.08 | 74.36 | – | 74.44 | 0.11 | 40.45 | – | 40.56 |
| **Total Revenue from Operations** | **7,053.00** | **407.60** | **0.62** | **7,461.22** | **6,497.93** | **287.30** | **0.22** | **6,785.45** |
| **Timing of Revenue Recognition** | | | | | | | | |
| Goods or Services transferred at a point in time | 7,053.00 | 407.60 | 0.62 | 7,461.22 | 6,497.93 | 287.30 | 0.22 | 6,785.45 |
| **Total Revenue from Operations** | **7,053.00** | **407.60** | **0.62** | **7,461.22** | **6,497.93** | **287.30** | **0.22** | **6,785.45** |

b) Reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information:

| Particulars | For the year ended 31st March, 2022 | | | | For the year ended 31st March, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Cement | Jute | Others | Total | Cement | Jute | Others | Total |
| **Revenue** | | | | | | | | |
| External Sales | 7,053.00 | 407.60 | 0.62 | 7,461.22 | 6,497.93 | 287.30 | 0.22 | 6,785.45 |
| Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.06 | 5.87 | 6.53 |
| **Total** | **7,054.06** | **407.60** | **7.85** | **7,469.51** | **6,498.53** | **287.36** | **6.09** | **6,791.98** |
| Less : Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.06 | 5.87 | 6.53 |
| **Revenue from Operations** | **7,053.00** | **407.60** | **0.62** | **7,461.22** | **6,497.93** | **287.30** | **0.22** | **6,785.45** |

**29.2 Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:**

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| Trade Receivables | 16 | 302.81 | 279.51 |
| Contract Liabilities | | | |
| Advances from Customers | 26 | 136.37 | 155.17 |

**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, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **Revenue as per contracted price** | | 7,851.62 | 7,085.05 |
| Less: Sales Claims | | 0.59 | 0.37 |
| Less: Rebate & Discounts | | 563.28 | 486.15 |
| **Total Revenue from Contracts with Customers** | | 7,287.75 | 6,598.53 |
| Other Operating Revenues | | 173.47 | 186.92 |
| **Revenue from Operations** | | **7,461.22** | **6,785.45** |

**29.4 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at Balance Sheet date are, as follows:**

| | | | |
|---|---|---|---|
| Advances from Customers | 26 | 136.37 | 155.17 |

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, 2022

(₹ in Crores)

## 30 OTHER INCOME

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **Interest Income** | | | |
| On Investments | | 0.86 | 0.81 |
| On Deposits with Banks and Other Financial Institutions | | 7.94 | 11.24 |
| On Income Tax Refund | | 6.60 | – |
| On Other Deposits, etc. | | 3.06 | 15.45 |
| Dividend Income | | 1.65 | 1.01 |
| Net Gain/ (Loss) on sale of Investments measured at fair value through Profit & Loss | | 5.82 | 21.09 |
| Net Gain/ (Loss) on restatement of Investments (Mark to Market) measured at fair value through Profit & Loss | | 5.45 | 10.01 |
| Net Gain on Foreign currency transaction and translation | 37.2 | 8.72 | – |
| **Other Non Operating Income** | | | |
| Profit on sale/discard of Property, Plant and Equipment (Net) | | 2.76 | – |
| Profit on revaluation of Live Stock | | 0.01 | – |
| Profit on sale of Non Current Assets classified as Held for Sale | | 0.03 | – |
| Excess Liabilities and Unclaimed Balances written back (Net) | | 40.34 | 15.23 |
| Excess Provision written back (Net) | | 0.55 | 0.12 |
| Excess Depreciation written back | | – | 0.00 |
| Insurance and Other Claims (Net) | | 4.89 | 5.19 |
| Miscellaneous Income | | 10.10 | 19.76 |
| **Total** | | **98.78** | **99.91** |

## 31 COST OF MATERIALS CONSUMED

| | | | |
|---|---|---|---|
| Raw Material Consumed | | 1,048.37 | 887.11 |
| **Total** | | **1,048.37** | **887.11** |

## 32 PURCHASES OF STOCK-IN-TRADE

| | | | |
|---|---|---|---|
| Traded Goods | | 25.97 | 24.61 |
| **Total** | | **25.97** | **24.61** |

## 33 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| | | | |
|---|---|---|---|
| **Inventories at the beginning of the year** | | | |
| Finished Goods | | 105.16 | 199.99 |
| Stock-In-Trade | | 0.92 | 0.93 |
| Work-In-Progress | | 126.42 | 107.02 |
| | | 232.50 | 307.94 |
| **Inventories at the end of the year** | | | |
| Finished Goods | | 109.33 | 105.16 |
| Stock-In-Trade | | 1.04 | 0.92 |
| Work-In-Progress | | 142.95 | 126.42 |
| | | 253.32 | 232.50 |
| **Changes in Inventories** | | **(20.82)** | **75.44** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

### 34 EMPLOYEE BENEFITS EXPENSE

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| Salaries & Wages | | 422.63 | 371.56 |
| Contribution to Provident and Other Funds | | 35.46 | 32.42 |
| Staff Welfare Expenses | | 14.41 | 12.12 |
| | | 472.50 | 416.10 |
| Less: Amount Capitalized | | 24.42 | 18.33 |
| **Total** | | **448.08** | **397.77** |

### 35 FINANCE COST

| | | | |
|---|---|---|---|
| **Interest Expenses** | | | |
| To Debenture Holders | | 38.77 | 46.41 |
| To Banks on Term Loans, etc. | | 238.76 | 275.36 |
| To Banks On Working Capital Loans | | 4.57 | 1.17 |
| On Deposits and Others | | 30.30 | 29.43 |
| Exchange Differences regarded as an adjustment to Borrowing Costs | | – | (3.23) |
| **Other Borrowing Costs** | | | |
| Other Financial Charges | | 13.83 | 4.51 |
| | | 326.23 | 353.65 |
| Less : Amount Capitalised | 35.1 | 83.57 | 57.37 |
| **Total** | | **242.66** | **296.28** |

**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 | 343.75 | 328.66 |
| On Intangible Assets | 8 | 42.07 | 38.43 |
| On Investment Property | 7 | 0.00 | 0.00 |
| On Right of Use Assets | 6 | 11.56 | 3.98 |
| | | 397.38 | 371.07 |
| Less: Transferred to Capital Work-In-Progress | | 0.44 | 0.31 |
| **Total** | | **396.94** | **370.76** |

### 37 OTHER EXPENSES

| | | | |
|---|---|---|---|
| **Manufacturing Expenses** | | | |
| Stores & Spare Parts Consumed | | 315.13 | 269.10 |
| Packing Materials Consumed | | 312.15 | 244.52 |
| Power & Fuel | | 1,624.61 | 1,211.56 |
| Royalty & Cess | | 151.92 | 136.22 |
| Repairs to Buildings | | 21.44 | 18.69 |
| Repairs to Machinery | | 106.34 | 86.66 |
| Freight & Material Handling on Inter Unit Transfer | | 269.73 | 266.20 |
| Other Manufacturing Expenses | | 146.22 | 119.38 |
| | | **2,947.54** | **2,352.33** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **Selling and Administration Expenses** | | | |
| Brokerage & Commission on Sales | | 42.16 | 36.70 |
| Transport & Forwarding Expenses | | 1,479.84 | 1292.96 |
| Insurance | | 18.02 | 16.13 |
| Rent | | 26.02 | 23.94 |
| Repairs to Other Assets | | 20.44 | 20.30 |
| Rates & Taxes | | 30.56 | 32.87 |
| Advertisement | | 60.74 | 41.56 |
| Charity & Donation | | 1.25 | – |
| Corporate Social Responsibility Expenses | 49 | 12.50 | 8.72 |
| Auditors' Remuneration | 37.1 | 1.13 | 1.00 |
| Loss on Revaluation of Live Stock (Net) | | – | 0.02 |
| Loss on sale/ discard of Property, Plant and Equipment (Net) | | – | 13.98 |
| Net Loss on Foreign currency transaction and translation | 37.2 | – | 8.03 |
| Transfer of loss from Other Comprehensive Income related to bonds sold during the year | 40.2.1 | 0.00 | – |
| Loss on Sale of Non-Current Investments | | 0.04 | – |
| Non-Current Investments Written Off | | – | 0.00 |
| Loss on extinguishment of financial liabilities | | 0.96 | – |
| Goodwill on Consolidation written off | 59 | 0.10 | – |
| Expected Credit Loss on Incentive and Subsidy | 55.1.2 | – | 32.62 |
| Net (Gain)/Loss on Mark to Market of Derivative Contracts related to NCDs | | 0.68 | – |
| Net Provision for doubtful debts/ advances | | (2.45) | – |
| Bad Debts | | 2.45 | 0.19 |
| Directors' Fees | | 1.14 | 1.36 |
| Directors' Commission | | 1.10 | 1.02 |
| Other Expenses | | 205.39 | 179.22 |
| | | **1,902.07** | **1,710.62** |
| **Total** | | **4,849.61** | **4,062.95** |

**37.1 Auditors' Remuneration**

| | | | |
|---|---|---|---|
| a) | Statutory Auditors | | |
| | Audit Fees | 0.53 | 0.46 |
| | Tax Audit Fees | 0.07 | 0.07 |
| | Limited Review | 0.19 | 0.19 |
| | Travelling Expenses | 0.01 | 0.01 |
| | Issue of Certificates | 0.29 | 0.23 |
| | | **1.09** | **0.96** |
| b) | Cost Auditors | | |
| | Audit Fees | 0.04 | 0.04 |
| | Travelling Expenses | 0.00 | 0.00 |
| | | **0.04** | **0.04** |
| **Total** | | **1.13** | **1.00** |

**37.2 Net (Gain)/ Loss on Foreign Currency Transaction and Translation**

| | | | |
|---|---|---|---|
| Net (Gain)/ Loss on foreign currency transaction and translation | | (5.72) | 14.77 |
| Less: Transfer to Other Comprehensive Income | 40.2.2 | 0.91 | 9.59 |
| Less: Amount Capitalised/ (Decapitalized) | 6.9 | 2.09 | (2.85) |
| **Total** | | **(8.72)** | **8.03** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 38 EXCEPTIONAL ITEM

| Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| On account of Insurance and other claims | 38.1 | (7.00) | – |
| On account of Interest on Entry tax | 38.2 | 38.44 | – |
| On account of Intangible Assets | 38.3 | – | 57.85 |
| **Total** | | **31.44** | **57.85** |

**38.1** Representing compensation claim received from a party on account of damages caused to the asset of the Parent Company.

**38.2** On account of provision made towards interest on payment of U.P. Entry Tax. While the matter is sub judice, as a matter of abundant caution, such provision has been made in the books of Parent Company.

**38.3** Represents adjustment on account of reassessment of value of certain intangible assets based on the probability of expected future economic benefits embodied in the assets flowing to the Subsidiary Company.

## 39 TAX EXPENSE

| | | | |
|---|---|---|---|
| Current Tax | 39.1 | 77.09 | 86.76 |
| Deferred Tax | | | |
| On Other Items | | 44.02 | (4.87) |
| Less : MAT Credit Entitlement | | 0.05 | 0.06 |
| Add : MAT Credit Utilized/ Written Off | | 19.01 | 50.63 |
| | | **62.98** | **45.70** |
| Income Tax for earlier years | | (0.91) | – |
| Deferred Tax for earlier years | 25.3 | – | (50.01) |
| **Total** | | **139.16** | **82.45** |

### 39.1 Reconciliation of Estimated Income Tax Expense at Indian Statutory Income Tax Rate to Income Tax Expense reported in Statement of Profit and Loss:

| | | | |
|---|---|---|---|
| Income before Income Taxes | | 537.75 | 712.59 |
| Indian Statutory Income Tax Rate | 39.2 | 34.944% | 34.944% |
| Estimated Income Tax Expenses | | **187.91** | **249.01** |
| **Tax Effect of adjustments to reconcile expected Income Tax Expense to reported Income Tax Expense:** | | | |
| Deduction under Chapter VIA | | (34.41) | (28.52) |
| Tax payable at different rate / Capital Gain | | (29.73) | (33.14) |
| Deferred Tax Adjustment | | 3.37 | (0.77) |
| Permanent Difference | | 16.56 | 16.61 |
| IT Order Impact and Others | | 0.74 | 4.24 |
| Income Tax for earlier years | | (0.91) | – |
| Deferred Tax for earlier years | 25.3 | – | (50.01) |
| Effect of Reversal of Deferred Tax Liability for change in income tax rates | 39.2 | (4.37) | (74.97) |
| | | **(48.75)** | **(166.56)** |
| **Income Tax expense in the Statement of Profit and Loss** | | **139.16** | **82.45** |

**39.2** The Government of India, on 20th September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act 1961, which provides an option to a corporate for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Parent Company is continuing to provide for income tax at old rates, based on the available outstanding MAT credit entitlement and various exemptions and deductions available to the Parent Company under the Income Tax Act, 1961. However, the Parent Company had applied the lower income tax rates on the deferred tax assets / liabilities to the extent these are expected to be realized or settled in the future period when the Parent Company may be subjected to lower tax rate and accordingly as on 31st March, 2022 and 2021 the Parent Company has reversed net deferred tax liability of ₹ 4.37 Crores and ₹ 74.97 Crores respectively. Out of seven subsidiaries and two stepdown subsidiaries, four subsidiaries (RCCPL Private Limited, Birla Jute Supply Company Limited, Lok Cement Limited, Budge Budge Floorcoverings Limited) and one stepdown subsidiary (AAA Resources Private Limited) have provided tax expenses at reduced rates. Remaining subsidiaries and a stepdown

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

subsidiary continue to provide for income tax at old rates. Applicable Indian Statutory Income Tax Rate for Fiscal Year 2022 and 2021 is 34.944% (existing provision) and 25.168% (new tax regime).

**39.3** There is no income or transaction which has not been disclosed or recorded in the books of accounts which has been surrendered or disclosed as income in the tax assessments during the year 31st March, 2022 and 31st March, 2021.

**40 OTHER COMPREHENSIVE INCOME**

| | Particulars | Refer Note No. | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|---|
| **40.1** | **Items that will not be reclassified to profit or loss** | | | |
| **40.1.1** | Changes in revaluation surplus | | | |
| | Remeasurement of the Defined Benefit Plans | | 9.49 | 2.37 |
| | Less: Tax expense on the above | | 3.24 | 0.91 |
| | | | **6.25** | **1.46** |
| **40.1.2** | Revaluation Surplus | 6.2 | 155.02 | – |
| | Less: Tax expense on the above | | 33.40 | (1.41) |
| | | | **121.62** | **1.41** |
| **40.1.3** | Equity Instruments through Other Comprehensive Income | | 119.45 | 128.65 |
| | Less: Tax expense on the above | | 5.69 | 18.08 |
| | | | **113.76** | **110.57** |
| **40.2** | **Items that will be reclassified to profit or loss** | | | |
| **40.2.1** | Debt Instruments through Other Comprehensive Income | | (0.25) | 0.35 |
| | Less: Amount reclassified to Statement of Profit and Loss | 37 | 0.00 | – |
| | | | **(0.25)** | **0.35** |
| | Less: Tax expense on the above | | (0.08) | 0.08 |
| | | | **(0.17)** | **0.27** |
| **40.2.2** | Effective Portion of Cash Flow Hedges | 55.4.2 | (0.91) | (9.59) |
| | Less: Amount reclassified to Statement of Profit and Loss | | – | – |
| | | | **(0.91)** | **(9.59)** |
| | Less: Tax expense on the above | | 0.05 | (3.35) |
| | | | **(0.96)** | **(6.24)** |
| | **Total Other Comprehensive Income for the year (Net of Tax)** | | **240.50** | **107.47** |

**41 CONTINGENT LIABILITIES :**

**41.1 Claims/Disputes/Demands against the Group not acknowledged as debt :**

| Sl. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **41.1.1** | Sales Tax, VAT, CST and Entry Tax matters | 114.04 | 153.40 |
| **41.1.2** | Excise Duty, Service Tax, Goods & Service Tax and Custom Duty matters | 136.43 | 135.23 |
| **41.1.3** | Income Tax matters | 28.45 | 4.56 |
| **41.1.4** | Electricity Duty and Renewable Energy Surcharge matters | 21.52 | 21.52 |
| **41.1.5** | Royalty on Limestone | 67.91 | 67.91 |
| **41.1.6** | Others (Primarily related to demand for Alleged Impermissible Mining, Water Supply Charges, Stamp Duty, House Tax, Education Cess etc.) | 64.83 | 64.58 |

**41.2** An Appeal has been filed by Budge Budge Floorcoverings Limited, 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.

**41.3** The Group is subject to electricity tariff notified by the relevant authorities. As there is substaintial time lag in notifying such charges, the differences, if any, is accounted for at the time of notification of changes in tariff.

**41.4** In respect of the matters in Note No. 41.1 to 41.3, 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**41.5** The Group has provided corporate guarantee in the nature of financial guarantee to the statutory authority on behalf of a vendor amounting to ₹ 6.10 Crores (Previous Year ₹ Nil).

**41.6 Other Contingent Liabilities**

| Sl. No. | Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **41.6.1** | Bills discounted with Banks remaining outstanding | 2.37 | 2.99 |
| **41.6.2** | 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 | – | 0.03 |

**42 Dividend**

The Board of Directors of the Parent Company at its meeting held on 11th May, 2022 have recommended a payment of final dividend of ₹ 10.00 per equity share of face value of ₹ 10 each for the financial year ended 31st March, 2022. The same amounts to ₹ 77.01 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.

**43 Commitments**

**Capital Commitments**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for | 347.98 | 511.43 |

**44 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, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| **Current** | | | |
| **Financial Assets** | | | |
| Trade Receivables | 16 | 302.81 | 279.51 |
| | | **302.81** | **279.51** |
| **Non-Financial Assets** | | | |
| Inventories | 14 | 819.87 | 809.90 |
| Others | 13 | 0.03 | 0.03 |
| | | **819.90** | **809.93** |
| **Total Current Assets Pledged as Security** | | **1,122.71** | **1,089.44** |
| **Non-Current** | | | |
| Land | 6 | 2,182.60 | 2,042.76 |
| Buildings | 6 | 596.23 | 554.83 |
| Plant & Machinery | 6 | 3,279.36 | 3,270.32 |
| Others Tangible Assets | 6 | 265.13 | 470.25 |
| Capital Work-In-Progress | 6 | 2,549.32 | 2,103.42 |
| Other Non Current Assets (including Intangible Assets) | 8 & 13 | 58.28 | 44.29 |
| **Total Non-Current Assets Pledged as Security** | | **8,930.92** | **8,485.87** |
| **Total Assets Pledged as Security** | | **10,053.63** | **9,575.31** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**45** 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, 2022 | As at 31st March, 2021 |
|---|---|---|---|
| i. | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year: | | |
| | Trade Payable | | |
| | Principal | 10.01 | 15.61 |
| | Interest | – | – |
| | Other Financial Liability | | |
| | Principal | 1.48 | 0.90 |
| | Interest | – | – |
| ii. | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | | |
| | Principal | – | 0.04 |
| | Interest | – | 0.00 |
| 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 | – | – |

**46 Leases**

**46.1 As Lessee**

**46.1.1** 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.

**46.1.2 The following is the summary of practical expedients used for lease accounting:**

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(b) 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.

(c) Used hindsight in determining the lease term whether the contract contained options to extend or terminate the lease.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**46.1.3 Following is carrying value of right of use assets recognized and movements thereof during the year ended 31st March, 2021 and 31st March, 2022:**

| Particulars | Right of Use Assets | | | |
|---|---|---|---|---|
| | Leasehold Land | Building | Plant and Machinery | Total |
| **Balance as at 1st April, 2020** | **153.36** | **4.02** | **2.85** | **160.23** |
| Re-classification | 1.86 | – | – | 1.86 |
| Additions during the year | – | – | 93.55 | 93.55 |
| Deletion during the year | – | – | – | – |
| Depreciation of Right of Use Assets (Refer Note No. 36) | (2.66) | (0.68) | (0.64) | (3.98) |
| **Balance as at 31st March, 2021** | **152.56** | **3.34** | **95.76** | **251.66** |
| Additions during the year | – | – | 24.57 | 24.57 |
| Deletion during the year | – | – | – | – |
| Depreciation of Right of Use Assets (Refer Note No. 36) | (2.66) | (0.68) | (8.22) | (11.56) |
| **Balance as at 31st March, 2022** | **149.90** | **2.66** | **112.11** | **264.67** |

**46.1.4 The following is the carrying value of lease liability recognized and movements thereof during the year ended 31st March, 2021 and 31st March, 2022:**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Balance as at year beginning** | **99.92** | **13.28** |
| Additions during the year | 23.84 | 87.21 |
| Finance cost accrued during the year | 12.44 | 1.97 |
| Deletions | (2.96) | – |
| Payment of Lease Liabilities | (15.34) | (2.54) |
| **Balance as at year end** | **117.90** | **99.92** |
| | | |
| Current maturities of Lease Liability | 5.43 | 3.50 |
| Non-Current Lease Liability | 112.47 | 96.42 |

**46.1.5 Amounts recognised in the statement of profit and loss during the year:**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Depreciation charge of right-of-use assets - Leasehold Land (Refer Note No. 6) | 2.66 | 2.66 |
| Depreciation charge of right-of-use assets - Building (Refer Note No. 6) | 0.68 | 0.68 |
| Depreciation charge of right-of-use assets - Plant and Machinery (Refer Note No. 6) | 8.22 | 0.64 |
| Finance cost accrued during the year (included in finance cost) (Refer Note No. 35) | 12.44 | 1.97 |
| Expense related to short term leases (included in other expense) (Refer Note No. 37) | 26.02 | 23.94 |

**46.1.6 The maturity analysis of lease liabilities:**

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Lease Payments | Present value of Lease Payments | Lease Payments | Present value of Lease Payments |
| Within one year | 17.70 | 5.43 | 14.72 | 3.50 |
| After one year but not more than five years | 68.93 | 25.80 | 67.06 | 20.39 |
| More than five years | 136.31 | 86.67 | 129.09 | 76.03 |
| **Total lease liabilities payments** | **222.94** | **117.90** | **210.87** | **99.92** |
| Less: Amounts representing Finance Charges | 105.04 | – | 110.95 | – |
| **Present value of lease liabilities payments** | **117.90** | **117.90** | **99.92** | **99.92** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**46.1.7 Non-cash investing activities during the year:**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Acquisition of right of use assets | 24.57 | 93.55 |
| Disposals of right of use assets | – | – |

**46.1.8** The weighted average incremental borrowing rates applied to lease liabilities w.r.t. Leasehold land, Building and Plant & Machinery are 8.00%, 10.17% and 7.75% to 11.80% respectively.

**46.1.9** 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.

**46.2 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.

**47 Earnings Per Share**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Profit for the year attributable to the owner of the Parent Company | 398.59 | 630.14 |
| Weighted average number of equity shares | 7,70,05,347 | 7,70,05,347 |
| Earnings per share basic and diluted (₹)<br>(Face value of ₹ 10/- per share) | 51.76 | 81.83 |

**48 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013:**

**48.1 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, 2022 | For the year ended 31st March, 2021 |
|---|---|---|---|
| **48.1.1** | Provident Fund | 4.61 | 3.75 |
| **48.1.2** | Superannuation Fund | 2.59 | 2.86 |
| **48.1.3** | Pension Fund | 7.82 | 7.21 |

**48.2 Defined Benefit Plan**

The following are the types of defined benefit plans:

**48.2.1 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.

**48.2.2 Pension Plan**

Pension is payable to certain categories of employees who are eligible under the Group's Pension Scheme.

**48.2.3 Provident Fund**

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**48.2.4 Risk Exposure**

**Defined Benefit Plans**

Defined benefit plans expose the Group to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

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.

**48.2.5 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Balance at the beginning of the year | 150.72 | 143.92 | 0.60 | 0.64 |
| Current Service Cost | 11.00 | 10.17 | – | – |
| Interest Cost on Defined Benefit Obligation | 9.40 | 9.01 | 0.04 | 0.04 |
| Actuarial Gain and Losses arising from | | | | |
| Changes in Demographic Assumptions | – | – | 0.03 | – |
| Changes in Financial Assumptions | (3.69) | 0.45 | (0.01) | – |
| Experience Adjustment | (5.60) | (1.49) | (0.03) | 0.03 |
| Benefits Paid | (10.97) | (11.34) | (0.11) | (0.11) |
| **Balance at the end of the year** | **150.86** | **150.72** | **0.52** | **0.60** |

**48.2.6 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Balance at the beginning of the year | 148.92 | 137.80 | – | – |
| Interest Income on Plan Assets | 9.57 | 9.00 | – | – |
| Remeasurement of Defined Benefit Obligation: | | | | |
| Return on Plan Assets greater/ (lesser) than discount rate | 0.19 | 1.36 | – | – |
| Employer Contributions to the Plan | 8.00 | 11.75 | – | – |
| Benefits Paid | (10.43) | (10.99) | – | – |
| **Balance at the end of the year** | **156.25** | **148.92** | **–** | **–** |

**48.2.7 The amount recognized in the Balance Sheet**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Present value of Defined Benefit Obligation | 150.86 | 150.72 | 0.52 | 0.60 |
| Fair Value of Plan Assets | 156.25 | 148.92 | – | – |
| **Net Asset/ (Liability) recognized in the Balance Sheet** | **5.39** | **(1.80)** | **(0.52)** | **(0.60)** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**48.2.8 Expenses recognized in Profit and Loss**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Current Service Cost | 11.00 | 10.17 | – | – |
| Interest Cost | 9.40 | 9.01 | 0.04 | 0.04 |
| Interest Income on Plan Assets | (9.57) | (9.00) | – | – |
| **Total Expenses recognised in Profit and Loss** | **10.83** | **10.18** | **0.04** | **0.04** |

**48.2.9 Remeasurements (gain)/ loss recognized in Other Comprehensive Income**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Actuarial (gain)/ loss on Defined Benefit Obligation | (9.29) | (1.04) | (0.01) | 0.03 |
| Return on Plan Assets (greater)/ lesser than discount rate | (0.19) | (1.36) | – | – |
| **Total remeasurements (gain)/ loss recognized in Other Comprehensive Income** | **(9.48)** | **(2.40)** | **(0.01)** | **0.03** |

**48.2.10 Major Categories of Plan Assets**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| 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.

**48.2.11 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.

**48.2.12 Actuarials Assumptions**

| Particulars | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| **Financial Assumptions** | | | | |
| Discount Rate | 6.50% to 6.90% | 6.30% to 6.50% | 6.80% | 6.50% |
| Salary Escalation Rate | 7% to 8% | 5% to 8% | – | – |
| **Demographic Assumptions** | | | | |
| Mortality Rate | IAL (2006-08) Modified Ultimate | IAL (2006-08) Modified Ultimate | Indian Individual Annuitant's Mortality (2012-2015) | 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, 2022

(₹ in Crores)

**48.2.13** 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.

**48.2.14** At 31st March 2022, the weighted average duration of the defined benefit obligation is 4 to 11 years (previous year 4 to 11 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Within 1 Year | 17.37 | 16.88 | 0.09 | 0.10 |
| 1 to 2 Year | 15.40 | 14.09 | 0.08 | 0.10 |
| 2 to 3 Year | 16.58 | 15.28 | 0.08 | 0.09 |
| 3 to 4 Year | 17.45 | 16.89 | 0.07 | 0.08 |
| 4 to 5 Year | 20.43 | 17.77 | 0.06 | 0.07 |
| More than 5 Years | 84.31 | 86.54 | 0.22 | 0.24 |

**48.2.15** The Group expects to contribute ₹ 6.00 Crores (previous year ₹ 11.50 Crores) to its gratuity fund in 2022-23.

**48.2.16 The following payments are expected contributions to the defined benefit plan in future years:**

| Expected contributions | Gratuity (Funded) | | Pension (Unfunded) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Within next 12 months (next annual reporting period) | 6.00 | 11.50 | – | – |
| Between 2 and 5 years | 6.00 | 11.00 | – | – |
| Between 5 and 10 years | 8.00 | 11.00 | – | – |
| Beyond 10 years | 11.00 | 13.00 | – | – |

**48.2.17 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) | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Effect on DBO due to 1% increase in Discount Rate | (9.99) | (10.37) | (0.02) | (0.02) |
| Effect on DBO due to 1% decrease in Discount Rate | 11.51 | 11.80 | 0.02 | 0.03 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 11.29 | 11.62 | – | – |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (9.99) | (10.25) | – | – |

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.

**48.2.18** 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.

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, in current year. In previous year, there was a shortfall in one Trust ₹ 0.10 Crore.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

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, 2022 | 367.37 | 380.43 | 13.06 |
| As at 31 March, 2021 | 348.30 | 360.90 | 12.60 |

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, 2022 | 31st March, 2021 |
|---|---|---|
| Discount Rate (per annum) | 6.80% | 6.50% |
| Expected Rate of Return on Plan Assets (per annum) | 7.75% to 8.10% | 8.00% to 8.50% |

The Parent Company contributed ₹ 7.84 Crores and ₹ 7.01 Crores during the year ended 31st March, 2022 and 31st March, 2021 respectively.

**49 Disclosure for Expenditure on Corporate Social Responsibility Activities**

| Particulars | | For the year ended on | |
|---|---|---|---|
| | | 31st March, 2022 | 31st March, 2021 |
| Gross Amount required to be spent by the Company | | 12.66 | 8.16 |
| Less: Excess spent in previous year utilized during the year | | 0.56 | – |
| **Net Amount required to be Spent by the Company** | **(A)** | 12.10 | 8.16 |
| **Amount spent by the Company during the year for** | | | |
| (i) Construction/acquisition of any asset | | – | – |
| (ii) On purposes other than (i) above: | | 12.50 | 8.72 |
| **Total Amount Spent** | **(B)** | 12.50 | 8.72 |
| **Shortfall / (Excess) ^** | **(A) - (B)** | (0.40) | (0.56) |
| **Total of previous year Shortfall** | | – | – |
| Reason for Shortfall | | NA | NA |
| Nature of CSR activities | | Rural & Community Development, Education, Health Care, Environment and others | Rural & Community Development, Education, Health Care, Environment and others |
| Related Party Transactions as per Ind AS 24 in relation to CSR Expenditure | | Nil | Nil |
| Provision made in relation to CSR Expenditure and movement thereof | | Nil | Nil |

^ Excess amount spent by the Company not showing as prepaid expenses in the accounts.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**50 Companies included/ not included in Consolidation :**

| Particulars | | 2021-22 | | 2020-21 | |
|---|---|---|---|---|---|
| | | Extent of Shareholding | Relationship | Extent of Shareholding | Relationship |
| A. | **Companies included in Consolidation** | | | | |
| | **Companies incorporated in India** | | | | |
| i | RCCPL Private Limited | 100.00% | Subsidiary | 100.00% | Subsidiary |
| ii | Birla Jute Supply Company Limited | 100.00% | Subsidiary | 100.00% | Subsidiary |
| iii | Talavadi Cements Limited | 98. 01% | Subsidiary | 98. 01% | Subsidiary |
| iv | Lok Cement Limited | 100.00% | Subsidiary | 100.00% | Subsidiary |
| v | Budge Budge Floorcoverings Limited | 100.00% | Subsidiary | 100.00% | Subsidiary |
| vi | Birla Cement (Assam) Limited | 100.00% | Subsidiary | 100.00% | Subsidiary |
| vii | M.P. Birla Group Services Private Limited | 100.00% | Subsidiary | 100.00% | Subsidiary |
| viii | AAA Resources Private Limited (w.e.f. 2nd July, 2021) | 100.00% | Stepdown Subsidiary | – | – |
| ix | Utility Infrastructure & Works Private Limited (w.e.f. 31st March, 2022) | 100.00% | Stepdown Subsidiary | – | – |
| B. | **Company not included in Consolidation** | | | | |
| | **Company incorporated Outside India, Ethiopia** | | | | |
| i | Birla Corporation Cement Manufacturing PLC * | 100.00% | Subsidiary | 100.00% | Subsidiary |

* The Subsidiary Company stands liquidated as per Ethiopian Laws. However, distribution (repatriation) of the available money after satisfaction of liabilities still remains and hence shown in accounts.

**51** 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.

**52** The Ministry of Coal had allocated Bikram and Brahampuri Coal Blocks in the state of Madhya Pradesh through E-Auction process vide CMDPA (Coal Mine Development and Production Agreement) dated 18th December, 2019 and Vesting Order dated 10th February, 2020. The Parent Company is in process to develop these blocks for extraction of Coal. Till 31st March, 2022 and 31st March, 2021, Parent Company has spent ₹ 18.20 Crores and ₹ 15.11 Crores respectively and shown under Capital Work-In-Progress.

**53.1** 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 and in previous year, except in previous year in case of an item of Capital Work-In-Progress (Refer Note No. 38).

**53.2** 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.

**53.3** The Parent Company's unit Soorah Jute mill is under Suspension of Operations since 29th March, 2004.

**53.4** The Parent Company's unit Birla Vinoleum and Auto Trim Division at Birlapur, are under Suspension of Operations since 18th February, 2014.

**53.5** Budge Budge Floorcoverings Limited, one of the subsidiaries considered for consolidation, is under Suspension of Operations since 29th October, 2003.

**53.6** 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. The Principal Bench of the National Green Tribunal (NGT), New Delhi, 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 MoEFCC has vide Notification dated 8th April, 2021 duly notified an area to an extent varying from zero to 3.0 kilometres around the boundary of Bassi Wildlife Sanctuary as the Eco-Sensitive Zone (ESZ). National Green Tribunal (NGT), on 24th September, 2021 has passed an Order to

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

continue the interim Order dated 8th March, 2019 on the subject of prohibiting mining in the radius of 10 km from Bassi Wildlife Sanctuary. The said prohibition will continue till the decision is taken after an expert study of impact of mining beyond the boundaries of ESZ as per notification dated 8th April, 2021, subject to further orders of the Hon'ble Supreme Court. The said study will be conducted by an expert Committee constituted vide NGT's order dated 24th September, 2021 within the time limit of 3 months from the first meeting of the said Committee. The said committee has visited the area and the study report is expected soon.

In the opinion of the management, there is no material impact of such order on the current mining operation of the Parent Company.

**53.7** 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, 2022 | As at 31st March, 2021 |
| Birla Corporation Cement Manufacturing PLC * | 0.45 | 0.45 |

* The Subsidiary Company stands liquidated as per Ethiopian Laws. However, distribution (repatriation) of the available money after satisfaction of liabilities still remains and hence shown in accounts.

**54 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.

**54.1 The following methods and assumptions were used to estimate the fair values:**

**54.1.1** The bonds, non-convertible debentures 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.

**54.1.2** 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.

**54.1.3** 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.

**54.2 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**54.3 The following table provides classification of financial instruments and the fair value hierarchy of the Company's assets and liabilities:**

**54.3.1 Disclosure for the year ended 31st March, 2022**

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Investment | | | | | |
| - Government Securities | 0.00 | 0.00 | – | – | – |
| Trade Receivables | 302.81 | 302.81 | – | – | – |
| Loan Receivables | 1.49 | 1.49 | – | – | – |
| Cash and Cash Equivalents | 84.39 | 84.39 | – | – | – |
| Other Bank Balances | 53.59 | 53.59 | – | – | – |
| Security Deposits | 55.34 | 55.34 | – | – | – |
| Other Deposits, Advances and Claims Recoverable | 19.19 | 19.19 | – | – | – |
| Fixed Deposit With Others | 70.00 | 70.00 | – | – | – |
| Interest Accrued on Deposits | 2.38 | 2.38 | – | – | – |
| Fixed Deposits maturing after 12 months from Balance Sheet date | 12.91 | 12.91 | – | – | – |
| Other Financial Assets | 4.07 | 4.07 | – | – | – |
| Incentive and Subsidy Receivable | 638.61 | 638.61 | – | – | – |
| **Sub Total** | **1,244.78** | **1,244.78** | **–** | **–** | **–** |
| **Financial Assets at fair value through Profit & Loss** | | | | | |
| Investments | | | | | |
| - Unlisted Preference Shares | 0.00 | 0.00 | – | – | 0.00 |
| - Mutual Funds | 576.64 | 576.64 | 576.64 | – | – |
| Derivative Contracts | 0.23 | 0.23 | – | 0.23 | – |
| **Sub Total** | **576.87** | **576.87** | **576.64** | **0.23** | **0.00** |
| **Financial Assets at fair value through Other Comprehensive Income** | | | | | |
| Investments | | | | | |
| - Listed Equity Instrument | 399.21 | 399.21 | 399.21 | – | – |
| - Unlisted Equity Instrument | 0.06 | 0.06 | – | – | 0.06 |
| - Bonds | 6.87 | 6.87 | 6.87 | – | – |
| - Non-convertible Debentures | 24.99 | 24.99 | 24.99 | – | – |
| - Government Securities | 1.17 | 1.17 | 1.17 | – | – |
| **Sub Total** | **432.30** | **432.30** | **432.24** | **–** | **0.06** |
| **Total Financial Assets** | **2,253.95** | **2,253.95** | **1,008.88** | **0.23** | **0.06** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **(2) Financial Liabilities** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| **Long Term Borrowings** | | | | | |
| - Debentures | 550.00 | 556.86 | – | – | 556.86 |
| - Rupee Term Loan | 3,059.36 | 3,059.36 | – | – | – |
| - Foreign Currency Term Loan | 364.43 | 364.43 | – | – | – |
| Others - Rupee Term Loan | 21.79 | 21.79 | – | – | – |
| Lease Liabilities | 117.90 | 117.90 | – | – | – |
| Short Term Borrowings (Other than current maturity of Long term Borrowings) | 212.46 | 212.46 | – | – | – |
| Trade Payables | 761.97 | 761.97 | – | – | – |
| Trade & Security Deposits | 576.16 | 576.16 | – | – | – |
| Amount Payable for Capital Goods | 186.89 | 186.89 | – | – | – |
| Interest accrued but not due on Borrowings | 17.13 | 17.13 | – | – | – |
| Interest accrued and due on Borrowings | 1.90 | 1.90 | – | – | – |
| Employees Related Liabilities | 52.67 | 52.67 | – | – | – |
| Other Financial Liabilities | 335.04 | 335.04 | – | – | – |
| **Sub Total** | **6,257.70** | **6,264.56** | **–** | **–** | **556.86** |
| **Financial Liabilities at fair value through Profit & Loss** | | | | | |
| Derivative Contracts | 2.91 | 2.91 | – | 2.91 | – |
| **Sub Total** | **2.91** | **2.91** | **–** | **2.91** | **–** |
| **Total Financial Liabilities** | **6,260.61** | **6,267.47** | **–** | **2.91** | **556.86** |

**54.3.2 Disclosure for the year ended 31st March, 2021**

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **(1) Financial Assets** | | | | | |
| **Financial Assets at amortised cost** | | | | | |
| Investment | | | | | |
| - Government Securities | 0.00 | 0.00 | – | – | – |
| Trade Receivables | 279.51 | 279.51 | – | – | – |
| Loan Receivables | 1.53 | 1.53 | – | – | – |
| Cash and Cash Equivalents | 90.54 | 90.54 | – | – | – |
| Other Bank Balances | 86.71 | 86.71 | – | – | – |
| Security Deposits | 61.14 | 61.14 | – | – | – |
| Other Deposits, Advances and Claims Recoverable | 33.84 | 33.84 | – | – | – |
| Fixed Deposit With Others | 156.00 | 156.00 | – | – | – |
| Interest Accrued on Deposits | 4.30 | 4.30 | – | – | – |
| Fixed Deposits maturing after 12 months from Balance Sheet date | 9.70 | 9.70 | – | – | – |
| Other Financial Assets | 2.38 | 2.38 | – | – | – |
| Incentive and Subsidy Receivable | 508.21 | 508.21 | – | – | – |
| **Sub Total** | **1,233.86** | **1,233.86** | **–** | **–** | **–** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | Carrying Value | Fair Value heirarchy | | | |
|---|---|---|---|---|---|
| | | Fair Value | Level 1 | Level 2 | Level 3 |
| **Financial Assets at fair value through Profit & Loss** | | | | | |
| Investments | | | | | |
| - Unlisted Preference Shares | 0.00 | 0.00 | – | – | 0.00 |
| - Mutual Funds | 463.47 | 463.47 | 463.47 | – | – |
| Derivative Contracts | 0.26 | 0.26 | – | 0.26 | – |
| **Sub Total** | **463.73** | **463.73** | **463.47** | **0.26** | **0.00** |
| **Financial Assets at fair value through Other Comprehensive Income** | | | | | |
| Investments | | | | | |
| - Listed Equity Instrument | 279.76 | 279.76 | 279.76 | – | – |
| - Unlisted Equity Instrument | 0.06 | 0.06 | – | – | 0.06 |
| - Bonds | 7.95 | 7.95 | 7.95 | – | – |
| - Government Securities | 1.21 | 1.21 | 1.21 | – | – |
| **Sub Total** | **288.98** | **288.98** | **288.92** | **–** | **0.06** |
| **Total Financial Assets** | **1,986.57** | **1,986.57** | **752.39** | **0.26** | **0.06** |
| | | | | | |
| **(2) Financial Liabilities** | | | | | |
| **Financial Liabilities at amortised cost** | | | | | |
| **Long Term Borrowings** | | | | | |
| - Debentures | 550.00 | 552.07 | – | – | 552.07 |
| - Rupee Term Loan | 2,503.55 | 2,503.55 | – | – | – |
| - Foreign Currency Term Loan | 949.10 | 949.10 | – | – | – |
| Others - Rupee Term Loan | 13.35 | 13.35 | – | – | – |
| Lease Liabilities | 99.92 | 99.92 | – | – | – |
| Short Term Borrowings | 30.42 | 30.42 | – | – | – |
| Trade Payables | 589.01 | 589.01 | – | – | – |
| Trade & Security Deposits | 591.56 | 591.56 | – | – | – |
| Amount Payable for Capital Goods | 145.68 | 145.68 | – | – | – |
| Interest accrued but not due on Borrowings | 28.72 | 28.72 | – | – | – |
| Interest accrued and due on Borrowings | 2.01 | 2.01 | – | – | – |
| Employees Related Liabilities | 46.99 | 46.99 | – | – | – |
| Other Financial Liabilities | 379.18 | 379.18 | – | – | – |
| **Sub Total** | **5,929.49** | **5,931.56** | **–** | **–** | **552.07** |
| **Financial Liabilities at fair value through Profit & Loss** | | | | | |
| Derivative Contracts | 20.63 | 20.63 | – | 20.63 | – |
| **Sub Total** | **20.63** | **20.63** | **–** | **20.63** | **–** |
| **Total Financial Liabilities** | **5,950.12** | **5,952.19** | **–** | **20.63** | **552.07** |

**54.4** During the year ended 31st March, 2022 and 31st March, 2021, 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

## 55 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:

### 55.1 Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

### 55.1.1 Trade Receivables

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. Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

**As at 31st March, 2022**

| Ageing schedule | Not due | 0-30 days past due | 31-60 days past due | 61-90 days past due | Above 90 days past due |
|---|---|---|---|---|---|
| Gross carrying amount | 113.04 | 132.18 | 13.99 | 8.92 | 46.54 |
| Expected loss rate | 0% | 0% | 0% | 0% | 25.48% |
| Expected credit losses (Loss allowance provision) | – | – | – | – | 11.86 |
| Carrying amount of trade receivables (net of impairment) | 113.04 | 132.18 | 13.99 | 8.92 | 34.68 |

**As at 31st March, 2021**

| Ageing schedule | Not due | 0-30 days past due | 31-60 days past due | 61-90 days past due | Above 90 days past due |
|---|---|---|---|---|---|
| Gross carrying amount | 76.92 | 143.10 | 25.39 | 10.02 | 38.94 |
| Expected loss rate | 0% | 0% | 0% | 0% | 38.16% |
| Expected credit losses (Loss allowance provision) | – | – | – | – | 14.86 |
| Carrying amount of trade receivables (net of impairment) | 76.92 | 143.10 | 25.39 | 10.02 | 24.08 |

**Reconciliation of loss allowance provision for Trade Receivable :**

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Loss allowance as at beginning | 14.86 | 14.98 |
| Changes in loss allowance (Net) | (3.00) | (0.12) |
| **Loss allowance as at Year end** | **11.86** | **14.86** |

There is no customer (Previous Year Nil) who represents more than 10% of the total balance of trade receivables.

### 55.1.2 Incentives receivable from the Government

The Parent Group's manufacturing units in various states; mainly those in West Bengal, Rajasthan, Uttar Pradesh and Madhya Pradesh are eligible for incentives under the respective State Industrial Policy. The Group accrued these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Group and there was reasonable assurance that the incentive claims will be disbursed by the State Governments. During the previous year, in view of the management re-assessing the expected recovery period for incentives receivables, a charge of ₹ 32.62 Crores due to time value of money computed based on the expected credit loss method was included in Other Expenses. The Group is confident about the ultimate realisation of the dues from the State Governments.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**55.2 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.

**55.2.1 Maturity Analysis for financial liabilities**

**a) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2022:**

| 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 |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | – | 761.97 | – | – | – | 761.97 |
| Borrowings | | | | | | |
| Redeemable Debentures (Refer Note No. 22.1 (a)) | | | | | | |
| 2500 9.25% NCD 2026 | – | – | – | 250.00 | – | 250.00 |
| 1500 7.05% NCD 2024 | – | – | 30.00 | 120.00 | – | 150.00 |
| 1500 5.75% NCD 2027 | – | – | – | 150.00 | – | 150.00 |
| Rupee Term Loan (Refer Note No. 22.1 (b)) | – | 65.23 | 71.25 | 1,595.49 | 1,341.47 | 3,073.44 |
| Foreign Currency Term Loan (Refer Note no. 22.1 (c)) | – | 19.25 | 19.25 | 273.41 | 52.51 | 364.42 |
| Rupee Term Loan - other (Refer Note No. 22.1 (d)) | – | – | – | 11.91 | 21.10 | 33.01 |
| Short Term Borrowings other than current maturity of long term | 2.46 | 210.00 | – | – | – | 212.46 |
| **Other financial liabilities** | | | | | | |
| Trade & Security Deposits* | – | – | – | 15.87 | 560.29 | 576.16 |
| Amount Payable for Capital Goods | – | 115.66 | 71.23 | – | – | 186.89 |
| Lease Liabilities | – | 1.23 | 4.20 | 25.80 | 86.67 | 117.90 |
| Interest accrued but not due on Borrowings | – | 14.01 | 3.12 | – | – | 17.13 |
| Interest accrued and due on Borrowings | – | 1.90 | – | – | – | 1.90 |
| Employees related Liabilities | – | 52.67 | – | – | – | 52.67 |
| Others Financial Liabilities | 1.41 | 218.22 | 107.45 | 7.96 | – | 335.04 |
| **Total** | **3.87** | **1,460.14** | **306.50** | **2,450.44** | **2,062.04** | **6,282.99** |
| **Derivative** | | | | | | |
| Foreign Exchange forwards contracts and other Derivative Instruments | – | 0.44 | 0.22 | 2.25 | – | 2.91 |

* Trade & Security Deposits classified under more than 5 years maturity pertain to "Dealer Trade Deposit" which are refundable only after surrender of dealership subject to clearance of outstanding dues.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**b) The following are the remaining contractual maturities of financial liabilities as at 31st March, 2021:**

| 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 |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | – | 589.01 | – | – | – | 589.01 |
| Borrowings | | | | | | |
| Redeemable Debentures (Refer Note No. 22.1 (a)) | | | | | | |
| 2500 9.25% NCD 2026 | – | – | – | 150.00 | 100.00 | 250.00 |
| 1500 9.15% NCD 2021 | – | 150.00 | – | – | – | 150.00 |
| 1500 7.05% NCD 2024 | – | – | – | 150.00 | – | 150.00 |
| Rupee Term Loan (Refer Note No. 22.1 (b)) | – | 50.33 | 96.86 | 1,025.80 | 1,344.60 | 2,517.59 |
| Foreign Currency Term Loan (Refer Note no. 22.1 (c)) | – | 47.09 | 67.31 | 531.79 | 309.12 | 955.31 |
| Rupee Term Loan - other (Refer Note No. 22.1 (d)) | – | – | – | 11.91 | 9.08 | 20.99 |
| Short Term Borrowings other than current maturity of long term borrowings | 10.24 | 20.18 | – | – | – | 30.42 |
| **Other financial liabilities** | | | | | | |
| Trade & Security Deposits* | – | – | – | 11.36 | 580.20 | 591.56 |
| Amount Payable for Capital Goods | – | 86.28 | 59.40 | – | – | 145.68 |
| Lease Liabilities | – | 1.13 | 2.38 | 20.39 | 76.02 | 99.92 |
| Interest accrued but not due on Borrowings | – | 25.59 | 3.13 | – | – | 28.72 |
| Interest accrued and due on Borrowings | – | 2.01 | – | – | – | 2.01 |
| Employees related Liabilities | – | 46.99 | – | – | – | 46.99 |
| Others Financial Liabilities | 1.44 | 253.87 | 116.31 | 7.56 | - | 379.18 |
| **Total** | **11.68** | **1,272.48** | **345.40** | **1,908.81** | **2,419.02** | **5,957.37** |
| **Derivative** | | | | | | |
| Foreign Exchange forwards contracts and other Derivative Instruments | – | 13.11 | 3.50 | 3.72 | 0.29 | 20.63 |

* Trade & Security Deposits classified under more than 5 years maturity pertain to "Dealer Trade Deposit" which are refundable only after surrender of dealership subject to clearance of outstanding dues.

**c)** The amounts are gross and undiscounted (except for lease liability) and exclude the impact of netting agreements (if any). 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**55.3 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.

**55.3.1 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.

**55.3.2 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) **Unhedged Foreign Currency Exposure**

| Particulars | As at 31st March, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | GBP | INR |
| **Financial Assets** | | | | | | |
| Trade Receivables | – | – | 0.01 | 0.46 | – | – |
| **Financial Liabilities** | | | | | | |
| Foreign Currency Term Loan | 0.60 | 45.24 | – | – | – | – |
| Trade Payables & Others | 0.00 | 0.07 | 0.05 | 4.45 | 0.00 | 0.07 |
| **Net Exposure (Liability)** | **0.60** | **45.31** | **0.06** | **3.99** | **0.00** | **0.07** |

* Trade payable in GBP represents GBP 7,350.

| Particulars | As at 31st March, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | GBP | INR |
| **Financial Assets** | | | | | | |
| Trade Receivables | – | – | 0.00 | 0.15 | 0.00 | 0.17 |
| **Financial Liabilities** | | | | | | |
| Foreign Currency Term Loan | 0.90 | 65.45 | – | – | – | – |
| Trade Payables & Others | 0.03 | 2.06 | 0.06 | 4.42 | 0.00 | 0.07 |
| **Net Exposure (Liability)** | **0.93** | **67.51** | **0.06** | **4.27** | **(0.00)** | **(0.10)** |

ii) **Hedge Foreign Currency Exposure**

| Particulars | As at 31st March, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | SGD | INR |
| **Derivative Assets** | | | | | | |
| Forward Contract against Trade Receivable | 0.13 | 9.90 | – | – | – | – |
| Forward Contract against Firm Commitments | 0.22 | 16.68 | – | – | – | – |
| **Derivative Liabilities** | | | | | | |
| Forward Contract - Against Payable | – | – | – | – | – | – |
| Cross Currency Swaps Contract - Against Payable (Refer Note (b) below) | 2.27 | 172.27 | – | – | 2.58 | 146.95 |
| Forward Contract - Against Firm Commitments | 1.81 | 137.19 | 0.08 | 7.02 | – | – |
| **Net Exposure (Liability)** | **3.72** | **282.88** | **0.08** | **7.02** | **2.58** | **146.95** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

| Particulars | As at 31st March, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | USD | INR | EUR | INR | SGD | INR |
| **Derivative Assets** | | | | | | |
| Forward Contract against Trade Receivable | 0.08 | 5.97 | – | – | – | – |
| Forward Contract against Firm Commitments | 0.19 | 13.62 | – | – | – | – |
| **Derivative Liabilities** | | | | | | |
| Forward Contract - Against Payable | 10.11 | 739.37 | 0.07 | 6.02 | – | – |
| Cross Currency Swaps Contract - Against Payable (Refer Note (b) below) | – | – | – | – | 2.79 | 151.73 |
| Forward Contract - Against Firm Commitments | 0.10 | 7.48 | – | – | – | – |
| **Net Exposure (Liability)** | **9.94** | **727.26** | **0.07** | **6.02** | **2.79** | **151.73** |

**b)** The Parent Company uses Cross Currency Swaps to hedge foreign exchange and Interest rate of External Commercial Borrowings of SGD 2.58 Crores (Previous Year SGD 2.79 Crores) and Subsidiary Company uses Cross Currency Swaps to hedge foreign exchange and Interest rate of External Commercial Borrowings of USD 2.27 Crores (Previous Year Nil).

**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, 2022 | | | 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| USD Sensitivity Increase | 5% | (2.27) | (1.47) | 5% | (3.38) | (2.20) |
| USD Sensitivity Decrease | 5% | 2.27 | 1.47 | 5% | 3.38 | 2.20 |
| EUR Sensitivity Increase | 5% | (0.20) | (0.13) | 5% | (0.21) | (0.14) |
| EUR Sensitivity Decrease | 5% | 0.20 | 0.13 | 5% | 0.21 | 0.14 |

Sensitivity analysis for GBP are being insignificant, hence ignored.

### 55.3.3 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, 2022 | 31st March, 2021 |
|---|---|---|
| **Fixed Rate Instruments** | | |
| Financial Assets | – | – |
| Financial Liabilities | 319.19 | 701.71 |
| | **319.19** | **701.71** |
| **Variable Rate Instruments** | | |
| Financial Assets | – | – |
| Financial Liabilities | 3,668.67 | 3,321.18 |
| | **3,668.67** | **3,321.18** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ 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, 2022 | | | 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| Interest Rate Increase by | 0.50% | (18.34) | (11.93) | 0.50% | (16.61) | (10.80) |
| Interest Rate Decrease by | 0.50% | 18.34 | 11.93 | 0.50% | 16.61 | 10.80 |

**55.3.4 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, 2022 | 31st March, 2021 |
|---|---|---|
| Investment in Equity Instruments | 399.21 | 279.76 |
| Investment in Mutual Funds | 576.64 | 463.47 |
| Investment In Bonds and Non-convertible Debentures | 31.86 | 7.95 |
| Investment in Government Securities | 1.17 | 1.21 |
| | **1,008.88** | **752.39** |

**b) Sensitivity Analysis**

The Analysis is based on assumption that the increase/decrease by 5% with all other variables held constant.

| Particulars | 31st March, 2022 | | | 31st March, 2021 | | |
|---|---|---|---|---|---|---|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| Market rate Increase | 5% | 50.44 | 32.82 | 5% | 37.62 | 24.47 |
| Market rate Decrease | 5% | (50.44) | (32.82) | 5% | (37.62) | (24.47) |

**55.4 Hedge Accounting - Cash Flow Hedges**

The objective of cross currency swap and interest rate swaps is to hedge the cash flows of the foreign currency denominated debt related to variation in foreign currency exchange rates and interest rates. The hedge provides for exchange of notional amount at agreed exchange rate of principle at each repayment date and conversion of variable interest rate into fixed interest rate as per notional amount at agreed exchange rate. The Group also enters into foreign currency forward contracts to hedge the foreign currency exchange risk arising from borrowings, other debt and forecasted purchases/sales. Some of the forward contracts are designated as cash flow hedges. The Group is following hedge accounting for cross currency & interest rate swaps and Interest rate swaps and some foreign currency forward contracts based on qualitative approach. The Group is having risk management objectives and strategies for undertaking these hedge transactions. The Group has maintained adequate documents stating the nature of the hedge and hedge effectiveness test. The Group assesses hedge effectiveness based on following criteria :

i. An economic relationship between the hedged item and the hedging instrument

ii. The effect of credit risk

iii. Assessment of the hedge ratio

The Parent Company designates cross currency swaps and interest rate swaps and some foreign currency forward contracts to hedge its currency and interest risk and generally applies hedge ratio of 1:1.

All these derivatives have been marked to market to reflect their fair value and the fair value differences representing the effective portion of such hedge have been taken to equity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**55.4.1 Disclosure of effects of hedge accounting on financial position as at 31st March, 2022:**

| Type of hedge and risks | Nominal value Assets / (Liabilities) | Carrying amount of hedging instrument Assets / (Liabilities) | Maturity date | Changes in fair value Gain / (loss) of hedging instrument since inception of hedge | Changes in the fair value Gain / (loss) of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|
| **Cash flow hedge** | | | | | |
| Foreign currency loan | | | | | |
| - Cross Currency Swap (SGD 2.58 Crores) Refer Note No. 22.1 (g)(i) | (146.94) | (1.22) | June '22 to June '26 | 1.94 | (5.46) |
| - Cross Currency Swap (USD 2.27 Crores) Refer Note No. 22.1 (g)(ii) | (172.24) | (1.58) | February '22 to December '28 | (1.58) | (2.24) |
| **Total** | **(319.18)** | **(2.80)** | | **0.36** | **(7.70)** |

**Disclosure of effects of hedge accounting on financial position as at 31st March, 2021:**

| Type of hedge and risks | Nominal value Assets / (Liabilities) | Carrying amount of hedging instrument Assets / (Liabilities) | Maturity date | Changes in fair value Gain / (loss) of hedging instrument since inception of hedge | Changes in the fair value Gain / (loss) of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|
| **Cash flow hedge** | | | | | |
| Foreign currency loan (USD 4.70 Crores) | | | | | |
| - Forward contracts | (343.91) | (12.41) | Apr'21 to May'21 | (12.41) | 5.92 |
| Foreign currency loan | | | | | |
| - Cross Currency Swap (SGD 2.79 Crores) Refer Note No. 22.1 (g)(i) | (151.71) | (4.33) | Sep'21 to Jun'26 | (4.33) | 1.23 |
| **Total** | **(495.62)** | **(16.74)** | | **(16.74)** | **7.15** |

**55.4.2 The movement of effective portion of Cash Flow Hedges are shown below:**

| Particulars | 31st March, 2022 | 31st March, 2021 |
|---|---|---|
| **Opening Balance** | (6.24) | – |
| Gain/(loss) recognized on cash flow hedges | (0.91) | (9.59) |
| Income tax relating to gain/(loss) recognized on cash flow hedges | (0.05) | 3.35 |
| Reclassified to Statement of Profit and Loss | – | – |
| Income tax relating to Reclassified to Statement of Profit and Loss | – | – |
| **Closing Balance** | **(7.20)** | **(6.24)** |

**55.4.3 Foreign Currency Forward Contracts and Overnight Index Swaps**

The Group enters into forward contracts with intention to reduce the foreign exchange risk of expected purchases and enters into overnight index swap to manage interest cost on fixed rate borrowings. Certain foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year. Similarly, the overnight index swaps are also not designated as cash flow hedges. The fair value of foreign currency forward contracts and overnight index swaps are as under:

| Particulars | As at 31st March, 2022 | | As at 31st March, 2021 | |
|---|---|---|---|---|
| | Assets | Liability | Assets | Liability |
| Foreign Currency Forward Contracts | 0.23 | (0.57) | 0.26 | 3.89 |
| Overnight Index Swaps | – | 0.68 | – | – |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**56 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. The Group monitors Capital using Gearing Ratio which is Net Debt (total borrowings less current investments, cash and cash equivalents and other bank balances) divided by Total Equity plus Net Debt.

| Particulars | 31st March, 2022 | 31st March, 2021 |
|---|---|---|
| Gearing Ratio | 0.36 | 0.37 |

**57 Government grants during the year comprising Incentive and Subsidies include:**

**57.1** Tax incentive for capital investments under various State Investment Promotion Schemes of ₹ 149.97 Crores (Previous Year ₹ 170.59 Crores).

**57.2** Amortisation of the deferred revenue of ₹ 1.27 Crores (Previous Year ₹ 0.74 Crore) arising due to difference between the fair value & nominal value of interest free loan granted under State Investment Promotion Scheme.

**57.3** Amortisation of the deferred revenue of ₹ 0.42 Crore (Previous Year ₹ 0.50 Crore) on account of Investment in Plant & Machineries under various State Investment Promotion Schemes.

**57.4** 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 ₹ 0.42 Crore (Previous Year ₹ 0.40 Crore).

**57.5** The Government of India (vide press release dated 31st December, 2020) Introduced the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021. With the introduction of the RoDTEP scheme, the benefit of ROSCTL scheme stood withdrawn, and the MEIS Scheme was also withdrawn w.e.f. 1st January, 2021. Rates of RoDTEP are notified in the current year only, therefore the Parent Company has accrued income relating to benefits of RoDTEP scheme on the Export Sales made for the period from 1st January, 2021 to 31st March, 2021 in the current year.

**58 Additional regulatory information required by Schedule III of Companies Act, 2013**

**58.1 Struck off Companies**

(a) Details of relationships and transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at 31st March, 2022 | Balance outstanding as at 31st March, 2021 | Relationship with the Struck off company |
|---|---|---|---|---|
| Maharaja Agency Private Limited | Receivables | **0.82** | 0.02 | Vendor |
| Maharaja Agency Private Limited | Payables | **0.05** | 0.05 | Vendor |
| Surface Commercial Private Limited | Payables | **0.01** | 0.01 | Vendor |
| Mahesh Carriers Private Limited | Payables | **0.01** | 0.01 | Vendor |
| Vsk Logistics Private Limited | Payables | **0.08** | 0.08 | Vendor |
| Silex Hotels and Restuarants Private Limited | Payables | **0.00** | 0.00 | Vendor |
| Sheiban Systems Private Limited | Payables | **0.02** | 0.02 | Vendor |
| Pro Trainer India Private Limited | Payables | **0.00** | 0.00 | Customer |

(b) Details of Stuck off entities holding equity shares in the Company:

| Name of struck off Company | As at 31st March, 2022 | | As at 31st March, 2021 | | Relationship with the Struck off company |
|---|---|---|---|---|---|
| | No. of Shares Held | Paid-up value in (₹) | No. of Shares Held | Paid-up value in (₹) | |
| A.S. Moloobhoy Marine Services Private Limited | 100 | 1000 | 100 | 1000 | Shareholder |
| Mangal & Co Pvt. Ltd. | 6 | 60 | 6 | 60 | Shareholder |
| Rbg Investment And Finance Limited | 50 | 500 | 50 | 500 | Shareholder |
| Sanketh Metals Private Limited | – | – | 2100 | 21000 | Shareholder |
| Trump It Entertainment And Creative Services Private Limited | – | – | 75 | 750 | Shareholder |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**58.2 Compliance with number of layers of companies:**

The Group has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.

**58.3 Loans or Advances to Promoters, Directors, KMPs and the related parties**

The Group has not given any loan or advance in the nature of loan to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person during the year ended 31st March, 2022 and the year ended 31st March, 2021 except as disclosed in Note No. 11.

**58.4 Utilisation of Borrowed Funds and Share Premium**

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities including foreign entities (intermediaries) with the understanding that the Intermediaries shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provided any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provided any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

**59** The Subsidiary Company (RCCPL Private Limited) has acquired 100% of the issued capital of AAA Resources Private Limited. Accordingly, AAA Resources Private Limited became subsidiary of the RCCPL Private Limited and step down subsidiary of the Parent Company effective 2nd July, 2021 on satisfactory completion of the closing conditions under the Share Purchase Agreement ('SPA') and has been consolidated with effect from that date.

Further, the Company has acquired 100% equity share capital of Utility Infrastructure & Works Private Limited. Accordingly, Utility Infrastructure & Works Private Limited became a wholly owned subsidiary of the RCCPL Private Limited and step down subsidiary of the Parent Company w.e.f. 31st March 2022.

| Purchase consideration | AAA Resources Private Limited | Utility Infrastructure & Works Private Limited |
|---|---|---|
| Number of Equity share issued | 10,000 | 6,94,000 |
| Total Purchase consideration** | 0.01 | 0.10 |
| Fair Value of Net identifiable assets acquired | 0.79 | – |
| Capital Reserve/ (Goodwill) | 0.78 | (0.10)* |

* Goodwill has been written off.

** After acquisition, further investment of ₹ 12.05 Crores in 7,30,000 equity shares of AAA Resources Private Limited has been made during the year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**60 Segment Reporting**

**A) Primary Segment Information**

| Particulars | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|
| | Cement | Jute | Others | Total | Cement | Jute | Others | Total |
| **Business Segment** | | | | | | | | |
| **Segment Revenue** | | | | | | | | |
| (a) External Sales | 7,053.00 | 407.60 | 0.62 | 7,461.22 | 6,497.93 | 287.30 | 0.22 | 6,785.45 |
| (b) Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.06 | 5.87 | 6.53 |
| **Total** | **7,054.06** | **407.60** | **7.85** | **7,469.51** | **6,498.53** | **287.36** | **6.09** | **6,791.98** |
| Less : Inter Segment Revenue | 1.06 | – | 7.23 | 8.29 | 0.60 | 0.06 | 5.87 | 6.53 |
| **Revenue from Operations** | **7,053.00** | **407.60** | **0.62** | **7,461.22** | **6,497.93** | **287.30** | **0.22** | **6,785.45** |
| **Segment Result** | **720.47** | **44.17** | **(2.99)** | **761.65** | **968.37** | **13.62** | **(3.27)** | **978.72** |
| Add: | | | | | | | | |
| (i) Interest Income | | | | 18.46 | | | | 27.50 |
| (ii) Unallocated Income net of unallocated Expense | | | | 0.30 | | | | 2.65 |
| Less : | | | | | | | | |
| (i) Interest Expense | | | | 242.66 | | | | 296.28 |
| **Profit before Tax** | | | | **537.75** | | | | **712.59** |
| Tax Expenses | | | | | | | | |
| Current Tax | | | | 77.09 | | | | 86.76 |
| Deferred Tax | | | | 62.98 | | | | 45.70 |
| Income Tax for earlier years | | | | (0.91) | | | | – |
| Deferred Tax for earlier years | | | | – | | | | (50.01) |
| **Profit after tax** | | | | **398.59** | | | | **630.14** |
| **Other Information** | | | | | | | | |
| **Segment Assets** | 11,239.81 | 1,075.16 | 165.78 | 12,480.75 | 10,642.39 | 927.20 | 147.26 | 11,716.85 |
| Unallocated assets | | | | 1,370.84 | | | | 1,178.74 |
| **Total Assets** | | | | **13,851.59** | | | | **12,895.59** |
| **Segment Li abilities** | 1,924.44 | 16.05 | 2.33 | 1,942.82 | 1,781.64 | 17.63 | 2.02 | 1,801.29 |
| Unallocated liabilities | | | | 5,859.88 | | | | 5,608.27 |
| **Total Liabilities** | | | | **7,802.70** | | | | **7,409.56** |
| **Segment Capital Expenditure** | 894.66 | 5.56 | – | 900.22 | 761.54 | 10.65 | 0.42 | 772.61 |
| Common Capital Expenditure | | | | 11.47 | | | | 4.30 |
| **Total Capital Expenditure** | | | | **911.69** | | | | **776.91** |
| **Segment Depreciation** | 384.16 | 6.97 | 0.81 | 391.94 | 359.76 | 6.62 | 0.93 | 367.31 |
| Common Depreciation | | | | 5.00 | | | | 3.45 |
| **Total Depreciation** | | | | **396.94** | | | | **370.76** |

**B) Secondary (Geographical) Segment Information**

Geographical segment is identified as the secondary segment and details are given below:

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| 1. Revenue from external customers | | |
| – Within India | 7,386.78 | 6,744.89 |
| – Outside India | 74.44 | 40.56 |
| **Total** | **7,461.22** | **6,785.45** |

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 the consolidated 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 Group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**61 Related Party Disclosures**

**61.1 Other related parties with whom transactions have taken place during the year and previous year are:**

**61.1.1**

| Nature | Name of the Company |
|---|---|
| **Entities exercising significant influence over the Group** | Vindhya Telelinks Limited |
| | August Agents Limited |
| | Insilco Agents Limited |
| | Laneseda Agents Limited |

**61.1.2**

| Nature | Name | Designation |
|---|---|---|
| **Key Management Personnels** | Mr. Harsh V. Lodha | Chairman |
| | Mr. Arvind Pathak | Managing Director and Chief Executive Officer (appointed w.e.f. 31st March, 2021) |
| | Mr. Pracheta Majumdar | Wholetime Director and Chief Executive Officer (upto 30th March, 2021)<br>Wholetime Director designated as Chief Management Advisor (w.e.f. 31st March, 2021)<br>Ceased to be the Wholetime Director designated as Chief Management Advisor w.e.f. 20th May, 2021 |
| | Mr. Vikram Swarup | Directors |
| | Mr. Anand Bordia | |
| | Mr. Brij Behari Tandon | |
| | Mr. Dhruba Narayan Ghosh | |
| | Mr. Deepak Nayyar | |
| | Ms. Shailaja Chandra | |
| | Mr. Dilip Ganesh Karnik | |

**61.1.3**

| Nature | Name of the Trust/Fund |
|---|---|
| **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 |

**61.1.4**

| Nature | Name | Relations |
|---|---|---|
| **Close members of the family of a Key Management Personnel (KMP)** | Ms. Radhika Bordia | Daughter of Mr. Anand Bordia (Director) |
| | Ms. Devika Bordia | Daughter of Mr. Anand Bordia (Director) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**61.2 Transactions during the year**

| Particulars | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|
| | Entities exercising significant influence over the Group | Key Management Personnel | Post Employment Benefit Plan Trust | Close members of the family of a KMP | Entities exercising significant influence over the Parent Company | Key Management Personnel | Post Employment Benefit Plan Trust | Close members of the family of a KMP |
| Sales of goods/ services provided | 0.11 | – | – | – | 0.12 | – | – | – |
| Purchase of goods/ services received | | | | | | | | |
| - Vindhya Telelinks Limited | 2.73 | – | – | – | 3.45 | – | – | – |
| Payment of rent | – | – | – | 0.06 | – | – | – | – |
| Receipt of rent | 0.06 | – | – | – | 0.06 | – | – | – |
| Paid to Trust-Employees Provident Fund Contribution | – | – | 7.84 | – | – | – | 7.01 | – |
| Paid to Trust-Employees Gratuity Fund Contribution | – | – | 6.00 | – | – | – | 10.50 | – |
| Paid to Trust-Employees Superannuation Fund Contribution | – | – | 2.55 | – | – | – | 2.82 | – |
| Remuneration, Perquisites & Others (Refer Note No. 61.2.1) | – | 6.14 | – | – | – | 5.25 | – | – |
| Dividend Paid | | | | | | | | |
| - Vindhya Telelinks Limited | 6.38 | – | – | – | 9.57 | – | – | – |
| - August Agents Limited | 6.02 | – | – | – | 9.02 | – | – | – |
| - Insilco Agents Limited | 6.00 | – | – | – | 9.01 | – | – | – |
| - Laneseda Agents Limited | 5.99 | – | – | – | 8.99 | – | – | – |
| Dividend Received | 0.00 | – | – | – | 0.00 | – | – | – |

**61.2.1 Key Management Personnel compensation**

| Particulars | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---|---|---|
| Short-Term Employee Benefits | 4.37 | 3.41 |
| Post-Employment Benefits | 0.14 | 0.00 |
| Director's sitting fees | 0.85 | 1.06 |
| Director's Commission | 0.78 | 0.78 |
| **Total Compensation** | **6.14** | **5.25** |

The above does not include Gratuity and Leave encashment benefits since the same is computed actuarially for all employees and the amount attributable to the managerial person cannot be ascertained separately.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

**61.3 Balance Outstanding as at the balance sheet date**

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| **Trade Payables** | | |
| Entities exercising significant influence over the Group | 0.34 | 0.64 |
| **Provision for Employees benefit** | | |
| Post Employment Benefit Plan Trust | 0.68 | 0.55 |
| **Trade Receivables** | | |
| Entities exercising significant influence over the Group | 0.00 | – |
| **Other Receivables** | | |
| Post Employment Benefit Plan Trust | 5.94 | – |
| **Advances Given / Security Deposited** | | |
| Close members of the family of a KMP | 0.03 | – |
| **Short-term employee benefits** | | |
| Key Management Personnel | 1.19 | 1.48 |

**61.4 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 given 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.

**62 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:**

| Name of the Entity | Net Assets (Total Assets minus Total Liabilities) | | Share of Profit for the year | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | (₹ in Crores) | As % of Consolidated Profit for the year | (₹ in Crores) | As % of Consolidated Other Comprehensive Income | (₹ in Crores) | As % of Total Comprehensive Income | (₹ in Crores) |
| **Parent** | | | | | | | | |
| Birla Corporation Limited | 85.89 | 5,195.14 | 50.92 | 202.92 | 100.61 | 241.95 | 69.62 | 444.87 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| 1. Birla Jute Supply Company Limited | 0.04 | 2.27 | 0.01 | 0.04 | 0.34 | 0.82 | 0.13 | 0.86 |
| 2. Talavadi Cements Limited | 0.15 | 9.20 | 0.09 | 0.35 | – | – | 0.04 | 0.35 |
| 3. Lok Cement Limited | 0.01 | 0.56 | 0.00 | 0.01 | – | – | 0.00 | 0.01 |
| 4. Budge Budge Floorcoverings Limited | 0.03 | 1.82 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 |
| 5. M.P. Birla Group Services Private Limited | 0.00 | 0.00 | (0.00) | (0.00) | – | – | (0.00) | (0.00) |
| 6. Birla Cement (Assam) Limited | 0.00 | 0.03 | (0.00) | (0.00) | – | – | (0.00) | (0.00) |
| 7. RCCPL Private Limited | 51.62 | 3,121.76 | 49.45 | 197.13 | (0.95) | (2.27) | 30.50 | 194.86 |
| **Stepdown Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| AAA Resources Private Limited | 0.21 | 12.83 | 0.00 | 0.00 | – | – | 0.00 | 0.00 |
| Utility Infrastructure & Works Private Limited | (0.00) | (0.00) | (0.00) | (0.00) | – | – | (0.00) | (0.00) |
| **Minority Interest in all subsidiaries** | (0.00) | (0.04) | (0.00) | (0.00) | – | – | (0.00) | (0.00) |
| **Consolidation adjustments** | (37.94) | (2,294.72) | (0.47) | (1.87) | – | – | (0.29) | (1.87) |
| **Total** | **100.00** | **6,048.85** | **100.00** | **398.59** | **100.00** | **240.50** | **100.00** | **639.09** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

**63** The Group had made an investment in AMP Solar Clean Power Private Limited ('AMP') by way of purchase of 8,49,821 (Previous Year: 7,56,800) fully paid up equity shares having face value of ₹ 10 each, amounting of ₹ 0.85 Crore (Previous Year: ₹ 0.76 Crore) (26% holding in AMP) and in 76,484 (Previous Year: 68,112) compulsorily convertible debentures having face value of ₹ 1000 each, amounting of ₹ 7.65 Crores (Previous Year: ₹ 6.81 Crores) under Share Purchase, Subscription and Shareholders Agreement. Further, the Group had entered into a long term power purchase agreement ('PPA') with the AMP which is engaged in the business of generating and sales of solar power. 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.

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" at ₹ 1.81 Crores (Previous Year: ₹ 1.44 Crores) as per the provision of Ind AS 109 and the difference between amortised cost and investment value of ₹ 7.06 Crores (Previous Year: ₹ 6.33 Crores) is considered for valuation of "Right of Use Assets-Plant and Machinery".

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. Consequently, Right of Use Assets and Lease Liabilities is recognized.

**64** The Group has made an assessment of the impact of the continuing COVID-19 pandemic on its current and future operations, liquidity position and cash flow giving due consideration to the internal and external factors. The Group is continuously monitoring the situation and does not foresee any significant impact on its operations and the financials position as at 31st March, 2022.

**65** The Code on Social Security, 2020 which received the President's assent on 28th September 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

**66** 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

Kolkata
Date: 11th May, 2022

**For and on behalf of the Board of Directors**

ADITYA SARAOGI
Chief Financial Officer

HARSH V. LODHA
Chairman
(DIN : 00394094)

MANOJ KUMAR MEHTA
Company Secretary
& Legal Head

ARVIND PATHAK
Managing Director
& Chief Executive Officer
(DIN : 00585588)

# Notes

# Notes

# BIRLA CORPORATION LIMITED

CIN-L01132WB1919PLC003334
*Registered Office :* 'Birla Building', 9/1, R.N. Mukherjee Road, Kolkata- 700 001.
E-mail: investorsgrievance@birlacorp.com; Website: www.birlacorporation.com
Phone: (033) 6616 6729/6737

## 102ND ANNUAL GENERAL MEETING

## PROXY FORM

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s) :
Registered Address :

E-mail ID :
Folio No. :
DP ID No. / Client ID No.* :

* Applicable for investors holding shares in electronic form.

I/We being the Member(s) of ..... shares of Birla Corporation Limited hereby appoint :

(1) Name : ..... Address : .....
.....
E-mail ID : ..... Signature : ....., or failing him / her

(2) Name : ..... Address : .....
.....
E-mail ID : ..... Signature : ....., or failing him / her

(3) Name : ..... Address : .....
.....
E-mail ID : ..... Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 102nd Annual General Meeting of the Company to be held on **Tuesday, the 27th day of September, 2022 at 10.30 a.m.** at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata- 700 026 and at any adjournment thereof in favour of/ against the Resolution(s) as are indicated below:

| Resolution No. | Description |
|---|---|
| **Ordinary Business:** | |
| 01. | Consider and adopt :<br>a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon; and<br>b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Report of the Auditors thereon (Ordinary Resolution). |
| 02. | Declaration of Dividend on Ordinary Shares of the Company for the financial year ended 31st March, 2022 (Ordinary Resolution). |
| 03. | Re-appointment of Shri Harsh V. Lodha (DIN: 00394094), Director of the Company, who retires by rotation (Ordinary Resolution). |
| 04. | Appointment of Statutory Auditors of the Company and fixation of their Remuneration (Ordinary Resolution). |
| **Special Business:** | |
| 05. | Ratification of Remuneration of the Cost Auditors of the Company (Ordinary Resolution). |

Signed this ..... day of ..... 2022

Signature of Shareholder(s) .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp

**Notes:**

(1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
(2) For the Resolutions, Statement pursuant to Section 102 of the Companies Act, 2013 and Notes, please refer to the Notice of the 102nd Annual General Meeting.
(3) Please complete all details including details of member (s) in the above box before submission.

# BIRLA CORPORATION LIMITED

CIN-L01132WB1919PLC003334
*Registered Office :* 'Birla Building', 9/1, R.N. Mukherjee Road, Kolkata- 700 001.
E-mail: investorsgrievance@birlacorp.com; Website: www.birlacorporation.com
Phone: (033) 6616 6729/6737

## ATTENDANCE SLIP

**Name and Address of the Shareholder(s)**

DP Id **
Client Id **
Folio No.
No. of Shares

| Full Name of the Member/ Proxy attending the meeting | |
|---|---|

I hereby record my presence at the 102nd Annual General Meeting of the Company being held at Kalpataru Uttam Mancha, 10/1/1, Monohar Pukur Road, Kolkata- 700 026 on **Tuesday, the 27th day of September, 2022 at 10.30 a.m.**

| Signature of the attending Member/Proxy | |
|---|---|

** Applicable for investors holding shares in electronic form.

***Notes :***
1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance, duly signed.
2. Shareholder/Proxyholder is requested to bring their copies of the Annual Report and Accounts with them to the Meeting.

# BIRLA CORPORATION LIMITED

## ELECTRONIC VOTING

The Company is providing electronic voting (e-voting) facility for the Resolutions contained in the Notice convening the 102nd Annual General Meeting on Tuesday, the 27th day of September, 2022. The procedure for e-voting has been mentioned in the aforesaid Notice. Your User ID and Password for e-voting purposes are given below:

| Electronic Voting Sequence Number (EVSN) | User ID | Password |
|---|---|---|
| | | |

BIRLA
CORPORATION
LIMITED