



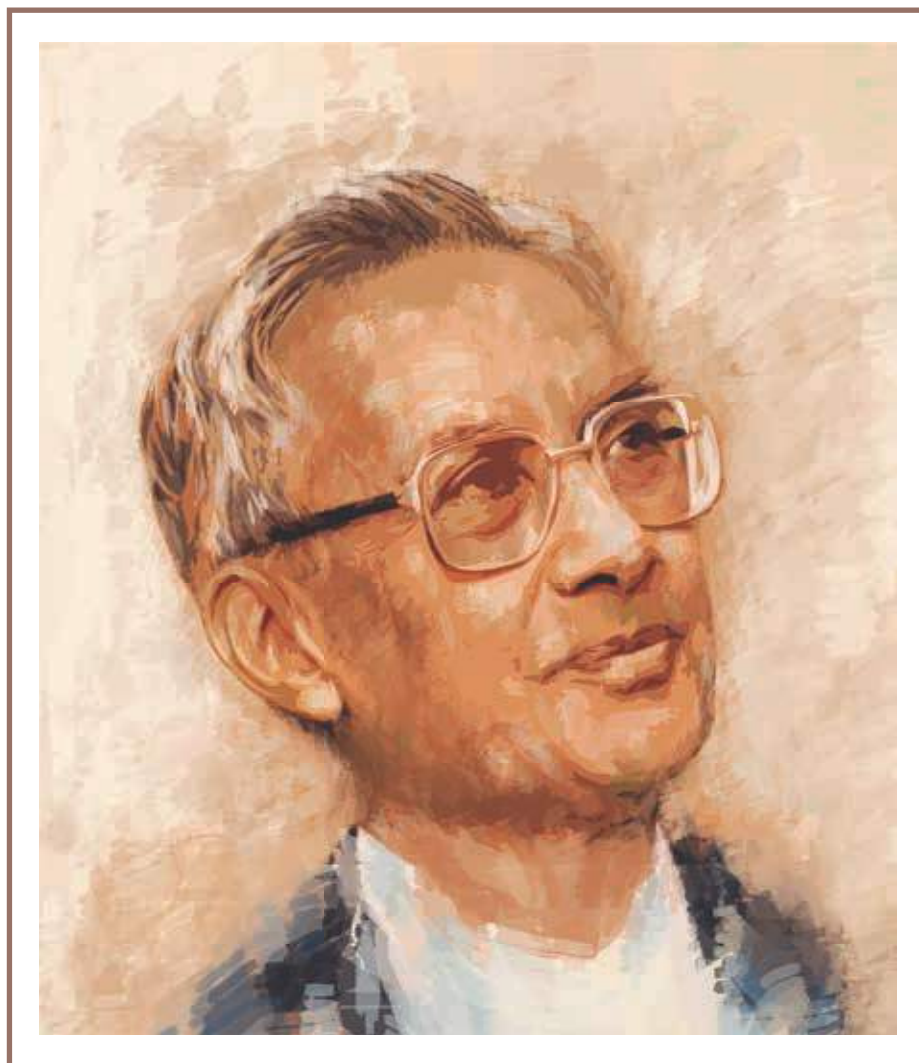
105<sup>th</sup>

**Annual Report  
& Accounts 2024**





IN FOND REMEMBRANCE  
OF OUR GUIDING LIGHT



BASANT KUMAR BIRLA  
(OUR PAST CHAIRMAN)

---

A LEGEND FOREVER



# TRIBUTE TO CHAIRMAN

## | IN MEMORIUM |



We deeply mourn the sudden and untimely demise of our Chairman and Key Promoter, Manjushree Khaitan, on 16<sup>th</sup> May, 2024.

She joined the Board in October, 1998 and was appointed Chairman effective 19<sup>th</sup> July, 2019 on the passing away of her father Basant Kumar Birla.

Her commitment to the well-being of the Company, its employees as well as their families was absolute and all encompassing.

As Non-Executive Chairman of the Board her guidance played a key role in navigating the Company through various challenges and ultimately created value for the stakeholders.

We pray to the Almighty for everlasting peace to her departed soul.



**KESORAM**





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## CHAIRMAN'S MESSAGE

Your Company has achieved the highest ever sales of cement this year. In the last 3 consecutive years we have clocked annual sale volume exceeding 7MTPA. Our subsequent action to demerge cement business has unlocked value for all the shareholders.

We have successfully refinanced the high cost debt during February 2024. I thank our esteemed Directors on the Board, employees and all the other stakeholders for providing support through the year.

**MANJUSHREE KHAITAN**

Date: 22<sup>nd</sup> April, 2024



**BOARD OF DIRECTORS  
&  
KEY MANAGERIAL PERSONNEL**  
(AS ON 22<sup>ND</sup> APRIL, 2024)

**Manjushree Khaitan, Chairman**

DIN: 00055898

**Kashi Prasad Khandelwal**

DIN: 00748523

**Sudip Banerjee**

DIN: 05245757

**Lee Seow Chuan**

DIN: 02696217

**Rashmi Bihani**

DIN: 07062288

**Jikyeong Kang**

DIN: 08045661

**Mangala Radhakrishna Prabhu**

DIN: 06450659

**Satish Narain Jajoo**

DIN: 07524333

**P. Radhakrishnan**

*Whole-time Director & CEO*

DIN: 08284551

**Rohit Shah**  
*Chief Financial Officer*

**Gautam Ganguli**  
*Company Secretary*

## Registered Office

Birla Building

8<sup>th</sup> floor, 9/1, R.N. Mukherjee Road

Kolkata – 700 001

Phone No.: +91 33 22435453 / 22429454 / 22135121

CIN: L17119WB1919PLC003429

Website: [www.kesocorp.com](http://www.kesocorp.com); E-mail: [corporate@kesoram.com](mailto:corporate@kesoram.com)

## Bankers

IndusInd Bank Ltd

State Bank of India

IDFC First Bank Ltd

## Auditors

Walker Chandio & Co. LLP

*Chartered Accountants*

## Share Transfer Agent

MCS Share Transfer Agent Limited,

(Unit: Kesoram Industries Ltd.)

383 Lake Gardens, 1<sup>st</sup> Floor,

Kolkata – 700045

Phone No.: 033-40724051-52

Website: [www.mcsregistrars.com](http://www.mcsregistrars.com)

E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

## Plant Locations

### Sedam Plant

Sedam, Dist. Gulbarga  
Karnataka-585222

### Basantnagar Plant

Basantnagar, Dist. Karimnagar  
Telangana-505187

### Solapur Packing Plant

T-3 MIDC Chincholi, Taluk :  
Mohal Solapur-413255,  
Maharashtra

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company on or before 5:00 p.m. (IST) on Thursday, 4<sup>th</sup> July, 2024

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## NOTICE

### TO THE MEMBERS

NOTICE is hereby given that the **One Hundred and Fifth Annual General Meeting ("AGM") of KESORAM INDUSTRIES LIMITED** will be held at 11:30 A.M. on Tuesday, 9<sup>th</sup> day of July, 2024 at Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700017 through the hybrid mode {that is both Physical and Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")} to transact the following businesses:

#### General Business:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 and the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Jikyeong Kang (DIN: 08045661), who retires by rotation and being eligible, offers herself for re-appointment.

#### Special Business:

#### 3. Ratification of Remuneration of Cost Auditor

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the Company be and does hereby ratify a remuneration of ₹ 5.47 Lakh (excluding applicable taxes and reimbursement of travelling and out of pocket expenses) payable to Mani & Co., Cost Accountants (Firm Registration No. 000004) who have been appointed by the Board of Directors of the Company ("the Board") as the Cost Auditors for conducting the audit of the Company's Cost Accounting records in accordance with the Act, in respect of the Financial Year ending 31<sup>st</sup> March, 2025."

#### 4. Appointment of Rashmi Bihani (DIN:07062288) as an Independent Director

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

**"RESOLVED THAT** pursuant to the provisions of the Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof for the time being in force), Rashmi Bihani (DIN: 07062288) who was appointed as an Additional Director effective from 22<sup>nd</sup> April, 2024, in terms of Section 161 of the Act, and based upon a favourable recommendation of the Board's Nomination and Remuneration Committee as well as the Board of Directors and who will hold office up to the date of this AGM and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of a Director, and who has submitted a declaration to the effect of her compliance with the criteria of independence as provided under Section 149 of the Act, be and is hereby appointed as an Independent Director for a period of five consecutive years commencing from this AGM;

**RESOLVED FURTHER THAT** that the Board be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this Resolution."

#### Registered Office:

Birla Building, 8th floor,  
9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
22<sup>nd</sup> April, 2024

#### By Order of the Board

Gautam Ganguli  
Company Secretary

**Notes:**

1. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item No. 3 & 4 of the Notice is annexed hereto and forms part of this Notice. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are given in this Notice.
2. A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote instead of himself/ herself. Such proxy need not be a Member of the Company. The Instrument of Proxy, in order to be effective, must be lodged with the Company not less than 48 hours before the Meeting. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 per cent of the total Share Capital of the Company. Proxies submitted on behalf of Companies/ Association of Persons (AoP) must be supported by an appropriate Resolution/ Authority, as applicable.
3. The Company's Register of Members shall remain closed from 3<sup>rd</sup> July, 2024 to 9<sup>th</sup> July, 2024 (both days inclusive).
4. Members can join the AGM through the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of Meeting by following the procedure mentioned in this Notice. Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/ OAVM will be made available to at least 1,000 Members on a first come first served (FIFO) basis as per the extant Ministry of Corporate Affairs ("MCA") Circulars. Detailed instructions for joining the Meeting through VC/ OAVM forms part of the Notes to this Notice.
5. No restrictions on account of FIFO entry into AGM, will apply in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc.
6. Corporate Members intending to appoint their authorised representatives pursuant to Section 112 and 113 of the Act, as the case may be, to attend the AGM through VC/ OAVM or to vote through remote e-Voting are required to send a scanned copy of a certified copy of the Board Resolution/ Power of Attorney/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote by e-mail to the Scrutinizer at [rbajaj@rpaonline.in](mailto:rbajaj@rpaonline.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Alternatively, they can also upload their Board Resolution / Power of Attorney/ Authority Letter etc. by clicking on "**Upload Board Resolution/ Power of Attorney/ Authority Letter**" displayed under "**e-Voting**" tab in their login.
7. As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 and subsequent circulars, the matters of Special Business as appearing at Item No. 3 & 4 of the accompanying Notice are considered to be unavoidable by the Board and hence, forming part of this Notice.
8. The physical attendance of Members at the AGM in person or through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. In case of Joint-holders, a 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 for the purposes of the AGM.
10. The Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice along with the Annual Report 2023-24 will also be available on the website of the Company at [www.kesocorp.com](http://www.kesocorp.com) and may also be accessed from the relevant section of the websites of the stock exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. These will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Interested Members may download the Notice and Annual Report from the website of the Company and Exchanges as stated above. The physical copy of the Notice along with Annual Report shall be made available to the Member(s) who may request for the same in writing to the Company.
11. **Instructions for attending the AGM through VC/ OAVM are given below:**  
Members will be able to attend the AGM in person or through VC/ OAVM or view the live webcast of AGM provided by NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) by using their remote e-Voting login credentials and selecting the EVEN for the AGM. The necessary details for joining the Meeting are given below:
  - i. Members will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system and they may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the Shareholders/ Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, Members will be able to attend and participate in the proceedings of the AGM. Please note that Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/ Password may retrieve the same by following the remote e-Voting instructions mentioned below to avoid a last-minute rush. Further, Members may also use the OTP-based login for logging into the e-Voting system of NSDL.

- ii. Members may join the Meeting through Laptops, Smartphones, Tablets, and iPads for a better experience. Further, Members will be required to use the Internet with good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge, or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such glitches.
- iii. Members who face any technical difficulty in accessing and participating in the Meeting may contact toll free no. 1800-222-990. After login, the Members who face any technical difficulty in accessing the VC link may contact said toll free no.

**12. Procedure to Raise Questions/ Seek Clarifications:**

- a. Members are encouraged to submit their queries with regard to the Financial Statements and/ or any other matter being placed at the AGM from their registered e-mail id, mentioning their name, DP ID and Client ID number/ Folio number and mobile number, sufficiently in advance to reach the Company's e-mail id at *sharededpartment@kesoram.com* on or before 5.00 p.m. (IST) on 4<sup>th</sup> July, 2024.
  - b. Only those Members who have registered themselves as speakers will be permitted to express their views/ queries at the AGM.
13. As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR, the Company will provide the facility of casting votes through the electronic system from a place other than the venue of the Meeting ("remote e-Voting") under an arrangement with National Securities Depository Limited ("NSDL") as specified more fully in the instructions below:
- a) The items of business set out in the attached Notice may, however, be transacted also through the electronic voting system as an alternative mode of voting provided that once a vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
  - b) The facility for voting through Ballot Paper shall also be made available at the Meeting venue and Members attending the Meeting who have not already cast their vote by remote e-Voting, shall be permitted to exercise their rights at the Meeting.
  - c) Members who have cast their vote by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again. 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**" i.e. **Tuesday, 2<sup>nd</sup> July, 2024**, shall be entitled to avail the facility of remote e-Voting at the Annual General Meeting ("AGM"). The procedure for remote e-Voting and e-Voting during the AGM is the same. A person who is not a Member on the cut-off date should treat this Notice for information purposes only.

**14. Instructions for Members for Remote e-Voting (before and during the AGM) are as under:**

The process and manner of Remote e-Voting will be as follows:

The voting period begins from **9.00 A.M. (IST) on Friday, 5<sup>th</sup> July, 2024 and ends at 5.00 P.M. (IST) on Monday, 8<sup>th</sup> July, 2024**. During this period, Members of the Company, holding Shares either in physical form or in dematerialized form, as on the **cut-off date ("record date") i.e. Tuesday, 2<sup>nd</sup> July, 2024**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. The facility for voting through Ballot Paper is also available as the Meeting is being held physically. Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

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

**Step 1: Access to NSDL e-Voting system**

**A. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode**

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of Members                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Members holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div> |

| Type of Members                                                                                   | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Members holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible Companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Members (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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

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

| Login type                                                    | Helpdesk details                                                                                                                                                                                                 |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Members holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-48867000 and 022-24997000 |
| Individual Members holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800225533        |

**B. Login Method for e-Voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode**

- i) 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.

- ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to
- iv) Your User ID details are given below :

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

- v) Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your e-mail ID is not registered, please follow steps mentioned below in process for those Shareholders whose e-mail IDs are not registered.
- vi) You are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/ Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address.
- vii) After entering your password, tick on agree to "Terms and Conditions" by selecting on the check box.
- viii) Now, you will have to click on "Login" button.
- ix) After you click on the "Login" button, Home page of e-Voting will open.

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

- i) After successful login at Step 1, you will be able to see the home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii) Select "EVEN" of Company for which you wish to cast your vote.

- iv) Now you are ready for e-Voting as the Voting page opens.
- v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii) Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Members for e-voting**

- 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 available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - b. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available under the download section of NSDL's e-Voting website or contact Mr. Amit Vishal, Senior Manager/ Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 48867000/ 022 – 24997000 or at E-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
15. The facility for voting through e-Voting at the AGM shall also be made available to the Members attending the Meeting, who have not already cast their vote by remote e-Voting, shall be permitted to exercise their rights at the Meeting through e-Voting. The procedure for remote e-Voting and e-Voting during the AGM is the same.
  16. Members who have cast their vote by remote e-Voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.
  17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
  18. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is also available on the website of the Company.
  19. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.
  20. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Registrar & Share Transfer Agent having address at MCS Share Transfer Agent Ltd., 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata – 700045, Phone: 033-40724051-52, Email: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com), in case the shares are held by them in physical form.
  21. **Procedure for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**
    - a. Members who have not yet registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited at [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).
    - b. E-mail addresses of Members as advised to Registrar and Share Transfer Agent where shares are held in physical mode or registered with Depositories where shares are held in the electronic mode will be deemed to be the Member's registered e-mail address for serving Company documents/ notices. Members intending to refresh/ update their e-mail addresses should do so as soon as possible.

- c. Alternatively, Members may also send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring User Id and Password and registration of e-mail addresses for e-Voting for the Resolutions set out in this Notice:
  - In case shares are held in physical form, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self- attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
  - In case shares are held in Demat form, please provide DP ID-Client ID (8 digit DP ID + 8-digit Client ID or 16-digit Beneficiary ID), Name, client master or copy of Consolidated Account Statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
22. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.
23. As per the provisions of the Act, the facility for making/ varying/ cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form SH-13** and any variation/ cancellation thereof can be made by giving notice in **Form SH-14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Registrar and Share Transfer Agent or from the website of the Company at [www.kesocorp.com](http://www.kesocorp.com)**.
24. a. Pursuant to the Provisions of Section 124 of the Act and in compliance with IEPF Authority (Accounting, Audit, Transfer & Refund) Rule, 2016, the unpaid/ unclaimed dividend upto the F.Y 2012-13 has been transferred by the Company to the Investor Education and Protection Fund Account established by Central Government and the corresponding shares will be transferred to the authority during this year.
- b. The Members/ claimants whose shares, unclaimed dividend etc. have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees. The Member/ claimant can file only one consolidated claim in a Financial Year as per IEPF Rules.
25. Persons, who have acquired Shares and become Members of the Company after dispatch of the Notice of the AGM, but before the **cut-off date**, may obtain the Login ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [sharedepartment@kesoram.com](mailto:sharedepartment@kesoram.com). However, Members already registered with NSDL for remote e-Voting can use their existing User ID and Passwords for casting their votes. If a Member has forgotten her/ his password, s/ he can reset her/ his password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free No.: **1800-222-990**.
26. Voting rights of Members shall be in proportion to their share in the Company's Paid-up Equity Share Capital as on the cut-off date.
27. Ms. Ritu Bajaj, (CP Registration No. 11933), Practicing Company Secretary, has been appointed as the Scrutinizer to enable the voting at venue of AGM and remote e-Voting processes to be conducted in a fair and transparent manner.
28. The Chairman shall, at the end of discussion on the Resolutions on which voting are to be held, allow e-Voting & Ballot for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
29. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by him/ her in writing, who shall countersign the same and declare the results of the voting forthwith.
30. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.kesocorp.com](http://www.kesocorp.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman of the Meeting or the person authorised by in writing. The results shall also be simultaneously communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at Birla Building 8<sup>th</sup> floor 9/1, R. N. Mukherjee Road, Kolkata – 700 001.
31. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
32. The Landmark and Route Map of the venue of the AGM are given on the reverse of the Attendance Slip cum Proxy Form annexed with the Annual Report 2023-24.
33. Attendance slip shall also be available for the Members at the venue of the Meeting.

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item Number 3

Pursuant to Section 148 of the Companies Act, 2013 ("the Act"), the Company is required to get its Cement Business Cost Accounting records audited by a Cost Accountant in Practice. Upon the recommendation of the Audit Committee, the Board has appointed Mani & Co., Cost Accountants, Kolkata for such audit at a remuneration of ₹ 5.47 Lakh (Rupees Five Lakh Forty Seven Thousand only) plus applicable taxes, travel and actual out- of pocket expenses.

As required under Section 148(3) of the Act, the above remuneration requires ratification from Members.

Item No.3 of the Notice convening the Company's One Hundred and Fifth Annual General Meeting ("AGM") has accordingly been proposed and the Board commends this Ordinary Resolution for approval.

No Director or Key Managerial Personnel or any of their relatives have any personal concern or interest in the Resolution.

### Item Number 4

Rashmi Bihani (DIN: 07062288), was appointed as an Additional Director of the Company at a Meeting of the Board of Directors held on 22<sup>nd</sup> April, 2024. The appointment has been based upon a favourable recommendation from the Board's Nomination and Remuneration Committee ("the Committee"). Such recommendation having been accepted by the Board, Rashmi Bihani was appointed an Additional Director from this date.

In addition, the Board being satisfied with the Committee's recommendation that Rashmi Bihani could be appointed as an Independent Director, it is proposed that Rashmi Bihani as per the provisions of Section 164(2) of the Act, be appointed as an Independent Director for a period of five years from the conclusion of this Meeting.

Rashmi Bihani, as an Independent Director, shall also abide by the Code of Conduct prescribed by the Board for its Members.

The Board is therefore of the opinion that it would be in the interest of the Company to appoint Rashmi Bihani as an Independent Director and thus recommends the passing of the Special Resolution set out at Item No. 4 of the AGM Agenda.

Based on her proposed appointment as an Independent Director is upon a favourable recommendation from the Committee, no deposit stipulations will be applicable to her. Moreover, the Company has received a Notice from a Member proposing her name as a Director.

Except Rashmi Bihani, no other Director or Key Managerial Personnel or any relative of any of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of this Resolution does not and will not relate to or affect any other Company.

### Registered Office:

Birla Building, 8<sup>th</sup> floor,  
9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
22<sup>nd</sup> April, 2024

### By Order of the Board

Gautam Ganguli  
Company Secretary

**Details of Directors seeking re-appointment and appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)**

| Name of the Director                                                       | Jikyeong Kang                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rashmi Bihani                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                        | 08045661                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 07062288                                                                                                                                                                                                                                          |
| Designation/ Category of Directorship                                      | Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                      | Independent Director                                                                                                                                                                                                                              |
| Date of Birth                                                              | 22 <sup>nd</sup> October, 1961                                                                                                                                                                                                                                                                                                                                                                                                                              | 15 <sup>th</sup> April, 1980                                                                                                                                                                                                                      |
| Date of appointment (last)                                                 | 17 <sup>th</sup> June, 2022                                                                                                                                                                                                                                                                                                                                                                                                                                 | 22 <sup>nd</sup> April, 2024                                                                                                                                                                                                                      |
| Expertise in specific functional areas                                     | <p>Noted expert on marketing.</p> <p>At present the President &amp; Dean of the Asian Institute of Management, Manila, Philippines.</p> <p>Visiting Professor at several Business Schools world wide.</p> <p>Former Director of the DBA Programme at Manchester Business School.</p> <p>Also an Independent Director of the Security Bank, one of Philippines' leading universal banks serving retail, commercial, corporate and institutional clients.</p> | <p>Fellow Member of the Institute of Chartered Accountants of India.</p> <p>Practising Chartered Accountant with over two decades of experience.</p> <p>Her proficiency areas apart from audit and assurance includes international taxation.</p> |
| Qualification                                                              | Doctorate in Marketing                                                                                                                                                                                                                                                                                                                                                                                                                                      | Chartered Accountant                                                                                                                                                                                                                              |
| Directorships held in other listed companies (excluding foreign companies) | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Nil                                                                                                                                                                                                                                               |
| Committee position held in other companies                                 | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Nil                                                                                                                                                                                                                                               |
| Listed entities from which person has resigned in last 3 years             | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Ceased as an Independent Director of Birla Tyres Limited effective 13 <sup>th</sup> November, 2023.                                                                                                                                               |
| No. of shares held in the Company                                          | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Nil                                                                                                                                                                                                                                               |

**Registered Office:**

Birla Building, 8<sup>th</sup> floor,  
9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
22<sup>nd</sup> April, 2024

**By Order of the Board**

**Gautam Ganguli**  
**Company Secretary**

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

The Board presents the Company's One Hundred and Fifth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2024.

### FINANCIAL RESULTS (STANDALONE)

₹/ Crore

| Particulars                                                                  | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| Total Income                                                                 | 3783.54                      | 3,603.93                     |
| Profit before Interest, Depreciation, Tax and other Amortizations ("EBIDTA") | 420.06                       | 371.22                       |
| Less: Depreciation and Amortization Expenses                                 | 115.28                       | 81.57                        |
| Finance Costs                                                                | 461.75                       | 422.78                       |
| Profit/ (Loss) before Exceptional Items and Tax                              | (156.97)                     | (133.13)                     |
| Exceptional Items                                                            | (64.84)                      | (173.07)                     |
| <b>Profit/ (Loss) before Tax</b>                                             | <b>(221.81)</b>              | <b>(306.20)</b>              |
| Tax Expenses                                                                 | 109.86                       | 190.53                       |
| <b>Net Profit/ (Loss) for the year</b>                                       | <b>(331.67)</b>              | <b>(115.67)</b>              |
| <b>Total Comprehensive Income/ (Loss) for the year</b>                       | <b>(330.88)</b>              | <b>(110.48)</b>              |

### GENERAL REVIEW OF COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE

- Standalone Income, comprising Revenue from Operations and Other Income, for the year was ₹ 3783.54 Crore, 4.98% higher compared to ₹ 3,603.93 Crore in the year 2023.
- Standalone Loss before Tax for the year was ₹ 221.81 Crore, 27.56% lower compared to ₹ 306.20 Crore in the year 2023.
- Standalone Loss after Tax for the year was ₹ 331.67 Crore, 186.74% higher compared to ₹ 115.67 Crore in the year 2023.
- Cement production increased by 6.97% from 7.03 million tonnes in the year 2023 to 7.52 million tonnes in the year 2024.
- Cement Sales Volume increased by 6.97% from 7.03 million tonnes in the year 2023 to 7.52 million tonnes in the year 2024.
- No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year.

### DIVIDEND

No dividend is proposed in view of the loss during the year and the non-availability of any carry forward surplus.

The web-link for accessing the Company's Dividend Distribution Policy is as follows: <https://www.kesocorp.com/DOCS/pdf/mgc/dividend-distribution-policy-final.pdf>

### SHARE CAPITAL

The Company's paid-up Equity Share Capital as at the end of the year stood at ₹ 310.66 Crore comprising 31,06,63,663 Equity Shares of ₹ 10/- each and Preference Share Capital stood at ₹ 109.19 Crore comprising 1,09,19,000 Preference Shares of ₹ 100/- each.

### PRE PAYMENT OF NON-CONVERTIBLE DEBENTURES

Arising out of the re-financing of its entire quantum of high cost debt, the Company pre-paid its entire balance of Non-Convertible Debentures during the year.

### PUBLIC DEPOSITS

The Company suspended acceptance of fresh public deposits effective 15<sup>th</sup> June, 2023.

No public deposit matured for re-payment during the year.

As required under the provisions of Rule 8(5)(v) of the Companies (Accounts) Rules, 2014, further relevant particulars pertaining to deposits covered under Chapter V of the Companies Act 2013 are as follows:

- Fresh deposits accepted during the year till end of day 14<sup>th</sup> June, 2023 – ₹ 3.19 Crore
- Remained Unclaimed or Unpaid as at the end of the year ₹ 82.96 Crore
- Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and total amount involved – Nil
- Premature requests received and paid – ₹ 15.64 Crore

The Company has not accepted any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

#### **DISPOSAL OF THE HINDUSTAN HEAVY CHEMICALS UNIT**

Pursuant to the receipt of the requisite general body approval, the Company's Hindustan Heavy Chemicals Unit in the State of West Bengal was disposed of during the year.

#### **SCHEME OF ARRANGEMENT FOR TRANSFER OF THE COMPANY'S CEMENT BUSINESS TO ULTRATECH CEMENT LIMITED**

Pursuant to a proposed Scheme of Arrangement under Section 230-232 of the Companies Act, 2013 ("the proposed Scheme") framed by and between the Company and UltraTech Cement Limited ("UltraTech"), the Company proposed to transfer its Cement Business to UltraTech effective the Appointed Date of 1<sup>st</sup> April, 2024.

The Scheme will be activated once all required regulatory procedures and approvals are in place.

The Company has withdrawn its proposed Scheme of Arrangement formulated under Section 230- 232 of the Act envisaging de-subsidiarisation of its wholly owned subsidiary, Cygnet Industries Limited ("Cygnet").

#### **MANAGEMENT DISCUSSION & ANALYSIS, BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT AND CORPORATE GOVERNANCE**

The Management Discussion & Analysis, Business Responsibility & Sustainability Report and the Report on Corporate Governance are attached as **Annexures I, II & III** respectively to this Report.

#### **CREDIT RATING**

Credit Rating related details are disclosed in the attached Report on Corporate Governance.

#### **RISK MANAGEMENT FRAMEWORK**

The Company continues to implement a robust risk management framework under the guidance of the Board's Risk Management Committee.

Cygnet Industries Limited, the Company's wholly owned subsidiary is also part of this risk management framework.

#### **SIGNIFICANT AND MATERIAL REGULATORY ORDERS**

There were no significant or material regulatory orders during the year that could possibly impact or influence the Company's going concern status and/ or its future operations.

#### **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Company's Internal Financial Control Systems continues to be commensurate with its size, nature and complexity of business operations.

Internal Audit, a key feature of the Company's internal control system, is conducted by a dedicated team of professionals. The Board's Audit Committee monitors the internal audit process to ensure its smooth functioning and the consistent maintenance of oversight over the control systems instituted by the Company.

#### **CORPORATE GOVERNANCE**

##### **Number of Meetings of the Board**

During the year, seven Board Meetings were held. Meeting particulars are appended in the attached Report on Corporate Governance.

##### **Policy on Director Appointment and Remuneration**

The present Company Policy on Director appointment and remuneration, including criteria for determining qualifications, positive attributes, independence and other related matters as contemplated in Section 178(1) of the Companies Act, 2013

("the Act") is available on the web-link <https://www.kesocorp.com/DOCS/pdf/mgc/nomination-and-remuneration-policy.pdf>

It is affirmed that the remuneration paid to Company Directors during the year have been as per the terms set out in the Company's Nomination & Remuneration Policy.

#### **Declaration by Independent Directors**

The Company has received the requisite declarations from each Independent Director under Section 149(7) of the Act, affirming that each of them duly met the criteria of independence as prescribed in Section 149(6) of the Act and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR").

#### **Board Evaluation**

This year too Board Members underwent an elaborate process of evaluation of the Board's own effectiveness, that of its Committees and also individual Board Members. The process included an appraisal of the functioning of the Chairman of the Board as well as the Whole-time Director at a Meeting of Independent Directors.

#### **Familiarisation programme for Independent Directors**

There were no Directorial appointments during the year.

The procedure followed for familiarising Independent Directors with corporate operations appears in the Report on Corporate Governance.

#### **DIRECTORATE**

Jikyeong Kang (DIN: 08045661), Non-Executive Non Independent Director of the Board, retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers herself for re-appointment. Her brief profile is annexed to the Notice of AGM.

Based upon approvals obtained from the Company's general body of Shareholders, Lee Seow Chuan (DIN: 02696217), an Independent Director, to continue as such even though he attained 75 years of age during the year.

Rashmi Bihani (DIN: 07062288), a distinguished Practicing Chartered Accountant, was appointed as an Additional Director of the Company effective 22<sup>nd</sup> April, 2024. She will hold office as such till the conclusion of the ensuing Annual General Meeting. Her appointment as an Independent Director is being proposed for approval at the ensuing "AGM".

#### **KEY MANAGERIAL PERSONNEL**

The following persons functioned as Key Managerial Personnel during the year:

|                  |                                               |
|------------------|-----------------------------------------------|
| P. Radhakrishnan | Whole time Director & Chief Executive Officer |
| Rohit Shah       | Chief Financial Officer                       |
| Gautam Ganguli   | Company Secretary                             |

#### **BOARD COMMITTEES**

As at 31<sup>st</sup> March, 2024, the Board had six Committees comprising of the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder Relationship Committee, the Risk Management Committee, the Corporate Social Responsibility Committee and Fund Raising Committee.

All recommendations made by such Committees were noted by the Board. There was no instance of disagreement between the Board and the recommendations of the concerned Committees.

A detailed note on the composition of the Board and its Committees appears in the Report on Corporate Governance.

#### **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

No mandatory expenditure during the year on corporate social responsibility was envisaged as per Section 135 of the Act.

Nonetheless, the Company has never been found wanting in making dedicated spends that seek to desirably benefit those living in the vicinity of its two cement plants. No exceptions were made in this year either.

The Board's CSR Committee consisted of Manjushree Khaitan, K P Khandelwal and P. Radhakrishnan.

The Company's CSR Policy is available on the web link [www.kesocorp.com/DOCS/pdf/mgc/kesoram-CSR-Policy-27042015.pdf](https://www.kesocorp.com/DOCS/pdf/mgc/kesoram-CSR-Policy-27042015.pdf).

A Report on CSR activities during the year is annexed to this Report and marked **Annexure IV**

**CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS MADE WITH RELATED PARTIES**

The Board affirms that all related party transactions/ arrangements/ contracts entered into by the Company during the year were approved by the Audit Committee and were at arm's length basis and in the ordinary course of business.

No contract/ arrangement with any related party that could be considered material in accordance with the Company Policy on "Materiality of Related Party Transactions" or which required reporting in Form No. AOC-2 as per Section 134(3) (h) read with Section 188(1) of the Act was entered into during the year.

There were no materially significant related party transactions entered into by the Company that could have potential conflict with the interest of the Company at large.

The Company's Related Party Transaction Policy appears on the web- link [www.kesocorp.com/DOCS/pdf/mgc/related-party-transactions-policy.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/related-party-transactions-policy.pdf).

Related party transactions during the year as per the provisions of Indian Accounting Standard ("Ind AS") 24 have been disclosed in the Notes to the attached Financial Statements.

**SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY**

Cygnat Industries Limited ("Cygnat") and Gondkhari Coal Mining Limited ("Gondkhari"), continued as a Wholly Owned Subsidiary and Joint Venture Company respectively.

The Financial Statements of Cygnat and Gondkhari (as applicable) as at 31<sup>st</sup> March, 2024 have been consolidated with the Financial Statements of the Company form part of this Annual Report.

The turnover and Loss of Cygnat for the year stood at ₹ 246.40 Crore and ₹ 67.61 Crore as against ₹ 244.30 Crore and ₹ 78.61 Crore in the previous year.

Gondkhari, the Special Purpose Vehicle ("SPV"), was incorporated in 2009 as a Joint Venture between the Company and two other corporate entities for developing and working a coal block in the State of Maharashtra. Gondkhari forfeited its sub-structure once the Supreme Court in 2014 de-allocated the coal block that was originally allocated. Full provision exists in the Company's books against its portion of investment in Gondkhari.

A Statement containing salient features of the Financial Statements of Cygnat and Gondkhari in the statutory Form AOC-1 appears in **Annexure V** of this Annual Report.

The Financial Statements of Cygnat, a material subsidiary, is available on the website of the Company [www.kesocorp.com](http://www.kesocorp.com).

The Company's Policy on Material Subsidiaries is also available on the Company's website [www.kesocorp.com](http://www.kesocorp.com)

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Inter corporate financial exposures as at the end of the year appears under Note No. 8 to the Financial Statements.

The Company has not given any loan and /or guarantee or made any investment within the meaning of Section 186 of the Act during the year.

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has in place a Vigil Mechanism/ Whistle Blower Policy as detailed in the Report on Corporate Governance. The Policy is available on the web-link [www.kesocorp.com/DOCS/pdf/mgc/whistle-blower.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/whistle-blower.pdf)

**REPORTING OF FRAUD BY THE AUDITORS**

No fraud has been reported by the Auditors under Section 143(12) of the Act. Therefore, no disclosures are required under Section 134(3) (ca) of the Act.

**STATUTORY AUDITORS**

The Report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2024 forms part of this Annual Report. The Report is free from any qualifications, reservations or disclaimers. Observations therein are self-explanatory.

**COST AUDITORS**

Mani & Co., Cost Accountants, was appointed to conduct the audit of the Company's cost accounting records pertaining to its Cement Business for the year at a remuneration of ₹ 5.47 Lakh, excluding tax and reimbursement of out of pockets.

A Resolution for ratification of the above remuneration is being proposed at the forthcoming AGM.

**SECRETARIAL AUDITORS & SECRETARIAL STANDARDS**

Ritu Bajaj, Practicing Company Secretary was appointed as Secretarial Auditor to conduct audit of the Company's secretarial records for the year. Her Report is annexed and marked as **Annexure VI**. The Report is free from any qualification, reservation or adverse remark. Observations therein are self-explanatory.

The Company has complied with all applicable Secretarial Standards.

The Secretarial Audit Report of the wholly owned subsidiary is also annexed with **Annexure VI**.

#### **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure VII** of this Report. No employee listed in the Annexure is related to any Director.

However, in line with the provisions of the second proviso to Section 136(1) of the Act and as per extant Ministry of Corporate Affairs Circulars, this Annual Report is being sent to Members excluding the above information. Any Member interested in obtaining this information, is welcome to request the Company through email at [corporate@kesoram.com](mailto:corporate@kesoram.com).

#### **POLICY ON SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

The Company has an extant Policy on prevention, prohibition and redressal of sexual harassment of women at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the weblink [www.kesocorp.com/DOCS/pdf/mgc/policy-on-prevention-of-sexual-harassment-at-workplace.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/policy-on-prevention-of-sexual-harassment-at-workplace.pdf).

The requisite Internal Committee(s) in accordance with Company Policy are also in place. No complaint on any issue covered by the above law was received during the year.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) the Act and, based upon representations from the Management, the Board of Directors, to the best of its knowledge and belief, states that:

- (a) in the preparation of the Annual Accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31<sup>st</sup> March, 2024 and of the profit and loss of the Company for that period;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems have been devised to ensure compliance by the Company with the provisions of all applicable laws and that such systems were adequate and working effectively.

#### **CODE OF CONDUCT**

The Company has a laid down Code of Business Conduct and Ethics, based on ethics, integrity and transparency.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with the relevant Rule appears in **Annexure VIII** to this Report.

#### **MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There has been no material change between the end of the Financial Year and the date of this Report.

#### **ANNUAL RETURN**

The Company's Annual Return in Form MGT-7 can be viewed on the Company website [www.kesocorp.com](http://www.kesocorp.com)

#### **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the year.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

Applicable Accounting Standards as prescribed from time to time under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2016 have been followed in the preparation of the Financial Statements of the Company as at 31<sup>st</sup> March, 2024.

**INVESTOR EDUCATION & PROTECTION FUND (IEPF)**

The details of unclaimed dividend & shares transferred to IEPF Authority is provided in the Investor Relations section on the Company's website [www.kesocorp.com](http://www.kesocorp.com)

**PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

There are no pending proceedings under the Insolvency and Bankruptcy Code, 2016.

**ONE-TIME SETTLEMENT WITH THE BANKS OR FINANCIAL INSTITUTIONS**

No one-time settlement with Banks or Financial Institutions were entered into during the year.

**ANNEXURES FORMING PART OF THIS REPORT**

| Annexure | Particulars                                                                                                                               |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------|
| I        | Management Discussion & Analysis                                                                                                          |
| II       | Business Responsibility and Sustainability Report                                                                                         |
| III      | Report on Corporate Governance                                                                                                            |
| IV       | Report on Corporate Social Responsibility (CSR) activities                                                                                |
| V        | AOC – 1                                                                                                                                   |
| VI       | Secretarial Audit Report                                                                                                                  |
| VII      | Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Companies Act, 2013 |
| VIII     | Conservation of energy, technology absorption, foreign exchange earnings and outgo                                                        |

**APPRECIATION**

The Board takes this opportunity to express its deep sense of gratitude to Investors, Lenders, Central and State Governments, local authorities and other Stakeholders for their continued co-operation and support during the year.

We on behalf of the Board would like to place on record our sincere appreciation for the commitment, hard work and high engagement level of every employee and worker of the Company. We thank the various stakeholders of the Company including customers, dealers, suppliers, transporters, advisors, local community for their continued committed engagement with the Company.

**For and on behalf of the Board**

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

## MANAGEMENT DISCUSSION AND ANALYSIS

### Performance Overview

The Company's Business-wise performance during the year is shown below:

₹/ Crore

| S.No. | Particulars                                                  | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2023 |
|-------|--------------------------------------------------------------|------------------------------|------------------------------|
| 1     | EBIDTA                                                       | 420.06                       | 371.22                       |
| 2     | Finance Cost including interest                              | 461.75                       | 422.78                       |
| 3     | Cash Profit/ (Loss)                                          | (41.69)                      | (51.56)                      |
| 4     | Depreciation                                                 | 115.28                       | 81.57                        |
| 5     | Profit/ (Loss) Before Tax                                    | (156.97)                     | (133.13)                     |
| 6     | Provision for Tax expenses/ (Income)                         | 109.86                       | 190.53                       |
| 7     | <b>Profit/ (Loss) for the year (before exceptional item)</b> | <b>(266.83)</b>              | <b>57.40</b>                 |
| 8     | Exceptional Item                                             | (64.84)                      | (173.07)                     |
| 9     | <b>Total Profit/ (Loss) for the year</b>                     | <b>(331.67)</b>              | <b>(115.67)</b>              |

### Business

#### Cement Industry Overview

India is the second largest producer of cement in the world accounting for 7% of the global installed capacity. The cement industry is mainly driven by the consequential number of construction activities with the growing demand and a surging need for residential complexes of urbanised population. Furthermore, the construction of various infrastructure projects such as airports and roads, undertaken by the government in recent times, propels the growth of the market.

The demand growth forecast for the industry is closer to 10%. Cement production capacity in the country is expected to steadily grow and achieve 550-600 million tonnes per annum by 2025.

For the cement industry in India, the next few years affords it an opportunity of scalability. An upturn in the economy would amount to a further increase in infrastructural spends thereby boosting cement demand. That would enhance the adage of Building More, Building Well and Building Right.

The concomitant upgradation in investment on cement will favourably impact employment, the country's resource base and therefore domestic GDP.

#### Risks and Concerns

The interest rates hike by various central banks are likely to impact consumption in the near term. The sticky inflation may be a dampener for growth.

The progressive depletion of reserves of limestone and other flux minerals required for cement manufacture is yet another concern. This is a clear signal for the industry to further gear up identification of fresh reserves. Side by side, there is the imminent need to expand production of blended cement and conserve high grade limestone by tweaking the mix in clinker production. The Industry has taken strident steps to propagate blended cement, the availability of fly ash or alternate blends in the proximity to the rapidly expanding capacity may prove to be a challenge.

The shift from fossil fuel to alternate fuels needs investment and has its limitations.

#### Growth Drivers

The Company is focused on rural market penetration and brand positioning on a consistent basis and this approach resulted in the volume growth and clocking ever highest sale.

Increased capital investment outlay by 33.4% to ₹ 10 lakh Crore, ₹ 75 thousand Crore investment for one hundred critical transport infrastructure projects for first and last mile connectivity for various sectors, capital outlay of ₹ 2.4 Lakh Crore for Railways and 50-year interest free loan to State Governments to incentivize infrastructure investment, are providing a boost to the growth.

There is considerable indication for allocation to infrastructure in the current year Pre-election budget. The full-fledged budget post elections is likely to place accent on growth of infrastructure.

### Company's Cement Business going forward

The Business's brand, Birla Shakti, is an approved brand in several Government projects for supply of cement, including the Military Engineering Services and the Ministry of Defence. The confidence reflects in the initiatives taken for brand positioning and brand extension, intensification of its efforts at further refining its brand in its niche markets. Brand extension to blended cement is gaining distinct ground and augurs well for the future.

The Company's premium Blended Cement Brand "Birla Shakti ConQUerete" is well received in the market and would be a key driver to grow blended cement share in years to come.

Sale volumes are expected to rise as the Business expands its dealer network and escalates marketing efforts through influencers and market makers. The focus on adding value and educating the customer of using blending cement have started giving encouraging signals. The Company's curated concentrate product "Birla Shakti Super Plast" is getting recognized and is widely used in plastering and tile fixing.

The "General Review" incorporated in the Directors' Report sets out a brief resume of performance of the Company's Cement Business.

The demerger of Cement business and its merger with UltraTech augurs well for the expansion and growth of the Cement business.

**The following critical ratios have changed beyond the 25% indicative threshold specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

| Sl. No. | Particulars           | 2023-24 | 2022-23 | Explanation              |
|---------|-----------------------|---------|---------|--------------------------|
| i)      | Debt Equity Ratio     | 6.44    | 2.67    | Due to current year loss |
| ii)     | Net Profit Margin (%) | -8.87   | -3.27   | Due to current year loss |
| iii)    | Return on Net worth   | -0.69   | -0.18   | Due to current year loss |

### Sustainability

Sustainability remains Company's key focus area and continuously working towards addressing challenges around issues of climate and energy, environment, circular economy and community. The Company is diligently working towards the goals set for reducing carbon emissions, replacing traditional fuel sources with renewable energy, mindful management of water and waste and conservation of biodiversity.

### Internal Control Systems and their adequacy

This has been covered in the Directors' Report.

### Material Developments in Human Resources

Employees constitute the Company's most important assets. This belief has been instilled in the Company to further amplify its people practices especially in the area of talent management.

The number of people employed as on 31<sup>st</sup> March, 2024 is separately covered under **Annexure VII** to the Directors' Report.

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**For and on behalf of the Board**  
**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

| S. No. | Particulars                                                                                                                                                                                                                                                        | Details                                                                                                                                                                                                                                      |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Corporate Identity Number (CIN) of the Listed Entity                                                                                                                                                                                                               | L17119WB1919PLC003429                                                                                                                                                                                                                        |
| 2      | Name of the Listed Entity                                                                                                                                                                                                                                          | Kesoram Industries Limited                                                                                                                                                                                                                   |
| 3      | Year of incorporation                                                                                                                                                                                                                                              | 1919                                                                                                                                                                                                                                         |
| 4      | Registered office address                                                                                                                                                                                                                                          | Birla Building, 9/1, R N Mukherjee Road, Kolkata-700001, West Bengal                                                                                                                                                                         |
| 5      | Corporate address                                                                                                                                                                                                                                                  | Birla Building, 9/1, R N Mukherjee Road, Kolkata-700001, West Bengal                                                                                                                                                                         |
| 6      | E-mail                                                                                                                                                                                                                                                             | corporate@kesoram.com                                                                                                                                                                                                                        |
| 7      | Telephone                                                                                                                                                                                                                                                          | 033-22435453                                                                                                                                                                                                                                 |
| 8      | Website                                                                                                                                                                                                                                                            | www.kesocorp.com                                                                                                                                                                                                                             |
| 9      | Financial year for which reporting is being done                                                                                                                                                                                                                   | 1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024                                                                                                                                                                                  |
| 10     | Name of the Stock Exchange(s) where shares are listed                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• BSE Limited</li> <li>• National Stock Exchange of India Limited</li> <li>• The Calcutta Stock Exchange Limited</li> <li>• Societe de la Bourse de Luxembourg, Societe Anonyme (for GDRs)</li> </ul> |
| 11     | Paid-up Capital                                                                                                                                                                                                                                                    | ₹ 310.66 Crore                                                                                                                                                                                                                               |
| 12     | Name and contact details of the person who may be contacted in case of any queries on the BRSR report                                                                                                                                                              | Gautam Ganguli<br>Company Secretary<br>Telephone- 033-22435453<br>Mail- gg@kesoram.com                                                                                                                                                       |
| 13     | Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together) | The reporting boundary covers the disclosures of the Company's Three plants and Thirty-Two offices covering corporate office as well as branch offices on a standalone basis.                                                                |
| 14     | Name of assurance provider                                                                                                                                                                                                                                         | Not mandatory and not sought                                                                                                                                                                                                                 |
| 15     | Type of assurance obtained                                                                                                                                                                                                                                         | Not Applicable                                                                                                                                                                                                                               |

#### II. Products/ services

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

| S. No. | Description of Main Activity     | Description of Business Activity | % of Turnover of the entity |
|--------|----------------------------------|----------------------------------|-----------------------------|
| 1      | Clinker and Cement manufacturing | Clinker and Cement manufacturing | 100                         |

##### 2. Products/ Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code       | % of total Turnover contributed |
|--------|-----------------|----------------|---------------------------------|
| 1      | Cement          | 23941<br>23942 | 100                             |

#### III. Operations

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

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 3                | 32                | 35    |
| International | NIL              |                   |       |

## 2. Markets served by the entity:

## a. Number of locations

| Location                         | Number |
|----------------------------------|--------|
| National (No. of States)         | 13     |
| International (No. of Countries) | NIL    |

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

No exports and hence NIL.

## c. A brief on types of customers

The Company has a large customer base ranging from individual builders to large-scale companies. The Company mainly serves individual home builders, including both home-owners or small-scale contractors, cement dealers, real estate developers and infrastructure companies for small-scale construction to large-scale infrastructure projects.

## IV. Employees

## 1. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

| S. No     | Particulars              | Total (A) | Male    |         | Female  |         |
|-----------|--------------------------|-----------|---------|---------|---------|---------|
|           |                          |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES |                          |           |         |         |         |         |
| 1         | Permanent (D)            | 940       | 923     | 98.19   | 17      | 1.81    |
| 2         | Other than Permanent (E) | 69        | 63      | 91.30   | 6       | 8.70    |
| 3         | Total employees (D+E)    | 1,009     | 986     | 97.72   | 23      | 2.28    |
| WORKERS   |                          |           |         |         |         |         |
| 4         | Permanent (F)            | 648       | 648     | 100.00  | -       | -       |
| 5         | Other than Permanent (G) | 3,287     | 3,108   | 94.55   | 179     | 5.45    |
| 6         | Total workers (F + G)    | 3,935     | 3,756   | 95.45   | 179     | 4.55    |

## b. Differently abled Employees and workers:

| S. No                                     | Particulars                                      | Total (A) | Male    |         | Female  |         |
|-------------------------------------------|--------------------------------------------------|-----------|---------|---------|---------|---------|
|                                           |                                                  |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b><u>DIFFERENTLY ABLED EMPLOYEES</u></b> |                                                  |           |         |         |         |         |
| 1                                         | Permanent (D)                                    | -         | -       | -       | -       | -       |
| 2                                         | Other than Permanent (E)                         | -         | -       | -       | -       | -       |
| 3                                         | <b>Total differently abled employees (D + E)</b> | -         | -       | -       | -       | -       |
| <b><u>DIFFERENTLY ABLED WORKERS</u></b>   |                                                  |           |         |         |         |         |
| 4                                         | Permanent (F)                                    | -         | -       | -       | -       | -       |
| 5                                         | Other than permanent (G)                         | -         | -       | -       | -       | -       |
| 6                                         | <b>Total differently abled workers (F + G)</b>   | -         | -       | -       | -       | -       |

## 2. Participation/ Inclusion/ Representation of women

|                                                           | Total(A) | No. and percentage of Females |         |
|-----------------------------------------------------------|----------|-------------------------------|---------|
|                                                           |          | No. (B)                       | % (B/A) |
| Board of Directors (Including Whole- time Director & CEO) | 8        | 3                             | 38      |
| Key Management Personnel                                  | 2        | -                             | -       |

### 3. Turnover rate for permanent employees and workers

|                     | FY 2023-24 (%) |        |       | FY 2022-23 (%) |        |       | FY 2021-22 (%) |        |       |
|---------------------|----------------|--------|-------|----------------|--------|-------|----------------|--------|-------|
|                     | Male           | Female | Total | Male           | Female | Total | Male           | Female | Total |
| Permanent Employees | 17.45          | 32.25  | 17.71 | 14.91          | 33.33  | 15.23 | 9.63           | 37.50  | 10.15 |
| Permanent Workers   | 4.38           | -      | 4.38  | 6.66           | -      | 6.66  | 4.24           | 100.00 | 4.38  |

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

Names of holding/ subsidiary/ associate companies/ joint ventures

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed Entity? (Yes/No) |
|--------|--------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1      | Cygnnet Industries Limited                                               | Wholly Owned Subsidiary                                        | 100.00                            | Yes                                                                                                                          |
| 2      | Gondkhari Coal Mining Ltd                                                | Joint Venture                                                  | 45.46                             | Yes                                                                                                                          |

### VI. CSR Details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/ No): Yes\*
- (ii) Turnover (in ₹): 3,740.48 Crore
- (iii) Net worth (in ₹): 314.19 Crore

\* Due to absence of average net profits in the immediately three preceeding years, there is no mandatory requirement for the Company to spend any amounts under CSR.

### VII. Transparency and Disclosures Compliances

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

| Stakeholder group from whom complaint is received* | Grievance Redressal Mechanism in Place (Yes/ No)<br>(If yes, then provide web-link for grievance redress policy) | FY 2023-24                                 |                                                              |         | FY 2022-23                                 |                                                              |         |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|---------|--------------------------------------------|--------------------------------------------------------------|---------|
|                                                    |                                                                                                                  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                        | Yes,<br>www.kesocorp.com                                                                                         | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Investors (other than shareholders)                |                                                                                                                  | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Shareholders                                       |                                                                                                                  | 11                                         | -                                                            | -       | 11                                         | -                                                            | -       |
| Employees and workers                              |                                                                                                                  | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Customers                                          |                                                                                                                  | 15                                         | -                                                            | -       | -                                          | -                                                            | -       |
| Value Chain Partners                               |                                                                                                                  | -                                          | -                                                            | -       | -                                          | -                                                            | -       |
| Other (please specify)                             |                                                                                                                  | -                                          | -                                                            | -       | -                                          | -                                                            | -       |

\*Complaints/ Grievances received from stakeholders, other than shareholders, are not significant in nature and are resolved in a timely manner.

- ii. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| S. No. | Material issue identified                               | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity                                                                                                                                                                                                            | In case of risk, approach to adapt or mitigate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Financial implications of the risk or opportunity |
|--------|---------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 1      | Climate Change and Global Warming                       | Opportunity                                | Risks associated with climate change and global warming encompass challenges concerning environmental standards and the occurrence of natural disasters resulting from climate change, as well as sustainability concerns at both local and global scales. | While currently presenting a risk, climate change also offers companies unique opportunities to transition towards sustainable practices. This includes exploring renewable energy sources and alternative resources and fuels.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Positive                                          |
| 2      | Environment & Sustainability                            | Risk                                       | This primarily pertains to pollution control and the release of emissions. Although not critical at the moment, it could escalate in importance as regulations tighten, necessitating closer monitoring.                                                   | <p>This involves risks associated with environmental pollution stemming from waste discharge and hazardous emissions, which could potentially damage the local ecology and environment. The Company is engaged in several initiatives, including:</p> <ul style="list-style-type: none"> <li>a) Water management</li> <li>b) Waste management</li> <li>c) Emission management and</li> <li>d) Energy management</li> </ul> <p>These initiatives entail the implementation of sewage treatment plants, recycling industrial wastewater, and extensive tree planting and creation of green belts to mitigate risks and protect the environment. Alongside targeted CO<sub>2</sub> emissions reduction, the Company's risk mitigation strategy includes utilizing green energy, adjusting product mix, improving energy efficiency, and adopting alternative fuels and raw materials.</p> | Negative                                          |
| 3      | Global Regulations on curbing Green House Gas Emissions | Risk                                       | The manufacturing process involves the consumption of limestone and fossil fuels, leading to the emission of carbon.                                                                                                                                       | <p>Some initiatives outlined by the Company include:</p> <ul style="list-style-type: none"> <li>-Transitioning to waste heat recovery.</li> <li>-Enhancing energy efficiency.</li> <li>-Implementing carbon sequestration measures.</li> <li>-Optimizing the utilization of clinker.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Negative                                          |

| S. No. | Material issue identified                          | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity                                                                                                                                                                          | In case of risk, approach to adapt or mitigate                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Financial implications of the risk or opportunity |
|--------|----------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 4      | Health & Safety (Occupational Hazards)             | Risk                                       | The Company's activities entail occupational hazards such as biological risks, psychosocial challenges, and physical dangers.                                                                                            | The Company strictly enforces a 'Zero tolerance' policy regarding safety breaches. Additionally, it exclusively engages in business with vendors who fully comply with our rigorous safety standards.                                                                                                                                                                                                                                                                                                              | Negative                                          |
| 5      | Labor/ industrial relations                        | Risk                                       | Building and sustaining stable relationships with labor unions while effectively addressing labor-related issues.                                                                                                        | The Company acknowledges the significance of labor unions and has fostered harmonious relationships with them. Furthermore, it is proactively addressing issues by taking timely steps to resolve them.                                                                                                                                                                                                                                                                                                            | Negative                                          |
| 6      | Local community involvement and social development | Opportunity                                | By nurturing robust and positive relationships with local communities, the Company has been able to make meaningful contributions to social development, thereby establishing the groundwork for a sustainable business. | The Company maintains its dedication to Corporate Social Responsibility (CSR) and social initiatives across all its plants, with the aim of building stronger connections with the wider community.<br><br>At the plant level, apprenticeship programs are put in place to provide local villagers with vocational skills, thereby enhancing their employability. Additionally, both plants offer primary and secondary schooling facilities to the local community.                                               | Positive                                          |
| 7      | Mining                                             | Risk                                       | Limestone mining                                                                                                                                                                                                         | The Company utilizes state-of-the-art environmentally friendly and safe mining techniques, with a focus on minimizing disruption to people, land, and the environment.<br><br>Over land Belt Conveyor (OLBC) systems are employed for transporting limestone from the mines to the cement plant, reducing environmental impact.<br><br>Mine rehabilitation and biodiversity protection are integral aspects of the company's mine planning and operations, ensuring environmental conservation and sustainability. | Negative                                          |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

P1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P2 - Businesses should provide goods and services in a manner that is sustainable and safe.

P3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 - Businesses should respect the interests of and be responsive to all its stakeholders.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect and make efforts to protect and restore the environment.

P7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 - Businesses should promote inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their consumers in a responsible manner.

| Disclosure Questions                                                                                                                                                                                                                                         | P 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)                                                                                                                                             | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/ No)                                                                                                                                                                                                      | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available                                                                                                                                                                                                                    | www.kesocorp.com<br>www.birlashakticement.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes/ No)                                                                                                                                                                                   | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)                                                                                                                                                                                    | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No  | No  | Yes | No  | No  | No  | Yes | Yes |
| 4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | IS/ ISO 9001, 14001, 18001, 45001 & 50001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.                                                                                                                                                                 | <p>The Company by adopting the NGRBC Principles and Core elements, acknowledges its responsibility in contributing to the country's endeavors to address significant social, economic, and environmental challenges. As a responsible corporate citizen, the Company is committed to playing its part in the global effort to combat global warming, while simultaneously working to minimize its impact on air, land, and water.</p> <p>Specifically, the Company is committed to decreasing its consumption of non-renewable power, fuel, and greenhouse gas emissions by increasing the utilization of alternative fuels like plastic waste and carbon black, while also raising the production proportion of Portland Pozzolana Cement (PPC). In light of corporate changes that occurred during the year, the Company is in the process of establishing specific goals and targets for achievement within set timelines.</p> |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.                                                                                                                            | Refer point no. 5 above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     |     |     |     |     |     |     |     |

| Governance, leadership and oversight                                                                                                                                                                                   |                                                                                                 |    |    |    |    |    |    |    |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |    |    |    |    |    |    |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure). |                                                                                                 |    |    |    |    |    |    |    |    | As a responsible cement manufacturing Company, Kesoram Industries Limited is dedicated to upholding the principles of Business Responsibility and Sustainable Reporting (BRSR), as well as fostering inclusive growth in line with national commitments. We are committed to continually enhancing our performance by not only addressing social and environmental challenges but also by generating positive impacts through our business operations. We are diligently working towards the goals set for reducing carbon emissions, replacing traditional fuel sources with renewable energy, mindful management of water and waste and conservation of biodiversity. |    |    |    |    |    |    |    |    |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).                                                                                          |                                                                                                 |    |    |    |    |    |    |    |    | P. Radhakrishnan<br>Whole-time Director & Chief Executive Officer (“CEO”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |    |    |    |    |    |    |    |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.                                            |                                                                                                 |    |    |    |    |    |    |    |    | Yes, the business responsibility performance of the Company is assessed on a regular basis by the Senior Leadership Team comprising the Whole-time Director & CEO, Chief Financial Officer, Plant Heads, HR Head, Sales and Marketing Head and Procurement Head.<br><br>Overall performance is assessed at least once a year by the Board.                                                                                                                                                                                                                                                                                                                              |    |    |    |    |    |    |    |    |
| 10. Details of Review of NGRBCs by the Company:                                                                                                                                                                        |                                                                                                 |    |    |    |    |    |    |    |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |    |    |    |    |    |    |    |
| Subject for Review                                                                                                                                                                                                     | Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee |    |    |    |    |    |    |    |    | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |    |    |    |    |    |    |    |
|                                                                                                                                                                                                                        | P1                                                                                              | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action.                                                                                                                                                               | Whole-time Director & CEO                                                                       |    |    |    |    |    |    |    |    | Quarterly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliance.                                                                                                       | Whole-time Director & CEO                                                                       |    |    |    |    |    |    |    |    | Quarterly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |    |    |    |    |    |    |    |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.                                                 | P1                                                                                              | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |    |    |    |    |    |    |    |
|                                                                                                                                                                                                                        | No                                                                                              |    |    |    |    |    |    |    |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |    |    |    |    |    |    |    |

| 12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:              |    |    |    |    |    |      |    |    |    |
|----------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|------|----|----|----|
| Questions                                                                                                                        | P1 | P2 | P3 | P4 | P5 | P6   | P7 | P8 | P9 |
| The entity does not consider the principles material to its business (Yes/ No)                                                   |    |    |    |    |    | N.A. |    |    |    |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No) |    |    |    |    |    | N.A. |    |    |    |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/ No)                        |    |    |    |    |    | N.A. |    |    |    |
| It is planned to be done in the next financial-year (Yes/ No)                                                                    |    |    |    |    |    | N.A. |    |    |    |
| Any other reason (please specify)                                                                                                |    |    |    |    |    | N.A. |    |    |    |

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

#### Principle 1 - Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable

The Company has put in place a strong and transparent governance framework to instill and enforce ethical values in the Company's and its Subsidiary's overall culture and protect the interests of all stakeholders. To prevent unlawful practices, the Company's Code of Conduct specifies objectives, duties and guidelines for employees as well as the senior management, which needs to be adhered to by all.

#### Essential Indicators

- Percentage coverage by training and awareness programs on any of the principles during the financial year:

| Segment                           | Total number of training and awareness programmes held                                               | Topics/ principles covered under the training and its impact                                                                                                                                                                                                                                                                                                                               | Percentage of persons in respective category covered by the awareness programmes |
|-----------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Board of Directors ("BOD")        | The Board of Directors and KMPs attended 7 Board Meetings and 11 Committee Meetings during the year. | Material topics included but not limited to compliance and governance parameters, Business Growth and Strategy, Accounts & Audit, Finance, Risk management, Environment and Sustainability, Regulatory changes and Corporate Governance etc.                                                                                                                                               | 100.00                                                                           |
| Key Managerial Personnel          |                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                            | 100.00                                                                           |
| Employees other than BOD and KMPs | 99                                                                                                   | In furtherance of a safe and productive work environment, employees have undergone a comprehensive training program encompassing various operational health and safety protocols alongside targeted sessions for skill enhancement. This holistic approach equips the workforce with the necessary knowledge and skills to perform their duties effectively, all while prioritizing safety | 64.02                                                                            |
| Workers                           | 126                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                            | 34.36                                                                            |

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

| Monetary        |                 |                                                                     |              |                   |                                        |
|-----------------|-----------------|---------------------------------------------------------------------|--------------|-------------------|----------------------------------------|
| Type            | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine   |                 |                                                                     | NIL          |                   |                                        |
| Settlement      |                 |                                                                     |              |                   |                                        |
| Compounding Fee |                 |                                                                     |              |                   |                                        |

| Non-Monetary |                 |                                                                     |                   |                                        |
|--------------|-----------------|---------------------------------------------------------------------|-------------------|----------------------------------------|
| Type         | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment |                 |                                                                     |                   |                                        |
| Punishment   |                 |                                                                     |                   |                                        |

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

| S. No. | Case details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------|--------------|---------------------------------------------------------------------|
|        |              | NIL                                                                 |

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

The respective policies can be accessed through [www.birlashakticement.com](http://www.birlashakticement.com)

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

|           | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | NIL        |            |
| KMPs      |            |            |
| Employees |            |            |
| Workers   |            |            |

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

|                                                                                              | FY 2023-24 |         | FY 2022-23 |         |
|----------------------------------------------------------------------------------------------|------------|---------|------------|---------|
|                                                                                              | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of interest of the Directors | NIL        |         | NIL        |         |
| Number of complaints received in relation to issues of Conflict of interest of the KMPs      |            |         |            |         |

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Nil

8. Number of days of accounts payables  $\{(Accounts\ payable \times 365) / Cost\ of\ goods/services\ procured\}$  in the following format:

|                                     | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 67.68      | 59.21      |

9. **Open-ness of business**

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

| Parameter                  | Metrics                                                                                | FY 2023-24 | FY 2022-23 |
|----------------------------|----------------------------------------------------------------------------------------|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                               | -          | -          |
|                            | b. Number of trading houses where purchases are made from                              | -          | -          |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses    | -          | -          |
| Concentration of Sales     | a. Sales to dealers/ distributors as % of total sales                                  | 46.29      | 48.57      |
|                            | b. Number of dealers/ distributors to whom sales are made                              | 2,634      | 3,123      |
|                            | c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors  | 15.31      | 14.30      |
| Share of RTPs in           | a. Purchases (Purchases with related parties / Total Purchases)                        | -          | -          |
|                            | b. Sales (Sales to related parties/ Total Sales)                                       | -          | -          |
|                            | c. Loans & advances (Loan & advances given to related parties/ Total loans & advances) | 64.76      | 62.39      |
|                            | d. Investments (Investments in related parties/ Total Investments made)                | 78.36      | 78.83      |

**Principle 2 - Businesses should provide goods and services in manner that is sustainable and safe**

**Essential Indicators**

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

|       | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|-------|------------|------------|-------------------------------------------------------------|
| R & D | -          | -          | NA                                                          |
| Capex | -          | 18.88      | NA                                                          |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/ No) - **Yes**  
 b. If yes, what percentages of inputs were sourced sustainably?  
 Around 46.47% of inputs were sourced sustainably.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
- Fly ash (other waste), a byproduct of captive power plants, is repurposed by blending with cement, thereby contributing to a decrease in environmental impact and promoting the conservation of resources.
  - The Company has achieved plastic negativity by using plastic waste from its manufacturing units as fuel in kilns, supplemented by sourcing additional plastic waste from local municipal corporations and industries for use as alternative fuel. These initiatives have led to diminished consumption of natural resources, decreased environmental footprints, and curtailed emissions.

- Hazardous waste (Oil Sludge) generated during cement production, such as oil sludge, undergoes responsible management through sale to registered recyclers or disposers, ensuring that proper disposal procedures are followed and minimizing environmental harm.
- The Company's products do not generate any E-waste. However, E-waste produced during office operations is sold to registered recyclers, promoting responsible recycling practices and minimizing waste.
- By adopting these sustainable practices, the Company is contributing to the preservation of the environment and the promotion of a circular economy.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the waste collection plan is in line with the action plan submitted to the Pollution Control Boards for the Sedam and Basant Nagar plants. For the Sedam plant, the waste collection plan submitted is currently under approval of the concerned Pollution Control Board.

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

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category                       | % of employees covered by |                  |            |                    |            |                    |            |                    |            |                     |            |
|--------------------------------|---------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                | Total<br>(A)              | Health insurance |            | Accident insurance |            | Maternity benefits |            | Paternity Benefits |            | Day Care facilities |            |
|                                |                           | Number<br>(B)    | %<br>(B/A) | Number<br>(C)      | %<br>(C/A) | Number<br>(D)      | %<br>(D/A) | Number<br>(E)      | %<br>(E/A) | Number<br>(F)       | %<br>(F/A) |
| Permanent employees            |                           |                  |            |                    |            |                    |            |                    |            |                     |            |
| Male                           | 923                       | 923              | 100.00     | 923                | 100.00     | -                  | -          | -                  | -          | -                   | -          |
| Female                         | 17                        | 17               | 100.00     | 17                 | 100.00     | 17                 | 100.00     | -                  | -          | -                   | -          |
| Total                          | 940                       | 940              | 100.00     | 940                | 100.00     | 17                 | 100.00     | -                  | -          | -                   | -          |
| Other than Permanent employees |                           |                  |            |                    |            |                    |            |                    |            |                     |            |
| Male                           | 63                        | 60               | 95.24      | 60                 | 95.24      | -                  | -          | -                  | -          | -                   | -          |
| Female                         | 6                         | 6                | 100.00     | 6                  | 100.00     | 6                  | 100.00     | -                  | -          | -                   | -          |
| Total                          | 69                        | 66               | 95.65      | 66                 | 95.65      | 6                  | 100.00     | -                  | -          | -                   | -          |

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

| Category                     | % of workers covered by |                  |            |                    |            |                    |            |                    |            |                     |            |
|------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                              | Total<br>(A)            | Health insurance |            | Accident insurance |            | Maternity benefits |            | Paternity Benefits |            | Day Care facilities |            |
|                              |                         | Number<br>(B)    | %<br>(B/A) | Number<br>(C)      | %<br>(C/A) | Number<br>(D)      | %<br>(D/A) | Number<br>(E)      | %<br>(E/A) | Number<br>(F)       | %<br>(F/A) |
| Permanent workers            |                         |                  |            |                    |            |                    |            |                    |            |                     |            |
| Male                         | 648                     | 648              | 100.00     | 648                | 100.00     | -                  | -          | -                  | -          | -                   | -          |
| Female                       | -                       | -                | -          | -                  | -          | -                  | -          | -                  | -          | -                   | -          |
| Total                        | 648                     | 648              | 100.00     | 648                | 100.00     | -                  | -          | -                  | -          | -                   | -          |
| Other than Permanent workers |                         |                  |            |                    |            |                    |            |                    |            |                     |            |

|              |              |              |               |              |               |            |               |   |   |   |   |
|--------------|--------------|--------------|---------------|--------------|---------------|------------|---------------|---|---|---|---|
| Male         | 3,108        | 3,108        | 100.00        | 3,108        | 100.00        | -          | -             | - | - | - | - |
| Female       | 179          | 179          | 100.00        | 179          | 100.00        | 179        | 100.00        | - | - | - | - |
| <b>Total</b> | <b>3,287</b> | <b>3,287</b> | <b>100.00</b> | <b>3,287</b> | <b>100.00</b> | <b>179</b> | <b>100.00</b> | - | - | - | - |

The Company also provides various forms of medical assistance to employees, their families, and those living in surrounding villages. Each factory has a medical center with full-fledged doctors and the latest basic equipment.

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

|                                                                             | FY 2023-24 | FY 2022-23 |
|-----------------------------------------------------------------------------|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.07       | 0.09       |

2. Details of retirement benefits for Current FY 2023-24 and Previous FY 2022-23.

| Benefits                | FY 2023-24                                         |                                                |                                                      | FY 2022-23                                         |                                                |                                                      |
|-------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total Workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100.00                                             | 100.00                                         | Y                                                    | 100.00                                             | 100.00                                         | Y                                                    |
| Gratuity                | 100.00                                             | 100.00                                         | Y                                                    | 100.00                                             | 100.00                                         | Y                                                    |
| ESI                     | 0.96                                               | 16.20                                          | Y                                                    | 1.07                                               | 15.39                                          | Y                                                    |
| Others – please specify | -                                                  | -                                              | -                                                    | -                                                  | -                                              | -                                                    |

3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company is dedicated to provide the differently enabled employees or workers with the best facility to ensure their seamless integration within the Company. However, there were no differently enabled employees or workers during the year.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company has a comprehensive equal opportunity policy in place and can be viewed at <https://www.kesocorp.com/DOCS/pdf/mgc/kesoram-equal-opportunity-policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender       | Permanent employees |                | Permanent workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | N.A.                |                |                     |                |
| Female       |                     |                |                     |                |
| <b>Total</b> |                     |                |                     |                |

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

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Permanent Workers              | <ul style="list-style-type: none"> <li>The HR department operates a grievance resolution mechanism for employees and workers.</li> <li>The mechanism involves receiving and addressing grievances raised by employees on various matters.</li> <li>The HR department works towards finding amicable solutions by intervening and discussing the issues with the concerned parties.</li> <li>Additionally, in cases where complaints are received against employees or workers engaging in delinquent behavior, the HR department takes appropriate disciplinary action to protect the interests of the organization.</li> </ul> |
| Other than Permanent Workers   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Permanent Employees            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Other than Permanent Employees |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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

| Category                         | FY 2023-24                                         |                                                                                              |               | FY 2022-23                                         |                                                                                              |               |
|----------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------|---------------|----------------------------------------------------|----------------------------------------------------------------------------------------------|---------------|
|                                  | Total employees/workers in respective category (A) | No. of employees/Workers in respective category, who are part of association(s) or Union (B) | % (B/A)       | Total employees/workers in respective category (C) | No. of employees/Workers in respective category, who are part of association(s) or Union (D) | % (D/C)       |
| <b>Total Permanent Employees</b> | <b>940</b>                                         | -                                                                                            | -             | <b>843</b>                                         | -                                                                                            | -             |
| - Male                           | 923                                                | -                                                                                            | -             | 829                                                | -                                                                                            | -             |
| - Female                         | 17                                                 | -                                                                                            | -             | 14                                                 | -                                                                                            | -             |
| <b>Total Permanent Workers</b>   | <b>648</b>                                         | <b>648</b>                                                                                   | <b>100.00</b> | <b>682</b>                                         | <b>682</b>                                                                                   | <b>100.00</b> |
| - Male                           | 648                                                | 648                                                                                          | 100.00        | 682                                                | 682                                                                                          | 100.00        |
| - Female                         | -                                                  | -                                                                                            | -             | 682                                                | 682                                                                                          | 100.00        |

8. Details of training given to employees and workers:

Training is an important aspect of talent and skill development and the Company conducts various programmes to meet these requirements throughout the year. The Details are provided below:

| Category  | FY 2023-24 |                               |         |                      |         | FY 2022-23 |                               |         |                      |         |
|-----------|------------|-------------------------------|---------|----------------------|---------|------------|-------------------------------|---------|----------------------|---------|
|           | Total (A)  | On Health and safety measures |         | On Skill upgradation |         | Total (D)  | On Health and safety measures |         | On Skill upgradation |         |
|           |            | No. (B)                       | % (B/A) | No. (C)              | % (C/A) |            |                               | No. (E) | % (E/D)              | No. (F) |
| Employees |            |                               |         |                      |         |            |                               |         |                      |         |
| Male      | 923        | 164                           | 17.77   | 446                  | 48.32   | 829        | 421                           | 50.78   | 535                  | 64.54   |
| Female    | 17         | 1                             | 5.88    | 8                    | 47.06   | 14         | 3                             | 21.42   | 3                    | 21.43   |
| Total     | 940        | 165                           | 17.55   | 454                  | 48.30   | 843        | 424                           | 50.30   | 538                  | 63.82   |
| Workers   |            |                               |         |                      |         |            |                               |         |                      |         |
| Male      | 648        | 234                           | 36.11   | 207                  | 31.94   | 682        | 582                           | 85.34   | 495                  | 72.58   |
| Female    | -          | -                             | -       | -                    | -       | -          | -                             | -       | -                    | -       |
| Total     | 648        | 234                           | 36.11   | 207                  | 31.94   | 682        | 582                           | 85.34   | 495                  | 72.58   |

# Join the Green side



# Go Green...

## Keep our Planet clean



## 9. Details of performance and career developments reviews of employees and workers:

Performance reviews are conducted twice a year, along with yearly career development reviews. For workmen, performance and development reviews are conducted yearly and rewards are linked to skills and performance. The details are provided below:

| Category         | FY 2023-24 |            |              | FY 2022-23 |            |              |
|------------------|------------|------------|--------------|------------|------------|--------------|
|                  | Total (A)  | No. (B)    | % (B/A)      | Total (C)  | No. (D)    | % (D/C)      |
| <b>Employees</b> |            |            |              |            |            |              |
| Male             | 923        | 720        | 78.01        | 829        | 798        | 96.26        |
| Female           | 17         | 14         | 82.35        | 14         | 12         | 85.71        |
| <b>Total</b>     | <b>940</b> | <b>734</b> | <b>78.09</b> | <b>843</b> | <b>810</b> | <b>96.09</b> |
| <b>Workers</b>   |            |            |              |            |            |              |
| Male             | 648        | -          | -            | 682        | 486        | 71.26        |
| Female           | -          | -          | -            | -          | -          | -            |
| <b>Total</b>     | <b>648</b> | <b>-</b>   | <b>-</b>     | <b>682</b> | <b>486</b> | <b>71.26</b> |

## 10. Health and safety management system:

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

Yes, the Company has a comprehensive health and safety management system in place to provide a safe and healthy working environment for the employees and workers. The health and safety management is integrated with ISO 45001:2018 and fulfills all the requirements of the standard.

The Company's health and safety management system covers:

- 1) Practices, procedures and resources for developing, implementing and maintaining the occupational health and safety policy.
- 2) Risk assessment for each activity and controls in place to mitigate such risks from materializing.
- 3) Providing proper training to employees and workers based on their safety needs including trainings on safe working conditions and practices.
- 4) Line Management Responsibilities.
- 5) Measures to mitigate any accidents and proper response strategies to be followed on occurrence of any incidents.
- 6) Compliance with applicable laws and regulations.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- The Company uses Group Risk Assessment and Hazard Identification & Risk Assessment (HIRA) to identify work-related hazards. Such identified hazards are then assessed based on their severity and probability to determine its risk levels. The analyzed hazard is then classified based on their risk level by the risk assessment matrix. The Company strives to bring each and every risk identified to ALARP (As low as reasonably practicable).

The risks identified is classified into three categories;

- (a) Moderate Risk where the level of risk is ALARP.
- (b) Substantial Risk where due to the risks involved, Standard Operating Procedure (SOP) is prepared and appropriate training is imparted to each employee/ worker concerned.
- (c) High Risk where due to the level of risk, appropriate controls are implemented and if not possible the method of activity is changed. And then a re-assessment is conducted to ensure that the level of risk is ALARP.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company encourages its workforce to actively report any work-related hazards to determine the workplace safety through the suggestion boxes placed at convenient location to provide an opportunity to the employees and workers to suggest or report any work-related hazards and for taking appropriate measures to ensure that the hazards reported do not materialize. A single form is developed which is used for near-miss reportings, safety

suggestions and to report unsafe acts & unsafe conditions and are segregated into the above four categories and rewarding the workforce for reporting at least five unsafe conditions during monthly safety gate meetings. Furthermore, the Company holds multiple meetings such as safety talks and toolbox talk during which the employees and workers are encouraged to discuss such work-related hazards.

- d. Do the employees/ worker of the entity have access to non-occupational medical and health care services? **(Yes/ No)**  
Yes, the Company has ensured access to non-occupational medical and health care services by insuring different categories of employees & workers under variety of medical insurances (Mediclaime Coverages, ESI & GPA etc.) and schemes run by Government and other agencies. Furthermore, the Company has a well-equipped medical center at its premises to ensure that acute injuries and health issues are promptly dealt with. Additionally, the Company has also placed first-aid boxes throughout its premises to ensure easy accessibility. The Company also periodically conducts health check-ups for all its employees and workers to ensure their well-being.

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

| Safety Incident/ Number                                                       | Category  | FY 2023-24 | FY 2022-23 |
|-------------------------------------------------------------------------------|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | -          | 0.74       |
|                                                                               | Workers   | 0.39       | 0.75       |
| Total recordable work-related injuries                                        | Employees | -          | 1          |
|                                                                               | Workers   | 1          | -          |
| No. of fatalities                                                             | Employees | -          | -          |
|                                                                               | Workers   | -          | 2          |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | -          | -          |
|                                                                               | Workers   | -          | -          |

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

The Company is committed to provide its employees and workers with a safe and healthy workplace. It has implemented multiple measures in place, such as-

- Guards and Rails at appropriate places such as Conveyor Belt, to avoid contact with hazardous equipment.
- The Company has a well-maintained fire security system with smoke detectors and fire extinguishers placed strategically to ensure maximum fire safety.
- All the vehicles are equipped with rear-view camera and sensor, tyre pressure sensor and wheel guards to mitigate the risk of run over accidents.
- Regular mock drills are conducted to ensure preparedness among the employees and workers in event of an emergency. The Company also provides training on the emergency rescue procedures. Moreover, fire-fighting trainings and emergency rescue trainings are conducted by the third party for the employees and workers.
- Regular testing and maintenance of equipment's with an aim to mitigate hazards.
- Provision of Fall arrestor and Safety net for the workers involved in height work.
- Nitrogen and Carbon Dioxide purging system at coal mill to avoid air poisoning and to ensure a clean and ventilated workplace.
- Lock out Tag out system in place to ensure safety during line operations.
- Provision of PPE - The Company provides it workers with a PPE kit, which contains namely Ear Plugs, Nose Filter/Face Masks, safety gloves and goggles.
- All the activities are monitored by the safety team to ensure that all the safety protocols are diligently followed.
- The Company holds a tool-box talk on regular basis with workers to ensure their safety.
- Safety audit is performed by the third-party agencies and the inputs received are duly implemented.
- A comprehensive risk assessment is conducted by the third party and their observations are duly implemented.
- Pre & post-employment health checkup are performed by qualified doctors to ensure that the employees and workers are fit and able for the job.

xv) The entity implements a well-developed safety training and awareness program to ensure a safe work environment. This program equips employees to identify and mitigate hazards. Fire drills and specialized training on safe work practices in confined spaces, electrical safety, and other relevant areas prepare employees for various situations. Recognizing the impact of behavior on safety, the program emphasizes responsible work practices for a safe workplace.

xvi) SCAR-Safety Corrective Action Request system is implemented to ensure that the workplace is properly inspected to identify any unsafe act and unsafe condition. Appropriate corrective action is taken for the identified unsafe act and condition within the prescribed time limit.

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

|                    | FY 2023-24            |                                       |         | FY 2022-23            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | -                     | -                                     | -       | -                     | -                                     | -       |
| Health & Safety    | -                     | -                                     | -       | -                     | -                                     | -       |

14. Assessment for the year:

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties)                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Health and safety practices | 100% of the plants are under ISO 45001 Management System where working conditions and safety are constantly assessed by third parties. |
| Working Conditions          |                                                                                                                                        |

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

The Company has implemented a proactive safety program to identify and address potential hazards before incidents occur. This program utilizes twelve, three-member safety audit teams that conduct scheduled inspections throughout the facility. These teams are tasked with identifying unsafe conditions and documenting them with photographs.

Upon identification of a potential hazard, the report is submitted to the responsible department. The designated personnel then address the unsafe condition and ensure it is brought into compliance with safety regulations. This process allows us to take corrective action swiftly and prevent potential accidents or injuries.

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

**Essential Indicators**

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

The Company recognizes the value of the stakeholders and is dedicated to involving them within the Company to build better and long-term relationships. The Company identifies key stakeholder groups based on the influence they exert on the business and then the respective stakeholders are engaged with accordingly. These stakeholder groups inter alia include communities, investors (other than shareholders) and shareholders, lenders, employees & workers, customers, suppliers & contractors, and government & regulatory authorities.

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

| Stakeholder Group                                    | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)                                                                                                                | Frequency of engagement (Annually/Half yearly/Quarterly/ Others - please specify). | Purpose and scope of engagement including key topics and concerns raised during such engagement.                                                                            |
|------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Communities                                          | No                                                              | Community Visits, meetings & Surveys                                                                                                                                                                                                  | Event-Based                                                                        | To help communities in the areas surrounding the Company's operations benefit by livelihood opportunities through various non-mandatory CSR initiatives by the Company.     |
| Shareholders and Investors (other than Shareholders) | No                                                              | Written and Verbal Communications by way of Phone calls, Emails, Letters, Notices of shareholders' & Board Meetings, Earning calls on financials from time to time, Newspaper Advertisements & Websites of Company & Stock Exchanges. | Annually and Quarterly on Financial Results and others from time to time           | Company performance and financial results, Compliance with relevant laws, Governance practices, understanding shareholder expectations, Addressing shareholders complaints. |
| Lenders                                              | No                                                              | Email, Phone-Calls, Meetings and Letters                                                                                                                                                                                              | Event-Based                                                                        | Banking Facilities and Financing Activities.                                                                                                                                |
| Employees and workers                                | No                                                              | Emails, Phone-calls, Meetings, Reviews, Notice Board, Activities and Training Programmes                                                                                                                                              | Regular                                                                            | Day-to-Day Operations, Career Development, Training Programmes & Health and Safety.                                                                                         |
| Customers                                            | No                                                              | Company website, Phone call & Email, Surveys & Grievance Redressal.                                                                                                                                                                   | Event-Based                                                                        | Business Engagement, Marketing, Feedback & Survey and Meeting customer requirement.                                                                                         |
| Suppliers & contractors                              | No                                                              | Phone call, Meetings, Email, Surveys, Grievance Redressal mechanism and Supplier visits                                                                                                                                               | Event-Based                                                                        | Supply-Chain Management and for developing long term strategic and valuable business relationships.                                                                         |
| Government & regulatory authorities                  | No                                                              | Annual/ Quarterly reports, Monthly and as when regulatory filings.                                                                                                                                                                    | Annually/ Quarterly/ Monthly and as and when required.                             | Corporate Governance and Regulatory compliances, Environmental compliances.                                                                                                 |

## Principle 5 - Businesses should respect and promote human rights

## Essential Indicators

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

| Category               | FY 2023-24   |                                          |             | FY 2022-23   |                                          |              |
|------------------------|--------------|------------------------------------------|-------------|--------------|------------------------------------------|--------------|
|                        | Total (A)    | No. of employees/<br>workers covered (B) | % (B/A)     | Total (C)    | No. of employees/<br>workers covered (D) | % (D/C)      |
| <b>Employees</b>       |              |                                          |             |              |                                          |              |
| Permanent              | 940          | 1                                        | 0.11        | 843          | 71                                       | 8.42         |
| Other than permanent   | 69           | -                                        | -           | 46           | 19                                       | 41.30        |
| <b>Total Employees</b> | <b>1,009</b> | <b>1</b>                                 | <b>0.10</b> | <b>889</b>   | <b>90</b>                                | <b>10.12</b> |
| <b>Workers</b>         |              |                                          |             |              |                                          |              |
| Permanent              | 648          | -                                        | -           | 682          | 88                                       | 12.90        |
| Other than permanent   | 3,287        | 35                                       | 1.06        | 3,263        | -                                        | -            |
| <b>Total Workers</b>   | <b>3,935</b> | <b>35</b>                                | <b>0.89</b> | <b>3,945</b> | <b>88</b>                                | <b>2.23</b>  |

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

| Category                 | FY 2023-24   |                          |         |                           |         |              | FY 2022-23               |         |                           |         |
|--------------------------|--------------|--------------------------|---------|---------------------------|---------|--------------|--------------------------|---------|---------------------------|---------|
|                          | Total<br>(A) | Equal to<br>Minimum Wage |         | More than<br>Minimum Wage |         | Total<br>(D) | Equal to<br>Minimum Wage |         | More than<br>Minimum Wage |         |
|                          |              | No. (B)                  | % (B/A) | No. (C)                   | % (C/A) |              | No. (E)                  | % (E/D) | No. (F)                   | % (F/D) |
| Employees                |              |                          |         |                           |         |              |                          |         |                           |         |
| Permanent                |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                     | 923          | 2                        | 0.22    | 921                       | 99.78   | 829          | 1                        | 0.12    | 828                       | 99.88   |
| Female                   | 17           | -                        | -       | 17                        | 100.00  | 14           | -                        | -       | 14                        | 100.00  |
| Other Than<br>Permanent* |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                     | 22           | 1                        | 4.55    | 21                        | 95.45   | 39           | -                        | -       | 39                        | 100.00  |
| Female                   | 2            | -                        | -       | 2                         | 100.00  | 7            | -                        | -       | 7                         | 100.00  |
| Workers                  |              |                          |         |                           |         |              |                          |         |                           |         |
| Permanent                |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                     | 648          | 46                       | 7.10    | 602                       | 92.90   | 682          | 5                        | 0.73    | 677                       | 99.27   |
| Female                   | -            | -                        | -       | -                         | -       | -            | -                        | -       | -                         | -       |
| Other Than<br>Permanent  |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                     | 3,081        | 1,714                    | 55.63   | 1,367                     | 44.37   | 3,083        | 1679                     | 54.46   | 1,404                     | 45.54   |
| Female                   | 177          | 173                      | 97.74   | 4                         | 2.26    | 180          | 172                      | 95.50   | 8                         | 4.44    |

\*Excluding trainee employees and workers, to whom Minimum Wage Act is not applicable.

### 3. Details of remuneration/ salary/ wages

#### a. Median remuneration/ wages:

| Particulars                      | Male   |                                                                | Female |                                                                |
|----------------------------------|--------|----------------------------------------------------------------|--------|----------------------------------------------------------------|
|                                  | Number | Median remuneration/ salary/ wages of respective category* (₹) | Number | Median remuneration/ salary/ wages of respective category* (₹) |
| Board of Directors (BOD)         | 1      | 43,16,667                                                      | NIL    | NA                                                             |
| Key Managerial Personnel         | 2      | 20,04,167                                                      | NIL    | NA                                                             |
| Employees other than BOD and KMP | 983    | 61,992                                                         | 23     | 37,503                                                         |
| Workers                          | 3,756  | 15,072                                                         | 179    | 13,352                                                         |

\*The median is calculated on a monthly basis and excludes sitting fees paid to non-executive directors.

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

|                                                 | FY 2023-24 | FY 2022-23 |
|-------------------------------------------------|------------|------------|
| Gross wages paid to females as % of total wages | 2.22       | 2.17       |

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No): Yes.

The Company is firmly committed to upholding human rights throughout its operations. The Company strive to ensure that no human rights concerns arise within the company. However, should any issue come to light, the Company has a well-defined process for addressing them. The human resource heads in each unit are empowered to investigate and resolve any human rights concerns promptly and effectively.

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

The Company ensures that the employees and workers do not face any human rights issues. All grievances are addressed as and when received by the respective Unit Heads/ Departmental Heads in coordination with personnel of the Human Resources Department. All the grievances are duly investigated and appropriate actions are taken to resolve the issue.

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

|                                   | FY 2023-24            |                                           |         | FY 2022-23            |                                           |         |
|-----------------------------------|-----------------------|-------------------------------------------|---------|-----------------------|-------------------------------------------|---------|
|                                   | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment                 | -                     | -                                         | -       | -                     | -                                         | -       |
| Discrimination at workplace       | -                     | -                                         | -       | -                     | -                                         | -       |
| Child Labour                      | -                     | -                                         | -       | -                     | -                                         | -       |
| Forced Labour/ Involuntary Labour | -                     | -                                         | -       | -                     | -                                         | -       |
| Wages                             | -                     | -                                         | -       | -                     | -                                         | -       |
| Other Human rights related Issues | -                     | -                                         | -       | -                     | -                                         | -       |

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

|                                                                                                                                     | FY 2023-24 | FY 2022-23 |
|-------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | -          | -          |
| Complaints on POSH as a % of female employees / workers                                                                             | -          | -          |
| Complaints on POSH upheld                                                                                                           | -          | -          |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.  
The Company aims to provide a safe working environment and prohibits any form of discrimination/ harassment or related retaliation against or by any employee and worker. The Company has policies which intend to prohibit such occurrences and ensure that there are no adverse consequences when an employee/ worker reports a complaint on discrimination or harassment.
9. Do human rights requirements form part of your business agreements and contracts? **(Yes/ No)**  
Yes, where relevant, the Company includes human rights requirement within its contracts and agreements.

10. Assessments for the year:

| Particulars                       | % of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)                                                |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sexual Harassment                 | <p style="text-align: center;"><b>100%.</b></p> <p>The Company undertook internal assessment through its Health &amp; Safety, HR and Internal Audit functions.</p> |
| Discrimination at workplace       |                                                                                                                                                                    |
| Child Labour                      |                                                                                                                                                                    |
| Forced Labour/ Involuntary Labour |                                                                                                                                                                    |
| Wages                             |                                                                                                                                                                    |
| Other issues                      |                                                                                                                                                                    |

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

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

##### Essential Indicators

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

| Parameter                                                       | FY 2023-24           | FY 2022-23          |
|-----------------------------------------------------------------|----------------------|---------------------|
| <b>From renewable sources</b>                                   |                      |                     |
| Total electricity consumption (A)                               | 144.63 (TJ)          | 490.75(TJ)          |
| Total fuel consumption (B)                                      | -                    | -                   |
| Energy consumption through other sources (C)                    | -                    | -                   |
| <b>Total energy consumed from renewable sources (A+B+C)</b>     | <b>144.63 (TJ)</b>   | <b>490.75(TJ)</b>   |
| <b>From non-renewable sources</b>                               |                      |                     |
| Total electricity consumption (D)                               | 1,733.87 (TJ)        | 1,287.03(TJ)        |
| Total fuel consumption (E)                                      | 19.25 (TJ)           | 19.75(TJ)           |
| Energy consumption through other sources (F)                    | -                    | -                   |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b> | <b>1,753.12 (TJ)</b> | <b>1,306.79(TJ)</b> |
| <b>Total energy consumed (A+B+C+D+E+F)</b>                      | <b>1897.75 (TJ)</b>  | <b>1,797.53(TJ)</b> |

| Parameter                                                                                                                                                      | FY 2023-24 | FY 2022-23 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <b>Energy intensity per rupee of turnover.</b><br>(Total energy consumed/ Revenue from operations)<br>(Energy in TJ/ Turnover in Crores)                       | 0.51       | 0.51       |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total energy consumed / Revenue from operations adjusted for PPP) | 11.64      | 11.64      |
| <b>Energy intensity in terms of physical output</b><br>(Energy in TJ/ MT of Output Produced)                                                                   | 0.03       | 0.02       |
| <b>Energy intensity</b> (optional) – the relevant metric may be selected by the entity                                                                         | -          | -          |

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

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

Yes, two of the Company's facilities, Basant Nagar plant and Sedam plant are identified as Designated Consumers (DCs) under PAT Cycle VII. The Company is actively implementing energy conservation measures to achieve the designated targets by 2025.

3. Provide details of the following disclosures related to water in the following format:

| Parameter                                                                                                                                                            | FY 2023-24 | FY 2022-2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| <b>Water withdrawal by source (in kiloliters)</b>                                                                                                                    |            |              |
| (i) Surface water                                                                                                                                                    | 29,15,196  | 28,33,291    |
| (ii) Groundwater                                                                                                                                                     | -          | -            |
| (iii) Third party water                                                                                                                                              | -          | -            |
| (iv) Seawater/ desalinated water                                                                                                                                     | -          | -            |
| (v) Others                                                                                                                                                           | -          | -            |
| <b>Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v)</b>                                                                                      | 29,15,196  | 28,33,291    |
| <b>Total volume of water consumption (In kiloliters) *</b>                                                                                                           | 29,15,196  | 28,33,291    |
| <b>Water intensity per rupee of turnover</b><br>(Total water consumption/ Revenue from operations)<br>(Water consumption in KL/ Turnover in Crore)                   | 779.36     | 801.78       |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total water consumption in KL/ Revenue from operations adjusted for PPP) | 17,884.07  | 18,352.75    |
| <b>Water intensity in terms of physical output</b><br>(Water consumption in KL/ MT of Output Produced)                                                               | 0.41       | 0.38         |
| <b>Water intensity</b> (optional) – the relevant metric may be selected by the entity                                                                                | -          | -            |

\*Water consumption is at gross level, without adjusting water recycled and reused in dust suppression and horticulture.  
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency. Nil

4. Provide the following details related to water discharged:

| Parameter                                                                    | FY 2023-24 | FY 2022-23 |
|------------------------------------------------------------------------------|------------|------------|
| <b>Water discharge by destination and level of treatment (in kiloliters)</b> |            |            |
| (i) To Surface water                                                         |            |            |
| - No treatment                                                               | -          | -          |

| Parameter                                            | FY 2023-24 | FY 2022-23 |
|------------------------------------------------------|------------|------------|
| - With treatment – please specify level of treatment | -          | -          |
| (ii) To Ground water                                 |            |            |
| - No treatment                                       | -          | -          |
| - With treatment – please specify level of treatment | -          | -          |
| (iii) To Sea water                                   |            |            |
| - No treatment                                       | -          | -          |
| - With treatment – please specify level of treatment | -          | -          |
| (iv) Sent to third-parties                           |            |            |
| - No treatment                                       | -          | -          |
| - With treatment – please specify level of treatment | -          | -          |
| (v) Others                                           |            |            |
| - No treatment                                       | -          | -          |
| - With treatment – please specify level of treatment | -          | -          |
| <b>Total water discharged (in kiloliters)</b>        | -          | -          |

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

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the manufacturing facilities are committed to achieving Zero Liquid Discharge (ZLD) through a comprehensive water management strategy. Each unit is equipped with a full-fledged Sewage Treatment Plant (STP) that treats wastewater generated from both the plants and community. This treated water is then given a second life by being used for irrigation of greenbelts and plantations. Additionally, wastewater from power plant is treated and reused for cooling purposes within the cement plants and for gardening initiatives. Furthermore, the Company leverage a resourceful rainwater harvesting system that utilizes a specially developed sump in a mine pit. This allows the Company to capture and store rainwater for use during drier periods. By implementing these multifaceted ZLD practices, the Company significantly reduce environmental footprint and maximize the utilization of this valuable resource.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:\*

Plant Location: Sedam unit

| Parameter                              | Please specify unit | FY 2023-24 | FY 2022-23 |
|----------------------------------------|---------------------|------------|------------|
| Nox-Cement Plant                       | Avg Mg/Nm3          | 284.42     | 516.30     |
| Nox-Power Plant                        | Avg Mg/Nm3          | 205.63     | 232        |
| Sox-Cement Plant                       | Avg Mg/Nm3          | 12.23      | 21         |
| Sox-Power Plant                        | Avg Mg/Nm3          | 252.02     | 243.60     |
| Particulate matter (PM) - Cement Plant | Avg Mg/Nm3          | 18.86      | 22         |
| Particulate matter (PM) - Power Plant  | Avg Mg/Nm3          | 13.90      | 11.60      |
| Persistent organic pollutants (POP)    |                     | -          | -          |
| Volatile organic compounds (VOC)       |                     | -          | -          |
| Hazardous air pollutants (HAP)         |                     | -          | -          |
| Others – please specify                |                     | -          | -          |

Plant Location: Basant Nagar unit

| Parameter                              | Please specify unit | FY 2023-24 | FY 2022-23 |
|----------------------------------------|---------------------|------------|------------|
| Nox-Cement Plant                       | Avg Mg/Nm3          | 263.60     | 193.80     |
| Nox-Power Plant                        | Avg Mg/Nm3          | 224.20     | 138.53     |
| Sox-Cement Plant                       | Avg Mg/Nm3          | 14.90      | 28.40      |
| Sox-Power Plant                        | Avg Mg/Nm3          | 310.30     | 149.60     |
| Particulate matter (PM) - Cement Plant | Avg Mg/Nm3          | 20.05      | 20.39      |
| Particulate matter (PM) - Power Plant  | Avg Mg/Nm3          | 27.40      | 42.56      |
| Persistent organic pollutants (POP)    |                     | -          | -          |
| Volatile organic compounds (VOC)       |                     | -          | -          |
| Hazardous air pollutants (HAP)         |                     | -          | -          |
| Others – please specify                |                     | -          | -          |

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

Yes, both plants are assessed by M/S Universal Enviro Associates, Environmental Engineers.

\*Note: As the manufacturing processes at both the plants are different, combining parameters for presentation of data on air emissions at the entity level will not represent a true picture. Hence, the data is presented individually for each of the manufacturing units.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

| Parameter                                                                                                                                                                                                   | Unit                                        | FY 2023-24 | FY 2022-23 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------|------------|
| <b>Total Scope 1 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                             | Metric tonnes of CO <sub>2</sub> Equivalent | 54,43,528  | 49,05,796  |
| <b>Total Scope 2 emissions</b><br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                             | Metric tonnes of CO <sub>2</sub> Equivalent | 44,888     | 57,911     |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b><br>(Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations) (Emission of CO <sub>2</sub> e in MT/ Turnover in Crores)   | -                                           | 1,467.30   | 1,404.66   |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP) | -                                           | 33,670.19  | 32,152.60  |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b><br>(Emission of CO <sub>2</sub> e in MT/ MT of Output Produced)                                                             |                                             | 0.78       | 0.66       |
| <b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>                                                                                          |                                             | -          | -          |

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

Yes, M/s. LNCO Advisors LLP, Hyderabad for FY 2023-24 and M/s. Confederation of Indian Industry, Hyderabad for FY 22-23.

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

Yes, mitigating greenhouse gas emissions is a key environmental focus for the organisation. The Company has implemented a comprehensive strategy to achieve this goal. This strategy includes continuously improving energy efficiency in our processes and exploring the installation of solar power plants to reduce reliance on fossil fuels. The company is also investigating the use of alternative fuels and the potential of utilizing industrial waste as raw materials wherever possible. To minimize transportation emissions, the Company prioritize local sourcing of materials and promote the use of public transportation by our employees. Furthermore, at the Basantnagar Unit, the Company is maintaining a significant greenbelt specifically to promote carbon sequestration through plant life and has established ambitious short- and long-term goals to achieve substantial GHG reductions by 2050. This comprehensive approach underscores the Company's commitment to building a sustainable future.

9. Provide details related to waste management by the entity, in the following format:

| Parameter                                                                                                                                                    | FY 2023-24         | FY 2022-23         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Total Waste generated (in metric tonnes)</b>                                                                                                              |                    |                    |
| Plastic waste (A)                                                                                                                                            | 6,738.47           | 6,316.07           |
| E-waste (B)                                                                                                                                                  | 1.50               | 2.42               |
| Bio-medical waste (C)                                                                                                                                        | 0.41               | 0.44               |
| Construction and demolition waste (D)                                                                                                                        | -                  | -                  |
| Battery waste (E)                                                                                                                                            | 2.87               | 7.52               |
| Radioactive waste (F)                                                                                                                                        | -                  | -                  |
| Other Hazardous waste. Please specify, if any.(G)                                                                                                            | 34.19              | 20.55              |
| Other Non-hazardous waste generated (H). Please specify, if any.<br>(Break-up by composition i.e. by materials relevant to the sector)<br>Fly ash waste      | 1,85,858.45        | 1,27,694           |
| <b>Total (A+B + C + D + E + F + G + H)</b>                                                                                                                   | <b>1,92,635.90</b> | <b>1,34,041.00</b> |
| <b>Waste intensity per rupee of turnover</b><br>(Total waste generated/ Revenue from operations)<br>(Waste generated in MT/ Turnover in Crores)              | 51.50              | 37.94              |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total waste generated/ Revenue from operations adjusted for PPP) | 1,181.75           | 868.41             |
| <b>Waste intensity in terms of physical output</b><br>(Waste generated in MT/ MT of Output Produced)                                                         | 0.02               | 0.01               |
| <b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>                                                                        | -                  | -                  |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>               |                    |                    |
| <b>Category of waste</b>                                                                                                                                     |                    |                    |
| (i) Recycled                                                                                                                                                 | -                  | -                  |
| (ii) Re-used                                                                                                                                                 | 1,74,664.14        | 1,15,547.64        |
| (iii) Other recovery operations                                                                                                                              | -                  | -                  |
| <b>Total</b>                                                                                                                                                 | <b>1,74,664.14</b> | <b>1,15,547.64</b> |

| Parameter                                                                                                         | FY 2023-24       | FY 2022-23       |
|-------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b> |                  |                  |
| <b>Category of waste</b>                                                                                          |                  |                  |
| (i) Incineration                                                                                                  | 0.41             | 0.44             |
| (ii) Land filling                                                                                                 | -                | -                |
| (iii) Other disposal operations                                                                                   | -                | -                |
| a) Recycled                                                                                                       | 30.26            | 18.04            |
| b) Re-use                                                                                                         | 11,194.31        | 12,146.36        |
| <b>Total</b>                                                                                                      | <b>11,224.98</b> | <b>12,164.82</b> |

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

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

In line with Company's commitment to environmental responsibility, the Company prioritize minimizing the use of hazardous and toxic chemicals. For waste management, the Company utilizes a co-processing method in cement kilns to safely handle hazardous materials from other industries. Furthermore, the Company has implemented a comprehensive waste management strategy across its operations. This includes utilizing innovative technologies like Hot Disc technology for efficient waste processing, repurposing fly and bottom ash generated from power plants, and partnering with authorized recyclers to manage various waste streams like used oil, e-waste, and plastics. Additionally, the Company compost biodegradable waste to contribute to greenbelt development efforts and repurpose sewage sludge as manure. Through these practices, the Company strive to minimize our environmental footprint and promote resource recovery. Trained personnel from Stores Department routinely collect electronic waste from various user departments and stores it in separate containers as part of their standard processes. Subsequently, this waste is sold to third-party buyers through electronic auctions based on standard accumulation practices.

11. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

| S. No.                                                                                         | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)<br>If no, the reasons there of and corrective action taken, if any. |
|------------------------------------------------------------------------------------------------|---------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No, the Company does not have any operations/ offices in/ around ecologically sensitive areas. |                                 |                    |                                                                                                                                                                |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) | Relevant Web link |
|-----------------------------------|----------------------|------|------------------------------------------------------------|-------------------------------------------------|-------------------|
| NIL                               |                      |      |                                                            |                                                 |                   |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

| S. No. | Specify the law/ regulation guidelines which was not complied with | Provide details of the non-compliance | Any fines/ penalties/ action taken by regulatory agencies such as pollution control | Corrective action taken, if any |
|--------|--------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------|---------------------------------|
| NIL    |                                                                    |                                       |                                                                                     |                                 |

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

**Essential Indicators**

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

The Company actively participates in industry associations to gain insights, build relationships, and advocate for positive change for businesses and society.

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

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|--------|-------------------------------------------------------|----------------------------------------------------------------------|
| 1      | Indian Chamber of Commerce                            | National                                                             |
| 2      | Merchants Chamber of Commerce and Industry            | National                                                             |
| 3      | Bharat Chamber of Commerce                            | National                                                             |
| 4      | The Associates Chambers of Commerce Industry of India | National                                                             |
| 5      | Federation of Indian Chambers of Commerce & Industry  | National                                                             |
| 6      | Confederation of Indian Industry                      | National                                                             |

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

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NIL               |                   |                         |

**Principle 8 - Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

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

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|------------------------------------------------------------|-------------------------------------------------|-------------------|
| NIL                               |                      |                      |                                                            |                                                 |                   |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (in INR) |
|--------|------------------------------------------|-------|----------|-----------------------------------------|--------------------------|-----------------------------------------|
| NIL    |                                          |       |          |                                         |                          |                                         |

**3. Describe the mechanism to receive and redress grievances of the community.**

The Company has a comprehensive grievance redressal policy in place for all stakeholders. This policy outlines clear channels for raising concerns, timeframes for responses, and escalation procedures.

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

|                                              | FY 2023-24 | FY 2022-23 |
|----------------------------------------------|------------|------------|
| Directly sourced from MSMEs/ small producers | 5.85       | 1.41       |
| Directly from within India                   | 96.69      | 98.88      |

Note: Input material includes raw materials, capital expenditure, consumables, services, etc.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost

| Location     | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural        | 23.74      | 29.20      |
| Semi-Urban   | -          | -          |
| Urban        | 74.72      | 69.14      |
| Metropolitan | 1.54       | 1.66       |

Note: Places are categorized as per RBI Classification System - rural/ semi-urban/ urban/ metropolitan.

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

**Essential Indicators**

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

The Company operates with a dedicated technical services team that directly engages with customers, providing them with education on technical services. Any customer complaints related to quality issues are addressed by the technical team at the field level only and escalated to the related department if necessary.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

|                                                             | As a percentage to total turnover |
|-------------------------------------------------------------|-----------------------------------|
| Environmental and social parameters relevant to the product | 62 (*)                            |
| Safe and responsible usage                                  |                                   |
| Recycling and/ or safe disposal                             |                                   |

\* 38% of the total turnover is made in bulk and the Company communicates the required information to the customers on each such sale.

3. Number of consumer complaints in respect of the following:

|                                | FY 2023-24               |                                   |         | FY 2022-23               |                                   |         |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy                   | -                        | -                                 | -       | -                        | -                                 | -       |
| Advertising                    | -                        | -                                 | -       | -                        | -                                 | -       |
| Cyber- security                | -                        | -                                 | -       | -                        | -                                 | -       |
| Delivery of essential services | -                        | -                                 | -       | -                        | -                                 | -       |
| Restrictive Trade Practices    | -                        | -                                 | -       | -                        | -                                 | -       |
| Unfair Trade Practices         | -                        | -                                 | -       | -                        | -                                 | -       |
| Other (product related)        | 15                       | -                                 | -       | -                        | -                                 | -       |

## 4. Details of instances of product recalls on account of safety issues:

|                   | Number | Reasons for Recall |
|-------------------|--------|--------------------|
| Voluntary recalls | NIL    | NIL                |
| Forced recalls    |        |                    |

## 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, Provide a web-link of the policy.

Yes, [www.birlashaktiment.com](http://www.birlashaktiment.com)

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

In terms of cyber security and safeguarding customer data privacy, The Company implemented Firewalls with Unified Threat Management and equipped all systems with the latest Anti-Virus software, incorporating advanced features such as Anti-Ransomware, Anti-Malware, Machine Learning, Application Control, Behavior Detection, among others. The Company maintains a focus on consistently delivering high-quality products to our customers. The Company value feedback from all stakeholders, carefully integrating it into its business processes. Additionally, communications adhere to the necessary disclaimers outlined by the Advertising Standards Council of India (ASCI) and the Bureau of Indian Standards (BIS) to ensure transparency and compliance.

## 7. Provide the following information relating to data breaches:

## (a) Number of instances of data breaches

Nil

## (b) Percentage of data breaches involving personally identifiable information of customers

Nil

## (c) Impact, if any, of the data breaches

Nil

**Leadership Indicators****1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The Company's business offerings can be found on the websites:

[www.birlashaktiment.com](http://www.birlashaktiment.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services**

All businesses of the Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising and promotion. The Company's communications are aimed at enabling consumers to make informed purchase decisions.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company does not fall under Essential Services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)**

Yes, The Company adheres to Bureau of Indian Standards (BIS) guidelines for product information.

Yes, the sales team conducts regular customer satisfaction surveys during their market visits. This ongoing feedback loop helps the Company gain valuable insights into customer experiences with the Company's products, services, and operations at key locations. This ultimately allows the Company to continuously improve and better serve customers.

## REPORT ON CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

### 1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is structured on principles and practices that seek to impart fairness, transparency and ethical conduct in dealings with all the Stakeholders.

### 2. BOARD OF DIRECTORS

#### i) Composition of the Board as on 31<sup>st</sup> March, 2024 together with Directorships, Committee positions held in other Companies and Company shares held as on that date:

As on 31<sup>st</sup> March, 2024, the Company had eight Directors, five Non-Executive Independent Directors, two Non-Executive Non-Independent Directors and one Whole-time Director. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

Details of Board composition are as follows:

| Directors                   | Designation               | Category                      | No. of other Directorships* | No. of Independent Directorships held in Listed Companies * | No. of other Board Committees # (of Companies*) |             | Number of Equity Shares held in the Company |
|-----------------------------|---------------------------|-------------------------------|-----------------------------|-------------------------------------------------------------|-------------------------------------------------|-------------|---------------------------------------------|
|                             |                           |                               |                             |                                                             | As Member                                       | As Chairman |                                             |
| Manjushree Khaitan          | Chairman                  | Non-Executive Non-independent | 2                           | 0                                                           | 2                                               | 0           | 10,69,723                                   |
| Kashi Prasad Khandelwal     | Director                  | Non-Executive Independent     | 4                           | 3                                                           | 3                                               | 2           | Nil                                         |
| Sudip Banerjee              | Director                  | Non-Executive Independent     | 2                           | 1                                                           | 0                                               | 0           | Nil                                         |
| Lee Seow Chuan              | Director                  | Non-Executive Independent     | 0                           | 0                                                           | 0                                               | 0           | Nil                                         |
| Jikyeong Kang               | Director                  | Non-Executive Non Independent | 0                           | 0                                                           | 0                                               | 0           | Nil                                         |
| Mangala Radhakrishna Prabhu | Director                  | Non-Executive Independent     | 8                           | 4                                                           | 2                                               | 2           | Nil                                         |
| Satish Narain Jajoo         | Director                  | Non-Executive Independent     | 0                           | 0                                                           | 0                                               | 0           | 200                                         |
| P. Radhakrishnan            | Whole-time Director & CEO | Executive                     | 0                           | 0                                                           | 0                                               | 0           | 615                                         |

\* Excludes Kesoram Industries Limited, Private Companies, Companies registered under Section 8 of the Act and Foreign Companies.

# Only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee have been considered for this purpose in terms of Regulation 26(1)(b) of the LODR Regulations.

None of the Directors of the Company were related to one another as per the provisions of the Act.

ii) Directorships in other listed entities held by Directors as at 31<sup>st</sup> March, 2024:

| Name of the Directors       | Name of Listed Entities           | Category                               |
|-----------------------------|-----------------------------------|----------------------------------------|
| Manjushree Khaitan          | Nil                               | N.A.                                   |
| Kashi Prasad Khandelwal     | GPT Infraprojects Ltd.            | Non-Executive Independent Director     |
|                             | LIC Housing Finance Ltd.          | Non-Executive Independent Director     |
|                             | GPT Healthcare Limited            | Non-Executive Independent Director     |
| Sudip Banerjee              | IFB Industries Ltd.               | Non-Executive Non Independent Director |
|                             | L&T Technology Services Ltd.      | Non-Executive Independent Director     |
| Lee Seow Chuan              | Nil                               | N.A.                                   |
| Jikyeong Kang               | Nil                               | N.A.                                   |
| Mangala Radhakrishna Prabhu | Siyaram Silk Mills Limited        | Non-Executive Independent Director     |
|                             | Ladderup Finance Limited          | Non-Executive Independent Director     |
|                             | Aspira Pathlab & Diagnostics Ltd. | Non-Executive Independent Director     |
|                             | Lykis Limited                     | Non-Executive Independent Director     |
| Satish Narain Jajoo         | Nil                               | N.A.                                   |
| P. Radhakrishnan            | Nil                               | N.A.                                   |

## iii) List of core skills/ expertise/ competencies required in the Company's Board to enable effective functioning and those actually available with individual Board Members:

The Board identifies the following core skills/ expertise/ competencies that it perceives it ought to have in the process of governance of the Company. It is further of the view that as a whole it possesses these skills/ expertise/ competencies and applying them in governance:

| Skill Sets                                                                                                                                                                                                                                                                                                   | Directors          |                         |                |                |               |                  |                             |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|----------------|----------------|---------------|------------------|-----------------------------|---------------------|
|                                                                                                                                                                                                                                                                                                              | Manjushree Khaitan | Kashi Prasad Khandelwal | Sudip Banerjee | Lee Seow Chuan | Jikyeong Kang | P. Radhakrishnan | Mangala Radhakrishna Prabhu | Satish Narain Jajoo |
| Strategizing capability                                                                                                                                                                                                                                                                                      | ✓                  | ✓                       | ✓              | ✓              | ✓             | ✓                | ✓                           | ✓                   |
| Capacity to identify risks and macro level concerns in the Company.                                                                                                                                                                                                                                          | ✓                  | ✓                       | ✓              | ✓              | ✓             | ✓                | ✓                           | ✓                   |
| Aptitude in the arenas of finance, control, information technology and governance mechanisms so as to be able to examine and analyse these areas in the context of the Company's requirements and be in a position to determine gaps in the Management thought process or the approach to it.                | ✓                  | ✓                       | ✓              | ✓              | ✓             | ✓                | ✓                           | ✓                   |
| Ability to judge the degree of adroitness and clear thinking that go into taking business decisions taken by the Management, identify discontinuities and anomalies, critique such decisions where necessary and thereafter direct initiation of the required action as deemed best under the circumstances. | ✓                  | ✓                       | ✓              | ✓              | ✓             | ✓                | ✓                           | ✓                   |
| Encouraging diversity in methodologies of governing the Company, looking at operational and related constraints and suggesting ways forward.                                                                                                                                                                 | ✓                  | ✓                       | ✓              | ✓              | ✓             | ✓                | ✓                           | ✓                   |

| Skill Sets                                                                                                                                                                                              | Directors          |                         |                |                |               |                  |                             |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|----------------|----------------|---------------|------------------|-----------------------------|---------------------|
|                                                                                                                                                                                                         | Manjushree Khaitan | Kashi Prasad Khandelwal | Sudip Banerjee | Lee Seow Chuan | Jikyeong Kang | P. Radhakrishnan | Mangala Radhakrishna Prabhu | Satish Narain Jajoo |
| Ability to engage in a healthy and cogent debate within itself (including in Board Committees) on various governance processes with the objective of finding solutions to issues affecting the Company. | ✓                  | ✓                       | ✓              | ✓              | ✓             | ✓                | ✓                           | ✓                   |

iv) **Attendance of Directors at Meetings held during the Year:**

Seven Board Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2024 on 28<sup>th</sup> April, 2023, 14<sup>th</sup> July, 2023, 12<sup>th</sup> October, 2023, 3<sup>rd</sup> November, 2023, 30<sup>th</sup> November, 2023, 15<sup>th</sup> January, 2024 and 18<sup>th</sup> March, 2024. The attendance of each Director at these Meetings and at the 104<sup>th</sup> Annual General Meeting ("AGM") held on 14<sup>th</sup> June, 2023 were as follows:

| Members                     | Attendance            |     |
|-----------------------------|-----------------------|-----|
|                             | No. of Board Meetings | AGM |
| Manjushree Khaitan          | 7                     | Yes |
| Kashi Prasad Khandelwal     | 7                     | Yes |
| Sudip Banerjee              | 7                     | Yes |
| Lee Seow Chuan              | 7                     | Yes |
| Jikyeong Kang               | 5                     | No  |
| Mangala Radhakrishna Prabhu | 7                     | Yes |
| Satish Narain Jajoo         | 7                     | Yes |
| P. Radhakrishnan            | 7                     | Yes |

v) **Remuneration and Sitting Fees paid to Directors during the year:**

| S. No. | Name of the Directors       | Sitting fees paid for (₹ in Lakh) |                     |
|--------|-----------------------------|-----------------------------------|---------------------|
|        |                             | Board Meetings                    | Committee Meetings* |
| 1      | Manjushree Khaitan          | 7.00                              | -                   |
| 2      | Kashi Prasad Khandelwal     | 7.00                              | 5.80                |
| 3      | Sudip Banerjee              | 7.00                              | 6.20                |
| 4      | Lee Seow Chuan #            | 7.00                              | 6.20                |
| 5      | Jikyeong Kang #             | 5.00                              | 4.40                |
| 6      | Mangala Radhakrishna Prabhu | 7.00                              | 1.60                |
| 7      | Satish Narain Jajoo         | 7.00                              | 1.60                |
| 8      | P. Radhakrishnan ^          | -                                 | -                   |
|        | <b>Total</b>                | <b>47.00</b>                      | <b>25.80</b>        |

\* Includes non-statutory Committees of the Company as well as Meeting of Independent Directors.

# Exclusive of Income Tax borne on the fees paid by the Company.

^ Sitting fee is not payable to Whole-time Director.

No Commission was paid to the Directors during the Financial Year 2023-24.

Total remuneration paid to P. Radhakrishnan, Whole-time Director during the Financial Year 2023-24 is as under:

| Particulars                                                            | Amount paid ₹/ Lakh |
|------------------------------------------------------------------------|---------------------|
| Gross Salary:                                                          |                     |
| (a) Salary [Section 17(1) of Income Tax Act, 1961]                     | 498.10              |
| (b) Value of perquisites                                               | 7.96                |
| (c) Others :<br>Contribution to Provident Fund and Superannuation Fund | 11.90               |
| <b>Total</b>                                                           | <b>517.96</b>       |

Apart from the above, no other pecuniary relationships (including stock options) or transactions vis-a-vis the Company existed with any Director during the year.

**vi) Code of Conduct:**

The Company has a Code of Conduct applicable to all Board Members and Senior Management Staff for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff have declared his/ her compliance with the Code of Conduct as at 31<sup>st</sup> March, 2024.

There were no materially significant transactions during the year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is accessible on the web link <https://www.kesocorp.com/DOCS/pdf/mgc/code-of-conduct-for-Directors-and-senior-management.pdf>

**3. AUDIT COMMITTEE**

**i) Terms of Reference**

The Audit Committee has been mandated with the same terms of reference as envisaged in Section 177 of the Act and in Regulation 18 of the LODR Regulations.

**ii) Composition**

Members of the Audit Committee as on 31<sup>st</sup> March, 2024 comprised of three Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Kashi Prasad Khandelwal is the Chairman of the Committee.

Five Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2024 on 28<sup>th</sup> April, 2023, 14<sup>th</sup> July, 2023, 12<sup>th</sup> October, 2023, 30<sup>th</sup> November, 2023 and 15<sup>th</sup> January, 2024.

The composition of the Committee and attendance of each Member at Meetings were as follows:

| Members                           | No. of Meetings attended |
|-----------------------------------|--------------------------|
| Kashi Prasad Khandelwal, Chairman | 5                        |
| Sudip Banerjee, Member            | 5                        |
| Lee Seow Chuan, Member            | 5                        |
| Jikyeong Kang, Member             | 4                        |

The quorum for an Audit Committee Meeting is two Members personally present. The Company Secretary acts as the Secretary to the Audit Committee.

The Statutory Auditors and the Internal Auditors are permanent invitees to Audit Committee Meetings held to recommend the Company's periodical Financial Statements to the Board. The Whole-time Director, Business Heads and Members of the Company's Senior Management also attend these Meetings as invitees. The Cost Auditors attend when their Report (s) are discussed.

All Members of the Committee are financially literate and possess accounting and financial management related expertise.

The Chairman of the Audit Committee was present at the last Annual General Meeting ("AGM") of the Company held on 14<sup>th</sup> June, 2023.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### i) Terms of reference

The terms of reference of the Committee are to guide the Board in relation to the appointment, removal, review and recommendation of remuneration of Board Members, Key Managerial Personnel and other Senior Management Personnel to whom Regulation 19 of the LODR Regulations and Section 178 of the Act are applicable.

##### ii) Composition

The Committee consists of two Non-Executive Independent Directors and one Non-Executive Non-Independent Director as Members. Mangala Radhakrishna Prabhu is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

The Committee met once during the Financial Year 2023-24 on 14<sup>th</sup> July, 2023.

The composition of the Committee and the attendance of each Member at Meetings were as follows:

| Members                                  | No. of Meetings attended |
|------------------------------------------|--------------------------|
| Mangala Radhakrishna Prabhu, Chairperson | 1                        |
| Lee Seow Chuan, Member                   | 1                        |
| Jikyeong Kang, Member                    | 1                        |

Mangala Radhakrishna Prabhu, Committee Chairperson was present at the last AGM held on 14<sup>th</sup> June, 2023.

##### iii) Nomination and Remuneration Policy:

The Company's Nomination & Remuneration Policy can be accessed through the web-link <https://www.kesocorp.com/DOCS/pdf/mgc/nomination-and-remuneration-policy.pdf>

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

##### i) Composition:

The Committee consists of three Directors, out of whom two were Non-Executive Independent with the Whole-time Director constituting the third Member. Sudip Banerjee is the Chairman of the Committee.

The Committee met once during the year on 12<sup>th</sup> October, 2023.

Sudip Banerjee, Committee Chairman was present at the last AGM held on 14<sup>th</sup> June, 2023.

The composition of the Committee and the attendance of each Member at Meeting was as follows:

| Members                             | No. of Meetings attended |
|-------------------------------------|--------------------------|
| Sudip Banerjee, Chairman            | 1                        |
| Mangala Radhakrishna Prabhu, Member | 1                        |
| P. Radhakrishnan, Member            | 1                        |

Company Secretary is the Compliance Officer.

The terms of reference of the Committee cover all areas as mentioned under Regulation 20 of the LODR Regulations and Section 178 of the Act.

## ii) Shareholder complaints received and redressed during the Financial Year 2023-24:

| Nature of Grievances                                                 | Complaints received from |                 |               |     | Total complaints received during 2023-24 | Total complaints redressed | No. of complaints outstanding as on 31 <sup>st</sup> March, 2024 |
|----------------------------------------------------------------------|--------------------------|-----------------|---------------|-----|------------------------------------------|----------------------------|------------------------------------------------------------------|
|                                                                      | Investors directly       | Stock Exchanges | SEBI "SCORES" | ROC |                                          |                            |                                                                  |
| Non-receipt of Dividend/ Interest/ Redemption Warrants/ NECs/ Refund | -                        | 3               | -             | -   | 3                                        | 3                          | -                                                                |
| Non-receipt of Share / Debenture Certificate(s)                      | -                        | 1               | -             | -   | 1                                        | 1                          | -                                                                |
| Non-receipt of Duplicate Share/ Debenture Certificate(s)             | -                        | -               | -             | -   | -                                        | -                          | -                                                                |
| Demat related grievances                                             | -                        | 2               | -             | -   | 2                                        | 2                          | -                                                                |
| Non-receipt of Annual Report(s)                                      | -                        | -               | -             | -   | -                                        | -                          | -                                                                |
| Status of Application lodged for Rights Issue                        | -                        | 5               | -             | -   | 5                                        | 5                          | -                                                                |
| Reason for Non- Allotment of Shares in Rights Issue                  | -                        | -               | -             | -   | -                                        | -                          | -                                                                |
| Change of Name on Securities                                         | -                        | -               | -             | -   | -                                        | -                          | -                                                                |
| <b>TOTAL</b>                                                         | -                        | <b>11</b>       | -             | -   | <b>11</b>                                | <b>11</b>                  | -                                                                |

## iii) Outstanding Equity Shares in the Unclaimed Share Suspense Account opened with Depository:

| Particulars                                                                                                                                                                                                              | Total No. of Shareholders | No. of Outstanding Shares lying in Unclaimed Share Suspense Account |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------|
| As on 1 <sup>st</sup> April, 2023                                                                                                                                                                                        | 1                         | 5                                                                   |
| Shareholders, who approached the Company for transfer/delivery during the year 2023-24                                                                                                                                   | Nil                       | Nil                                                                 |
| Shares transferred/delivered during the year 2023-24                                                                                                                                                                     | Nil                       | Nil                                                                 |
| Shareholders, who approached the Company for transfer/ delivery pending compliance of verification process                                                                                                               | Nil                       | Nil                                                                 |
| Shares transferred to Investor Education and Protection Fund (IEPF) u/s 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. | 1                         | 580                                                                 |
| Balance as on 31 <sup>st</sup> March, 2024                                                                                                                                                                               | 2                         | 585                                                                 |

Voting rights on these shares in the Unclaimed Share Suspense Account and transferred to IEPF remain frozen till formally claimed by the shareholder concerned.

## 6. RISK MANAGEMENT COMMITTEE

## i) Terms of reference, Composition, Name of Members and Chairman:

The terms of reference of the Risk Management Committee cover all areas set out under Regulation 21 of the LODR Regulations.

The Committee consists of three Members, out of whom one is a Non-Executive Independent Board Member, the other a Whole-time Director and the third Member a Senior Executive of the Company.

Satish Narain Jajoo is the Chairman of the Committee.

The Committee met twice during the year on 7<sup>th</sup> July, 2023 and 1<sup>st</sup> January, 2024.

The composition of the Committee and the attendance of each Member at Meetings were as follows:

| Composition                   | No. of Meetings attended |
|-------------------------------|--------------------------|
| Satish Narain Jajoo, Chairman | 2                        |
| P. Radhakrishnan, Member      | 2                        |
| Rajiv Agarwal, Member         | 2                        |

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Manjushree Khaitan, Chairman, Jikyeong Kang and P. Radhakrishnan as Members.

The terms of reference of the Committee are aligned with the requirements of Section 135 of the Act.

The Company Secretary acts as Secretary to the Committee.

## 8. SENIOR MANAGEMENT:

The following personnel are the Senior Management (Key Managerial Personnel) of the Company.

There were no changes in the Senior Management since the closure of the previous Financial Year:

| Sl.No. | Name             | Designation               |
|--------|------------------|---------------------------|
| 1.     | P. Radhakrishnan | Whole-time Director & CEO |
| 2.     | Gautam Ganguli   | Company Secretary         |
| 3.     | Rohit Shah       | Chief Financial Officer   |

## 9. MEETING OF INDEPENDENT DIRECTORS

As per stipulations under Section VII of the Code for Independent Directors set out in Schedule IV of the Act and Regulation 25 of the LODR Regulations, two separate Meetings of the Board's Independent Directors were held on 30<sup>th</sup> November, 2023 & 15<sup>th</sup> January 2024. All Independent Directors attended these Meetings.

At the Meeting held on 15<sup>th</sup> January, 2024, Independent Directors evaluated the performance of the Chairman of the Board as well as the Whole-time Director during the year. The exercise was so structured as to permit each Member take turns in unequivocally appraising the functioning of each of them. As part of the Board evaluation process, Independent Directors also evaluated each Board Member apart from self- assessing their own performance.

All Independent Directors have furnished to the Company the requisite declarations that they meet the relevant independence criteria as laid down in Section 149(6) of the Act read with Regulation 16 (b) of LODR Regulations.

## 10. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The text of the familiarisation programme set for Independent Directors is available on the weblink <https://www.kesocorp.com/DOCS/pdf/mgc/KIL-familiarization-programme.pdf>

## 11. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL BOARD MEMBERS

Pursuant to the provisions of the Act and the LODR Regulations, the Board carried out an annual appraisal of its own performance; of each Board Member individually; as well as an assessment on the functioning of Board Committees.

The process of appraisal consistently followed over the years in the Company is unique. Each Board Member unequivocally delineates what has been his/ her contribution to his/ her own functioning during the year as a Member of both the Board as well as the Committee(s) in which he/ she has been a Member. No person was expected to be overly judgmental in this exercise. Other Board Members were permitted to question this self-appraisal. Such "open forum discussion" tends to promote a sense of camaraderie and thus promotes sharper understanding as between Board Members in their functioning. In the opinion of the Board, this process results in a much deeper bonding between Board Members. Such bonding ensures to the benefit of the Company.

## 12. GENERAL BODY MEETINGS

(A) AGMs over the preceding three years were held as follows:

| AGMs                  | Date of AGM                 | Location                                                                                                                   | Time       |
|-----------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------|------------|
| 104 <sup>th</sup> AGM | 14 <sup>th</sup> June, 2023 | "Kala-Mandir", 48, Shakespeare Sarani, Kolkata-700017 (hybrid method. Members were permitted to join on the video as well) | 11.30 A.M. |

| AGMs                  | Date of AGM                 | Location                                                                                                                   | Time       |
|-----------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------|------------|
| 103 <sup>rd</sup> AGM | 17 <sup>th</sup> June, 2022 | "Kala-Mandir", 48, Shakespeare Sarani, Kolkata-700017 (hybrid method. Members were permitted to join on the video as well) | 11.30 A.M. |
| 102 <sup>nd</sup> AGM | 23 <sup>rd</sup> July, 2021 | Through video conference / other audio visual means. Deemed venue was "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017  | 03:00 P.M. |

**(B) Extra-Ordinary General Meetings ("EGM") held during the preceding three years were as follows:**

| Date of EGM                     | Location                                                                                                                      | Time       |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------|
| 13 <sup>th</sup> April, 2021    | Held through video conference/ other audio visual means. Deemed venue was "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017 | 03:00 P.M. |
| 12 <sup>th</sup> February, 2021 | Held through video conference/ other audio visual means. Deemed venue was "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017 | 03:00 P.M. |
| 28 <sup>th</sup> December, 2020 | Held through video conference/ other audio visual means. Deemed venue was "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017 | 11:00 A.M. |

**(C) Special Resolutions passed:**

| Date of AGM/EGM                                         | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 104 <sup>th</sup> AGM dated 14 <sup>th</sup> June, 2023 | To transfer or otherwise dispose of land comprised in the Company's Hindusthan Heavy Chemicals Unit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 103 <sup>rd</sup> AGM dated 17 <sup>th</sup> June, 2022 | i) Re-appointment of Radhakrishnan Padmalochanan as a Whole-time Director and Chief Executive Officer of the Company for a period of three years effective 8 <sup>th</sup> August, 2022.<br>ii) Enhancement of borrowing powers of the Company.<br>iii) Creation of mortgage and/ or charge on all or any of the moveable and/ or immoveable properties of the Company .<br>iv) Appointment of Satish Narain Jajoo as Independent Director of the Company.<br>v) Change in the designation of Jikyeong Kang Independent Director into a Non-Executive Non-Independent Director. |
| 102 <sup>nd</sup> AGM dated 23 <sup>rd</sup> July, 2021 | To amend certain Articles of the Company's Articles of Association.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| EGM dated 13 <sup>th</sup> April, 2021                  | i) Ratification of further/ other disclosures in relation to conversion of loan(s) into Equity shares and Zero Coupon Optionally Convertible Redeemable Preference Shares (OCRPS) as per Resolution Plan.<br>ii) Ratification of further/ other disclosures for issuance of Optionally Convertible Debentures (OCDs) through Private Placement.                                                                                                                                                                                                                                 |
| EGM dated 12 <sup>th</sup> February, 2021               | i) Modification of approvals already accorded as per the approved Resolution Plan.<br>ii) <i>De Novo</i> approval for issuance of OCDs under the approved Resolution Plan.<br>iii) <i>De Novo</i> approval for conversion of OCDs into to Equity Shares as per the approved Resolution Plan.                                                                                                                                                                                                                                                                                    |
| EGM dated 28 <sup>th</sup> December, 2020               | i) Approval for conversion of loan into Equity shares and zero coupon OCRPS as per approved Resolution plan.<br>ii) Approval for issuance of OCDs as per approved Resolution plan.<br>iii) Approval for conversion of OCDs into Equity shares as per Resoluton plan.<br>iv) Approval under Section 186(3) of the Act for granting of inter-corporate loans, corporate guarantee and making of investments beyond Section 186 parameters.                                                                                                                                        |

#### (D) Postal Ballot:

During the year, a Special Resolution on continuation of Lee Seow Chuan (DIN: 02696217) as an Independent Director of the Company notwithstanding his attaining 75 years of age during his current tenure was passed through Postal Ballot on 4<sup>th</sup> September, 2023.

Ritu Bajaj (Membership No: FCS: 9913) of RP & Associates, Practicing Company Secretaries, was the Scrutinizer to conduct the Postal Ballot effected through remote e-Voting only.

The remote e-Voting period was from Saturday, 5<sup>th</sup> August, 2023 to Sunday, 3<sup>rd</sup> September, 2023 with the Scrutinizer submitting her Report the very next day. The Resolution was declared passed with the required majority.

E-voting details were as follows:

| Particulars  | Physical Voting |           | Remote e-Voting |                  | Total      |                  | Percentage(%) |
|--------------|-----------------|-----------|-----------------|------------------|------------|------------------|---------------|
|              | Number          | Votes     | Number          | Votes            | Number     | Votes            |               |
| Assent       | NA              | NA        | 573             | 179783922        | 573        | 179783922        | 99.97         |
| Dissent      | NA              | NA        | 79              | 47299            | 79         | 47299            | 0.03          |
| Invalid      | NA              | NA        | 8               | 851940           | NA         | NA               | NA            |
| <b>Total</b> | <b>NA</b>       | <b>NA</b> | <b>660</b>      | <b>180683161</b> | <b>652</b> | <b>179831221</b> | <b>100.00</b> |

#### Procedure for Postal Ballot:

The Postal Ballot process was carried out as per the provisions of Sections 108 and 110 of the Act and Regulation 44 of the LODR Regulations.

No business proposed to be transacted at the forthcoming AGM will require passing of a special resolution through Postal Ballot.

#### 13. DISCLOSURE WITH RESPECT MATERIAL SUBSIDIARY(IES) AND PAYMENT TO STATUTORY AUDITORS ON A CONSOLIDATED BASIS

a) Payment(s) made by the Company's Material Subsidiary, Cygnet Industries Limited to its Statutory Auditors appears under Note No. 32 of the Consolidated Financial Statements.

##### b) Material Subsidiary

|                                  |                                                       |
|----------------------------------|-------------------------------------------------------|
| Name:                            | Cygnet Industries Limited                             |
| Date of Incorporation:           | 15 <sup>th</sup> June, 2015                           |
| Place of Incorporation:          | Kolkata, West Bengal                                  |
| Statutory Auditors:              | Neha Bothra & Company, Chartered Accountants, Kolkata |
| Date of Appointment of Auditors: | 28 <sup>th</sup> June, 2021                           |

#### 14. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint on any issues covered by the above law were received during the year:

|    |                                                                      |     |
|----|----------------------------------------------------------------------|-----|
| a. | Number of complaints filed during the Financial Year 2023-24         | Nil |
| b. | Number of complaints disposed of during the Financial Year 2023-24   | Nil |
| c. | Number of complaints pending as on end of the Financial Year 2023-24 | Nil |

The required Returns to the appropriate authorities were duly filed within the year.

#### 15. MEANS OF COMMUNICATION

##### Financial Results and other related information:

The quarterly Limited Reviewed Unaudited Financial Results and the Annual Audited Financial Results once approved by the Board are sent to/ filed with the Stock Exchanges where the Company's Shares are listed and then published in the national press, being all English editions of the Business Standard and Ek Din in Bengali. The Results are also uploaded on the Company's website [www.kesocorp.com](http://www.kesocorp.com).

Whenever deemed expedient, earnings call on financials/ quarterly results are held with investors and their transcripts published on the Company website. All official releases and other related information are also uploaded on this website.

## 16. GENERAL SHAREHOLDER INFORMATION

### a) Next AGM

|              |                                                                                                                                                                                                                                     |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time</b>  | 11:30 A.M. (IST)                                                                                                                                                                                                                    |
| <b>Day</b>   | Tuesday                                                                                                                                                                                                                             |
| <b>Date</b>  | 9 <sup>th</sup> July, 2024                                                                                                                                                                                                          |
| <b>Venue</b> | To be physically held at the Kalamandir complex, 48, Shakespeare Sarani, Kolkata-700017 with simultaneous arrangements for Video Conferencing (VC)/ Other Audio Visual Means (OAVM) depending upon the convenience of shareholders. |

### b) The Company's Financial Year

The Financial Year of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

### c) Financial Calendar (Tentative) Results for the quarter ending

|                                        |                                       |
|----------------------------------------|---------------------------------------|
| <b>30<sup>th</sup> June, 2024</b>      | 2 <sup>nd</sup> week of July, 2024    |
| <b>30<sup>th</sup> September, 2024</b> | 2 <sup>nd</sup> week of October, 2024 |
| <b>31<sup>st</sup> December, 2024</b>  | 2 <sup>nd</sup> week of January, 2025 |
| <b>31<sup>st</sup> March, 2025</b>     | 2 <sup>nd</sup> week of April, 2025   |

### d) Date of Book Closure

The Register of Members shall remain closed from 3<sup>rd</sup> July, 2024 to 9<sup>th</sup> July, 2024 (both days inclusive) for the purpose of the AGM.

### e) Stock Exchange related information

#### i. Listing on Stock Exchanges :

|                                           |                                                                                                                    |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Equity Shares</b>                      | BSE Limited("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001                                        |
|                                           | National Stock Exchange of India Limited("NSE"), Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai-400 051 |
|                                           | The Calcutta Stock Exchange Ltd.("CSE"), 7, Lyons Range, Kolkata-700 001                                           |
| <b>GDR</b>                                | Societe de la Bourse de Luxembourg, Societe Anonyme/R.C.B. 6222, B.P. 165, L-2013 Luxembourg                       |
| <b>NCDs (delisted during March, 2024)</b> | BSE Limited("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 in the wholesale debt segment.        |

Annual listing fees for the Financial Year 2024-25 have been paid.

#### ii. Codes:

|                           |              |
|---------------------------|--------------|
| <b>i) Equity Shares</b>   |              |
| BSE                       | 502937       |
| NSE                       | KESORAMIND   |
| CSE                       | 10000020     |
| Luxembourg Stock Exchange | US4925322053 |

### f) ISIN No. for the Company's Listed Securities:

|                                                      |              |
|------------------------------------------------------|--------------|
| Equity Shares in Demat Form                          | INE087A01019 |
| Global Depository Receipts                           | US4925322053 |
| NCDs in Demat Form (extinguished during March, 2024) | INE087A07651 |

g) **Depository Connectivity:** National Securities Depository Limited and Central Depository Services (India) Limited.

h) **Stock Market Price Data:**

₹/ Share

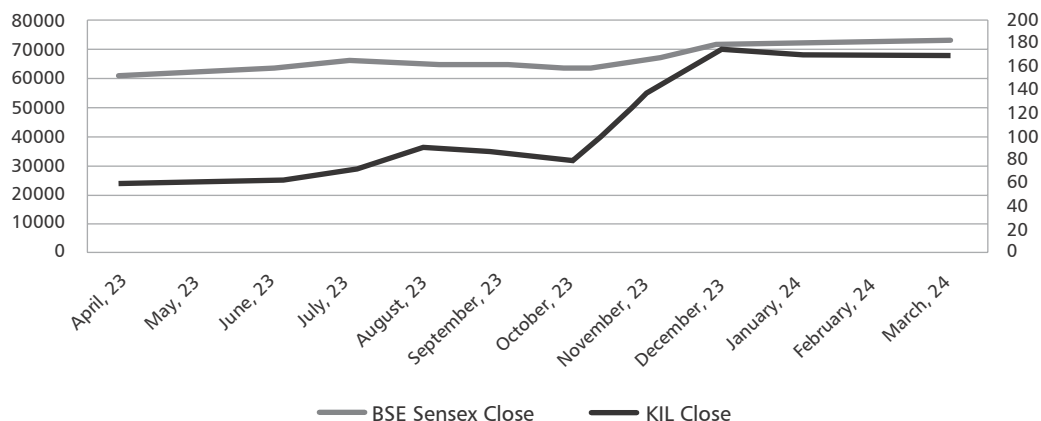
| Month         | BSE Sensex | Share Price |        |        |
|---------------|------------|-------------|--------|--------|
|               | Close      | High        | Low    | Close  |
| April, 23     | 61112.44   | 67.30       | 58.53  | 61.32  |
| May, 23       | 62622.24   | 69.20       | 59.17  | 60.96  |
| June, 23      | 64718.56   | 69.00       | 60.05  | 63.01  |
| July, 23      | 66527.67   | 73.66       | 61.50  | 71.96  |
| August, 23    | 64831.41   | 96.30       | 72.30  | 90.89  |
| September, 23 | 65828.41   | 109.23      | 85.02  | 87.72  |
| October, 23   | 63874.93   | 93.00       | 71.60  | 79.60  |
| November, 23  | 66988.44   | 139.11      | 78.75  | 139.11 |
| December, 23  | 72240.26   | 180.00      | 146.05 | 176.30 |
| January, 24   | 71752.11   | 178.25      | 163.10 | 171.10 |
| February, 24  | 72500.30   | 175.30      | 161.85 | 169.05 |
| March, 24     | 73651.35   | 174.20      | 158.50 | 171.25 |

| Month         | NSE Nifty | Share Price |        |        |
|---------------|-----------|-------------|--------|--------|
|               | Close     | High        | Low    | Close  |
| April, 23     | 18065.00  | 67.35       | 58.45  | 61.30  |
| May, 23       | 18534.40  | 69.20       | 59.15  | 60.90  |
| June, 23      | 19189.05  | 69.10       | 60.00  | 63.00  |
| July, 23      | 19753.80  | 73.75       | 61.45  | 72.00  |
| August, 23    | 19253.80  | 96.40       | 72.15  | 90.50  |
| September, 23 | 19638.30  | 108.00      | 84.65  | 87.25  |
| October, 23   | 19079.60  | 92.75       | 71.30  | 79.55  |
| November, 23  | 20133.15  | 139.45      | 78.75  | 139.40 |
| December, 23  | 21731.40  | 180.00      | 146.35 | 176.25 |
| January, 24   | 21725.70  | 178.30      | 163.00 | 170.75 |
| February, 24  | 21982.80  | 175.35      | 161.60 | 169.10 |
| March, 24     | 22326.90  | 175.00      | 159.00 | 171.15 |

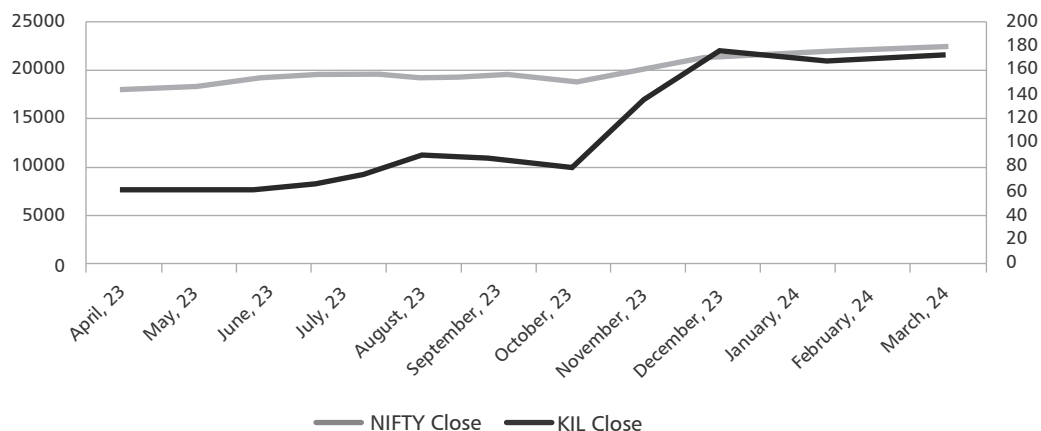
During the year there was no trading on The Calcutta Stock Exchange Ltd.

i) Performance in comparison to broad based indices such as BSE SENSEX and NSE NIFTY

Kesoram Industries Limited (KIL) Share Price on BSE vis-a-vis BSE Sensex 2023-24



Kesoram Industries Limited (KIL) Share Price on NSE vis-a-vis NIFTY 2023-24



j) Registrar and Share Transfer Agents:

MCS Share Transfer Agent Limited (Unit: Kesoram Industries Ltd.)

383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata -700 045

Phone Nos.: 033-40724051-52

E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

k) Share Transfer System:

The Company's listed securities can be transferred only in dematerialised form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022, has mandated all listed companies to issue securities only in dematerialised form, while processing requests for issue of duplicate security certificate, claim against Unclaimed Suspense Account, renewal/ exchange of security certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. Transfer of equity shares in electronic form is effected through the Depositories with no involvement of the Company.

l) SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023 mandated all holders of physical securities in listed companies to update their KYC by furnishing the following documents/ details to the RTA:

- Register the PAN through form ISR – 1.
- Compulsory linking of PAN and Aadhaar.
- Nomination in form SH-13 or cancellation or variation in nomination through Form SH-14.
- Declaration to Opt-out Nomination through Form ISR – 3 after cancelling his existing nomination, if any, through Form SH-14.
- Bank account particulars.
- Specimen signature update.
- All the above forms are available on the website of the Company [www.kesocorp.com](http://www.kesocorp.com) and with RTA.

m) Distribution of shareholding as on 31<sup>st</sup> March, 2024

(i) According to category of holding:

| Category                       | No. of Shareholders | % of Shareholders | No. of Shares    | % of Shares   |
|--------------------------------|---------------------|-------------------|------------------|---------------|
| Promoters & Promoter Group     | 14                  | 0.02              | 134650683        | 43.34         |
| Mutual Funds/ UTI              | 14                  | 0.02              | 4131853          | 1.33          |
| Financial Institutions & Banks | 37                  | 0.04              | 25940048         | 8.35          |
| Foreign Portfolio Investors    | 46                  | 0.05              | 27817563         | 8.95          |
| Insurance Companies            | 3                   | 0.00              | 8669588          | 2.79          |
| NRI/OCB's                      | 1345                | 1.52              | 5076380          | 1.63          |
| Private Body Corporates/ Trust | 646                 | 0.73              | 40429103         | 13.01         |
| Individuals                    | 86559               | 97.62             | 56318475         | 18.13         |
| Unclaimed Suspense A/c         | 2                   | 0.00              | 585              | 0.00          |
| GDRs                           | 1                   | 0.00              | 7041875          | 2.27          |
| IEPF Authority                 | 1                   | 0.00              | 340091           | 0.11          |
| NBFC Registered with RBI       | 3                   | 0.00              | 247419           | 0.08          |
| <b>Total</b>                   | <b>88671*</b>       | <b>100.00</b>     | <b>310663663</b> | <b>100.00</b> |

(\*) Post clubbing the shareholder holding shares under various folios under same PAN into single holding.

(ii) According to number of Equity Shares held:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares    | % of Shares   |
|---------------------------|---------------------|-------------------|------------------|---------------|
| 1-100                     | 57035               | 64.32             | 1900193          | 0.61          |
| 101-200                   | 10131               | 11.43             | 1572552          | 0.51          |
| 201-500                   | 9511                | 10.73             | 3445728          | 1.11          |
| 501-1000                  | 5326                | 6.01              | 4176682          | 1.34          |
| 1001-5000                 | 5093                | 5.74              | 11544711         | 3.72          |
| 5001-10000                | 826                 | 0.93              | 6259685          | 2.01          |
| 10001 and above           | 749                 | 0.84              | 281764112        | 90.70         |
| <b>Total:</b>             | <b>88671</b>        | <b>100.00</b>     | <b>310663663</b> | <b>100.00</b> |

n) Dematerialisation and Rematerialisation

Requests for Dematerialisation and Rematerialisation should be sent either to the Company's Registrar and Share Transfer Agents or to the Company's Share Department at Birla Building, 8<sup>th</sup> Floor, 9/1 R. N. Mukherjee Road, Kolkata -700 001.

**o) Dematerialisation of shareholding**

The Company's Equity Shares are compulsorily traded in the dematerialised form. 30,98,58,561 Equity Shares of the Company representing 99.74% of the total Equity Shares issued were held in dematerialised form as on 31<sup>st</sup> March, 2024. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

**p) Outstanding GDRs**

70,41,875 Equity shares of the Company were held as Global Depository Receipts (GDRs) as on 31<sup>st</sup> March, 2024.

**q) Outstanding shares in Suspense Escrow Demat Account as on 31<sup>st</sup> March, 2024**

There are 580 shares lying in the account.

**r) Insider Trading & Structured Digital Database**

The Company has implemented the Code of Internal Procedure & Conduct as required under the extant SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also in existence a Structured Digital Database as mandated under the above Regulations.

**s) Plant Locations**

| Plant Location                                                                                                                                                                                                          | City Office                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>Sedam Plant</u></b><br>Sedam, Dist. Gulbarga<br>Karnataka-585222<br>Phone: +91-8441-76005/276391/277403<br>E-mail: <a href="mailto:communication@vasavadattacement.com">communication@vasavadattacement.com</a>   | 1. Ground floor, Bharath Apartment, Fair field Layout, Race course Road, Bangalore Karnataka-560001<br><br>2. Unit 12 <sup>th</sup> (1201) of T19-TOWERS, Indira Nagar, Ginwala compound, M.G. Road, Secunderabad-500003 |
| <b><u>Basantnagar Plant</u></b><br>Basantnagar, Dist. Karimnagar Telangana - 505187<br>Phone : +91-8728 -228152/ 228121<br>E-mail: <a href="mailto:communication@kesoramcement.com">communication@kesoramcement.com</a> |                                                                                                                                                                                                                          |
| <b><u>Packing Unit</u></b><br>T-3 MIDC Chincholi, Taluk : Mohal Solapur-413255, Maharashtra                                                                                                                             |                                                                                                                                                                                                                          |

**t) Address for Correspondence****(i) For routine matters:**

For any assistance on security transmission(s), change of address, non-receipt of dividend, duplicate/ missing Security Certificate(s), and on de-mataterialisation and related matters, investors are welcome to get in touch with the Share Department of the Company at the address given below:

**Share Department**

Kesoram Industries Limited  
 Birla Building, 8<sup>th</sup> Floor, 9/1, R. N. Mukherjee Road, Kolkata-700 001  
 Phone No.: +91-33-22101545  
 E-mail: [sharedepartment@kesoram.com](mailto:sharedepartment@kesoram.com)

Or

**Registrar and Share Transfer Agents:**

MCS Share Transfer Agent Limited  
 (Unit: Kesoram Industries Ltd.)  
 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata -700 045  
 Phone Nos.: 033-40724051-52  
 E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

**(ii) For Redressal of Complaints and Grievances:****The Company Secretary**

Kesoram Industries Limited  
 Birla Building, 8<sup>th</sup> Floor, 9/1 R. N. Mukherjee Road, Kolkata-700001  
 Telephone Nos. : +91 33 22435453/22109455/22303744  
 E-mail: [corporate@kesoram.com](mailto:corporate@kesoram.com)

## 17. CREDIT RATINGS

Particulars pertaining to credit rating are as follows: (inter-change the "Present Rating" with "original rating")

| Rating Agency | Limit       | Type                       | Rating as on March 31, 2024                            | Date of Rating               | Earlier Rating     |
|---------------|-------------|----------------------------|--------------------------------------------------------|------------------------------|--------------------|
| ICRA          | ₹ 100 Crore | Fixed Deposit              | [ICRA]BBB- (Rating watch with developing implications) | 8 <sup>th</sup> March, 2024  | [ICRA]BB+ (Stable) |
| ICRA          | -           | Issuer Long Term Rating    | [ICRA]BBB- (Rating watch with developing implications) | 8 <sup>th</sup> March, 2024  | [ICRA]BB+ (Stable) |
| ICRA          | ₹ 300 Crore | Working Capital Facilities | [ICRA]BBB- (Rating watch with developing implications) | 15 <sup>th</sup> March, 2024 | -                  |

## 18. AWARDS AND RECOGNITION DURING THE ACCOUNTING YEAR

| Month & Year | Award / Recognition                                                                                                                                                                                    |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May' 2023    | Winner Award for "21 <sup>st</sup> Annual Greentech Safety Award 2023" held on 30 <sup>th</sup> May 2023 for outstanding achievements in Safety Excellence.                                            |
| July' 2023   | Award for "GreenCo Silver" and certificate issued on 4 <sup>th</sup> July, 2023 from M/s CII – Hyderabad. .                                                                                            |
| July' 2023   | <b>GreenPro Certification</b> and qualifies as Green Product for Birla Shakti (PPC) & Birla Shakti+ (PPC) from CII-Green Products and Services Council for Kesoram Cement Plant.                       |
| Sept' 2023   | Award for "Energy Efficient Unit" in CII - 24 <sup>th</sup> National Award for Excellence in Energy Management – 2023 held during 13 <sup>th</sup> – 15 <sup>th</sup> September 2023 at Hyderabad.     |
| Oct' 2023    | Platinum Award for "Apex Occupational Health & Safety Platinum Award 2023" in Cement Sector on 6 <sup>th</sup> October, 2023.                                                                          |
| Nov' 2023    | <b>Winner Award</b> for outstanding achievements in Top Honour under category "Environmental Excellence" in 23 <sup>rd</sup> Annual Greentech Environment Award 2023" from Greentech Foundation.       |
| Nov' 2023    | Award for "India's Best Company of the Year-2023" from Berkshire Media LLC, USA.                                                                                                                       |
| Dec' 2023    | Award for <b>Overall 3<sup>rd</sup> prize in State level Zone-II Group-B1 in 38<sup>th</sup> Mines Safety Week Observance 2023.</b>                                                                    |
| Dec' 2023    | Award for "Overall 3 <sup>rd</sup> prize in State level Zone-IV Group-A1" "Mines Safety Observance Week 2023"                                                                                          |
| Mar' 2024    | Basantnagar & Thakkallapalli Limestone Mines won three prizes under the category of "Large Mechanised Mines Bheema Group" in 29 <sup>th</sup> Mines Environment and Mineral Conservation week 2023-24. |

## 19. DEBENTURE TRUSTEE:

Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited), The IL&FS Financial Center Plot No. C-22, G Block, 7<sup>th</sup> Floor, Bandra Kurla Complex Bandra (East), Mumbai - 400051 Tel: +91 22 2659 3535, Fax: +91 22 2653 3297 Email: [mumbai@vistra.com](mailto:mumbai@vistra.com), Website: [www.vistraitcl.com](http://www.vistraitcl.com) was appointed as Debenture Trustee for the proposed issue of unlisted Non-Convertible Debentures.

## 20. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis, as reviewed by the Audit Committee, is part of this Annual Report.

# Bonding with the team



Together we progress



**21. OTHER DISCLOSURES:**

- i) The policy on Related Party Transactions as approved by the Board and amended from time to time is uploaded on the Company's website at <https://www.kesocorp.com/DOCS/pdf/mgc/related-party-transactions-policy.pdf>.
- ii) Transactions with Related Parties, as per the requirements of Indian Accounting Standard 24 (IND-AS 24) in the prescribed format of Para A of Schedule V of LODR Regulations have been disclosed in the Notes annexed to the Financial Statements. There have been no materially significant transactions with Related Parties viz. Promoters, Directors or the Management or their relatives or Subsidiaries that had or could have potential conflict with the Company's interest. There were no Related Party Transactions in terms of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, that calls for disclosure in Form AOC-2.
- iii) The Company, while preparing its financial statements has complied with prescriptions of the Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015,
- iv) There are/ were no pecuniary relationships or transactions by Non-Executive Directors vis-à-vis the Company which have or could have potential conflict with the interest of the Company at large.
- v) The Company has complied with all applicable requirements of the LODR Regulations as well as other Regulations and guidelines mandated by SEBI for the Financial Year ended 31<sup>st</sup> March, 2024. No penalties or strictures of material nature have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- vi) The Company has adopted a Whistle Blower Policy that has been placed on the website of the Company at <https://www.kesocorp.com/DOCS/pdf/mgc/whistle-blower.pdf>. The Policy contains guidelines to be followed by a potential whistle blower. No potential whistle blower has been denied access either to the Company or the Board's Audit Committee.
- vii) The Company has a Risk Management Committee to evaluate business risks and suggest appropriate mitigation measures.
- viii) Cygnet Industries Limited ("Cygnet") continued as a wholly owned subsidiary during the year. The Policy on Material Subsidiaries is available on the Company's website at <https://www.kesocorp.com/DOCS/pdf/mgc/Policy%20on%20Material%20Subsidiaries%20KIL%20Final.pdf>.
- ix) Independent Directors have confirmed that they met the criteria of 'Independence' as stipulated under the LODR Regulations.
- x) Commodity price risks and foreign exchange risks are hedged from time to time in accordance with a Board approved Hedging Policy.
- xi) The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the LODR Regulations.
- xii) All recommendations of Board Committees made during the year were accepted by the Board. There was no instance of any disagreement between any of the Committees and the Board.
- xiii) There has not been any agreement which was disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.
- xiv) The status of compliance with non-mandatory recommendations of the Part E of Schedule II of LODR Regulations are provided below:
  - i) Non-Executive Chairman's Office: The Non-Executive Chairman maintains an office at the Company's Registered Office in Kolkata.
  - ii) Shareholders' Rights: As the quarterly and half yearly financial performance are submitted to the Stock Exchanges, published in the Press and posted on the Company's website, these are not sent to Shareholders separately.
  - iii) Audit Qualifications: The Company's Financial Statements for the year 2023-24 are free from any audit qualifications.

- iv) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: The Chairman and the Whole-time Director & Chief Executive Officer are separate persons. One is not related to the other.
- v) Reporting of Internal Auditor: The Internal Auditor report directly to the Audit Committee.

**22. CERTIFICATE FROM WHOLE-TIME DIRECTOR & CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER ("CFO")**

Appropriate Certificates prescribed under the LODR Regulations have been issued by Whole-time Director & Chief Executive Officer and CFO appears elsewhere in this Annual Report.

**23. RECONCILIATION OF SHARE CAPITAL AUDIT**

As stipulated by SEBI, a Practicing Company Secretary carries out the audit of reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

**24. CERTIFICATE FROM A PRACTICING COMPANY SECRETARY**

- a) The Company has obtained from a Practicing Company Secretary a Certificate confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para C of the Schedule V of the LODR Regulations..
- b) The Company has also obtained a Certificate from a Practicing Company Secretary confirming that no Director of the Company has been debarred or disqualified from being appointed or continuing as a Director of a Company either by SEBI or any other authority.

**For and on behalf of the Board**

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**Manjushree Khaitan**  
*Chairman*  
DIN: 00055898

**P Radhakrishnan**  
*Whole-time Director and Chief Executive Officer*  
DIN: 08284551

## DECLARATION

All Board Members as on 31<sup>st</sup> March, 2024 and Senior Management Personnel have affirmed their compliance with the "Code of Conduct for Members of the Board and Senior Management" for the period from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Kesoram Industries Limited

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**P. Radhakrishnan**  
*Whole-time Director & CEO*  
DIN: 08284551

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN : L17119WB1919PLC003429  
Nominal Capital : ₹12,00,00,00,000/-

To,  
The Members,  
**Kesoram Industries Limited**

We have examined all the relevant records of **Kesoram Industries Limited ("the Company")** for the purpose of certifying compliance of conditions of Corporate Governance under Para C & D of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on **31<sup>st</sup> March, 2024**. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedure and implementation thereof and was carried out in accordance with the guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. It is neither an audit nor an expression of opinion on the financial statement of the Company. This certificate 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.

On the basis of our examination of the records produced, explanation and information furnished, we certify that the Company has complied with all the mandatory conditions as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C & D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

For, **RP & Associates**

Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
UDIN: F009913F000232542  
Peer Review No. 1635/2021

**CERTIFICATE FROM THE COMPANY SECRETARY IN PRACTICE AS PER PARA C  
CLAUSE 10 (i) OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015**

To,  
The Members,  
**M/s. Kesoram Industries Limited**

We have examined all relevant records including the annual declarations from the Directors in Form DIR-8 of **Kesoram Industries Limited ("the Company")** having CIN: L17119WB1919PLC003429 and having registered office at 9/1, R.N. Mukherjee Road, Kolkata – 700001 (hereinafter referred to as 'the Company'), for the purpose of certifying that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as per "Para C Clause 10(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" for the Financial Year ended on **31<sup>st</sup> March, 2024**.

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](http://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 as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director            | DIN      | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1       | Manjushree Khaitan          | 00055898 | 30 <sup>th</sup> October, 1998 |
| 2       | Kashi Prasad Khandelwal     | 00748523 | 10 <sup>th</sup> April, 2012   |
| 3       | Sudip Banerjee              | 05245757 | 29 <sup>th</sup> April, 2014   |
| 4       | Lee Seow Chuan              | 02696217 | 08 <sup>th</sup> August, 2014  |
| 5       | Jikyeong Kang               | 08045661 | 10 <sup>th</sup> January, 2018 |
| 6       | Radhakrishnan Padmalochanan | 08284551 | 08 <sup>th</sup> August, 2019  |
| 7       | Mangala Radhakrishna Prabhu | 06450659 | 14 <sup>th</sup> May, 2021     |
| 8       | Satish Narain Jajoo         | 07524333 | 12 <sup>th</sup> August, 2021  |

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RP & Associates**

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**RITU BAJAJ**  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
UDIN: F009913F000232511  
Peer Review No. 1635/2021

## ANNEXURE IV

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

The Company fully recognises its commitment to the fulfilment of its social responsibilities. Programmes to benefit society in general and those living in the vicinity of its facilities in particular have been consistently implemented over the years. In so doing, the Company has been faithfully following and implementing the vision of its former Chairman, Late Basant Kumar Birla, who instilled in the Company the consciousness of being responsive to the needs of the less privileged. Such observance has been Company Policy for decades much before statutory mandates were even thought of. Although, under the provisions of Section 135(5) of the Companies Act, 2013, the Company need not statutorily spend on CSR activities since the average net profit of the last three years is negative, the Company's CSR schemes primarily focusses on activities that benefit the less privileged in the society.

## 2. Composition of CSR Committee:

| S. 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      | Manjushree Khaitan | Chairman                            | -                                                        | -                                                            |
| 2      | P. Radhakrishnan   | Whole-time Director                 | -                                                        | -                                                            |
| 3      | Jikyeong Kang      | Non- Executive Director             | -                                                        | -                                                            |

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: <https://www.kesocorp.com/DOCS/pdf/mgc/corporate-social-responsibility-policy.pdf>.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 ₹/ Crore) | Amount required to be set-off for the financial year, if any (in ₹/ Crore) |
|----------------|----------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Not Applicable |                |                                                                           |                                                                            |

## 6. Average net profit of the Company as per Section 135(5):

| Particulars        | Last three financial years (₹/ Crore) |          |          | Average Net Profit/(Loss) for calculating CSR expenditure (₹/ Crore) |
|--------------------|---------------------------------------|----------|----------|----------------------------------------------------------------------|
|                    | 2022-23                               | 2021-22  | 2020-21  |                                                                      |
| Net Profit (Loss)* | (306.22)                              | (139.90) | (140.13) | (195.42)                                                             |

\*Dividend income of ₹.0.02 Crore for each of the Financial Years 2022-23, 2021-22 & 2020-21 have been deducted from the net profits of the respective Financial Years in terms of the proviso to Clause (ii) to Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 7. (a) Two percent of average net profit of the Company as per Section 135(5): As will be evident from the above that the Company has made losses during the Financial Years 2022-23, 2021-22 &amp; 2020-21 and the average net profit for the last three Financial Years is negative. In view of the above, no CSR expenditure during the Financial Year 2023-24 is mandated.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year: **NIL**

(c) Amount required to be set off for the Financial Year, if any: **NIL**

(d) Total CSR obligation for the Financial Year (7a+7b-7c): **NIL**

8. (a) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (in ₹/ Crore) | Amount Unspent (in ₹ / Crore)                                          |                   |                                                                                                      |         |                   |
|----------------------------------------------------------|------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------|---------|-------------------|
|                                                          | 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. |
| Not Applicable                                           |                                                                        |                   |                                                                                                      |         |                   |

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

| (1)            | (2)                  | (3)                                                          | (4)                   | (5)                      | (6)               | (7)                                      | (8)                                                | (9)                                                                                     | (10)                                      | (11)                                                 |
|----------------|----------------------|--------------------------------------------------------------|-----------------------|--------------------------|-------------------|------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------|
| Sl. No.        | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | Project duration. | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |
|                |                      |                                                              |                       | State. District.         |                   |                                          |                                                    |                                                                                         |                                           | Name. CSR Registration number.                       |
| Not Applicable |                      |                                                              |                       |                          |                   |                                          |                                                    |                                                                                         |                                           |                                                      |

(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. | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. |
|                |                      |                                                              |                       | State. District.         |                                      |                                           | Name. CSR registration number.                        |
| Not Applicable |                      |                                                              |                       |                          |                                      |                                           |                                                       |

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any

| S. No. | Particular                                                                                                  | Amount (in ₹)  |
|--------|-------------------------------------------------------------------------------------------------------------|----------------|
| (i)    | Two percent of average net profit of the Company as per Section 135(5)                                      | Not Applicable |
| (ii)   | Total amount spent for the Financial Year                                                                   |                |
| (iii)  | Excess amount spent for the Financial Year [(ii)-(i)]                                                       |                |
| (iv)   | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any |                |
| (v)    | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     |                |

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

| Sl. No.        | Preceding Financial Year. | Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹ ) | Amount spent in the reporting Financial Year (in ₹ ). | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any. |                 |                   | Amount remaining to be spent in succeeding Financial Years. (in ₹ ) |
|----------------|---------------------------|-------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------|-------------------|---------------------------------------------------------------------|
|                |                           |                                                                         |                                                       | Name of the Fund                                                                           | Amount (in ₹ ). | Date of transfer. |                                                                     |
| Not Applicable |                           |                                                                         |                                                       |                                                                                            |                 |                   |                                                                     |

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

| (1)            | (2)         | (3)                  | (4)                                                | (5)               | (6)                                            | (7)                                                                 | (8)                                                                    | (9)                                          |
|----------------|-------------|----------------------|----------------------------------------------------|-------------------|------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------|
| Sl. No.        | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹). | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing. |
| Not Applicable |             |                      |                                                    |                   |                                                |                                                                     |                                                                        |                                              |

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: **Not Applicable**

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

For and on behalf of the Board

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

Manjushree Khaitan  
Chairman  
DIN: 00055898

P Radhakrishnan  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

## Form AOC-1

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statements of Subsidiary/ Associate Company/ Joint Venture**

### Part "A": Subsidiary

(₹/ Crore)

| S. No. | Particulars                                                                                                                 | Details                      |
|--------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1.     | Name of the subsidiary                                                                                                      | Cygnet Industries Limited    |
| 2.     | Date since when the subsidiary was acquired/ incorporated                                                                   | 7 <sup>th</sup> May, 2016    |
| 3.     | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period                     | 31 <sup>st</sup> March, 2024 |
| 4.     | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR                          |
| 5.     | Share Capital                                                                                                               | 926.54                       |
| 6.     | Reserves & Surplus                                                                                                          | (858.00)                     |
| 7.     | Total Assets                                                                                                                | 559.17                       |
| 8.     | Total Liabilities                                                                                                           | 490.64                       |
| 9.     | Investments                                                                                                                 | 0.00                         |
| 10.    | Turnover                                                                                                                    | 246.40                       |
| 11.    | Profit before Taxation                                                                                                      | (67.61)                      |
| 12.    | Provision for Taxation                                                                                                      | Nil                          |
| 13.    | Profit after Taxation                                                                                                       | (67.61)                      |
| 14.    | Proposed Dividend                                                                                                           | Nil                          |
| 15.    | % of Shareholding                                                                                                           | 100.00                       |

### Part "B": Associate and Joint Venture

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Venture**

(₹/ Crore)

| S. No | Particulars                                                                | Details                                                                 |
|-------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1     | Name of Associates/ Joint Ventures                                         | Gondkhari Coal Mining Limited                                           |
| 2     | Latest audited Balance Sheet Date                                          | 31 <sup>st</sup> March, 2024                                            |
| 3     | Shares of Associates/ Joint Ventures held by the Company on the year end   |                                                                         |
|       | a) Number                                                                  | 22,730                                                                  |
|       | b) Amount of Investment in Associates/ Joint Venture                       | 0.02                                                                    |
|       | c) Extent of Holding %                                                     | 45.46                                                                   |
| 4     | Description of how there is significant influence                          | Joint Venture                                                           |
| 5     | Reason why the associate/ joint venture is not consolidated                | Consolidation is done using the Equity Method as per IND AS 28 para 16. |
| 6     | Net worth attributable to shareholding as per latest audited Balance Sheet | (3.90)                                                                  |
| 7     | Profit/ Loss for the year                                                  | (0.01)                                                                  |
|       | a) Considered in Consolidation                                             | -                                                                       |
|       | b) Not Considered in Consolidation                                         | (0.01)                                                                  |

**For and on behalf of the Board**

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

## ANNEXURE VI

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

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

To,  
The Members,  
**Kesoram Industries Limited**  
**CIN: U74900WB2015PLC206720**  
9/1, R. N. Mukherjee Road,  
Kolkata-700001, West Bengal.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kesoram Industries Limited** (hereinafter called "the Company"). 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.

On the basis of the verification of the secretarial compliance and on the basis of Secretarial Audit of Company's books, papers, minute books, forms and returns filed and other records maintained and as shown to us during the said audit and also based on the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period, that is to say, from **April 01, 2023 to March 31, 2024**, (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.

We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 and as shown to us during our audit, according to the provisions of the following laws:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The SEBI (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR");
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time; *(Not Applicable to the Company during period under review)*;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;
  - (g) 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;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to the Company for the period under review)*;
- (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; *(Not Applicable to the Company for the period under review)*;

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited, Calcutta Stock Exchange Limited and Luxembourg Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned 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, wherever applicable.
- Adequate notices were 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,
- 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.
- All the decisions of the Board and Committees were carried with requisite majority and recorded as part of the minutes.

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

We further report that during the audit period there have been enlisted some actions or events undertaken by the Company which may have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines, standards etc: -

***- It was observed that the Hon'ble Arbitration Tribunal at Kolkata had passed an arbitration award of ₹ 174.88 Crore against Kesoram Industries Ltd. (KIL) on March 20, 2023. However, no disclosure was made by the Company under Regulation 30 of SEBI LODR Regulations, 2015 for which the Company had received an "Administrative Warning" from SEBI vide letter ref. SEBI/HO/CFD/SEC-2/P/OW/2022/40130/1 dated September 26, 2023. Further the Company has replied vide letter KIL/SE/Reg. 30/2023-24 dated September 29, 2023 and disclosed details of litigation/dispute in regard to the award.***

In respect of other Acts, Laws and Regulations (given in Annexure I) specifically applicable to the industry to which the Company belongs, as identified by the Management, we have relied on the information / records produced by the Company in electronic mode as well as on the documents provided to us during our visits during the course of our audit and the reporting is limited to that extent. The Company has further confirmed that during the Audit period, they have not contravened any of the provisions of the given specific laws and had obtained all the requisites registrations, permits and licenses.

We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors, Internal Auditors and other designated professionals.

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

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**For RP & Associates**  
Ritu Bajaj  
(Proprietor)  
M. No.: FCS 9913  
C.P. No.: 11933  
UDIN: F009913F000232201  
Peer Review No. 1635/2021

## 'ANNEXURE I'

**The List of Various Applicable Laws to the Company**

- |                                                                                                          |                                                                   |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1. Employees' Provident Fund Act, 1952 and Rules,                                                        | 12. Water (Prevention & Control of Pollution) Cess Act and Rules, |
| 2. Payment of Gratuity Act, 1972,                                                                        | 13. Payment of Wages Act, 1936,                                   |
| 3. Apprentices Act, 1961,                                                                                | 14. The Industrial Employment (Standing Orders) Act, 1946,        |
| 4. Contract Labour (R&A) Act, 1970,                                                                      | 15. Finance Act, 1994,                                            |
| 5. Employees State Insurance Act, 1948,                                                                  | 16. The Factories Act, 1948,                                      |
| 6. Employees Provident Fund & Misc Provision Act, 1952,                                                  | 17. Mines Act, 1952 & its allied Acts and Rules                   |
| 7. Minimum Wages Act, 1948,                                                                              | 18. The Equal Remuneration Act, 1976,                             |
| 8. Payment of Bonus Act, 1965,                                                                           | 19. Workmen's Compensation Act, 1923 & Rules,                     |
| 9. West Bengal Shops and Establishments Act and Rules,                                                   | 20. The Maternity Benefit Act, 1961                               |
| 10. The West Bengal State Tax on Professions, Trades, Callings and Employments Act & Rules,              | 21. The Negotiable Instrument Act, 1881; and                      |
| 11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, | 22. Goods and Services Tax Act, 2017                              |

## 'ANNEXURE II'

**MANAGEMENT RESPONSIBILITY**

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the 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 of the data provided to us to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;
- iv. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc;
- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- vi. 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.

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**For, RP & Associates**  
Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
UDIN: F009913F000232201  
Peer Review No. 1635/2021

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

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

To,  
The Members,  
**M/s. Cygnet Industries Limited**  
**CIN: U74900WB2015PLC206720**  
Birla Building, 8<sup>th</sup> Floor,  
9/1, R.N. Mukherjee Road,  
Kolkata-700001, West Bengal.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cygnet Industries Limited** (hereinafter called "the Company"). 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.

On the basis of verification of the secretarial compliance and on the basis of Secretarial Audit of Company's books, papers, minute books, forms and returns filed and other records maintained and as shown to us during the said audit and also based on the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion and to the best of our understanding, the Company has, during the audit period, that is to say, from **April 01, 2023 to March 31, 2024**, (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.

We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024 and as shown to us during our audit, according to the provisions of the following laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (*Not Applicable as the securities of the Company are not Listed*);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (*Not Applicable as the securities of the Company are not in the Dematerialized form*)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*Not Applicable to the Company during the Audit Period*);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*Not Applicable as the securities of the Company are not Listed*);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*Not Applicable as the securities of the Company are not Listed*);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time; (*Not Applicable as the securities of the Company are not Listed*);
  - (d) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR"); (*Not Applicable as the securities of the Company are not Listed*)

- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time; *(Not Applicable as the securities of the Company are not Listed)*;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015; *(Not Applicable as the securities of the Company are not Listed)*;
- (g) 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; *(Not Applicable as the securities of the Company are not Listed)*;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable as the securities of the Company are not Listed)*;
- (i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998; *(Not Applicable as the securities of the company are not Listed)*.

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

- (i) 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 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, wherever applicable.
- Adequate notices were 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,
- 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.
- All the decisions of the Board and Committees were carried with requisite majority and recorded as part of the minutes.
- The Company has withdrawn its Scheme of Arrangement with M/s. Kesoram Industries Limited, its holding company.

**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.

In respect of other Acts, Laws and Regulations (given in Annexure I) specifically applicable to the industry to which the Company belongs, as identified by the Management, we have relied on the information / records produced by the Company in electronic mode as well as on the documents provided to us during our visits during the course of our audit and the reporting is limited to that extent. The Company has further confirmed that during the Audit period, they have not contravened any of the provisions of the given specific laws and had obtained all the requisites registrations, permits and licenses.

We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors, Internal Auditors and other designated professionals.

We further report that during the Audit Period, the Company has not undertaken any specific event/ action that can have a bearing on the Company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with our letter of even date which is annexed as **Annexure II** and form an integral part of this report.

Place: Kolkata

Date: 08<sup>th</sup> April, 2024

**For, RP & Associates**

Ritu Bajaj

(Proprietor)

M.No.: FCS 9913

C.P. No.: 11933

UDIN: F009913F000060491

Peer Review No. 1635/2021

**'ANNEXURE I'****The List of Various Applicable Laws to the Company**

- |                                                                                                          |                                                                         |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1. Employees' Provident Fund Act, 1952 and Rules,                                                        | 12. Water (Prevention & Control of Pollution) Act, 1974,                |
| 2. Payment of Gratuity Act, 1972,                                                                        | 13. Water (Prevention & Control of Pollution) Cess Act, 1977 and Rules, |
| 3. Apprentices Act, 1961,                                                                                | 14. Payment of Wages Act, 1936,                                         |
| 4. Contract Labour (R&A) Act, 1970,                                                                      | 15. The Industrial Employment (Standing Orders) Act, 1946,              |
| 5. Employees State Insurance Act, 1948,                                                                  | 16. Finance Act, 1994,                                                  |
| 6. Employees Provident Fund & Misc Provision Act, 1952,                                                  | 17. The Factories Act, 1948,                                            |
| 7. Minimum Wages Act, 1948,                                                                              | 18. The Equal Remuneration Act, 1976,                                   |
| 8. Payment of Bonus Act, 1965,                                                                           | 19. Workmen's Compensation Act, 1923 & Rules,                           |
| 9. West Bengal Shops and Establishments Act, 1963 and Rules,                                             | 20. The Maternity Benefit Act, 1961                                     |
| 10. The West Bengal State Tax on Professions, Trades, Callings and Employments Act & Rules,              | 21. The Negotiable Instrument Act, 1881; and                            |
| 11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, | 22. Goods and Service Tax Act, 2017                                     |

**'ANNEXURE II'****MANAGEMENT RESPONSIBILITY**

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the 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 of the data provided to us in to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;
- iv. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- vi. 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.

Place: Kolkata  
Date: 8<sup>th</sup> April, 2024

**For, RP & Associates**  
Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
UDIN: F009913F000060491  
Peer Review No. 1635/2021

## ANNEXURE VII

Details as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31<sup>st</sup> March, 2024.

| S. No. | Requirement                                                                                                                                                          | Details                                                                                                                                                                                                                                                                                                                                                                                           |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)    | The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year.                                     | Manjushree Khaitan : 1.04 : 1<br>Kashi Prasad Khandelwal : 1.9 : 1<br>Sudip Banerjee : 1.96 : 1<br>Lee Seow Chuan : 1.96 : 1<br>Jikyeong Kang : 1.40 : 1<br>P. Radhakrishnan : 77.56 : 1<br>Mangala Radhakrishna Prabhu : 1.28 : 1<br>Satish Narain Jajoo : 1.28 : 1                                                                                                                              |
| (ii)   | The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year. | <b>Directors :</b><br>Manjushree Khaitan : -22.22<br>Kashi Prasad Khandelwal : -28.89<br>Sudip Banerjee : -33.33<br>Lee Seow Chuan : -22.35<br>Jikyeong Kang : -45.35<br>P. Radhakrishnan : Nil<br>Mangala Radhakrishna Prabhu : -18.87<br>Satish Narain Jajoo : -20.37<br><b>Key Managerial Person :</b><br>Rohit Shah, Chief Financial Officer: 4.00<br>Gautam Ganguli, Company Secretary: 5.00 |
| (iii)  | The percentage increase in median remuneration of employees in the Financial Year.                                                                                   | 13.64                                                                                                                                                                                                                                                                                                                                                                                             |
| (iv)   | The number of permanent employees on the rolls of Company.                                                                                                           | 1915                                                                                                                                                                                                                                                                                                                                                                                              |
| (v)    | a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year                                  | 0.03                                                                                                                                                                                                                                                                                                                                                                                              |
|        | b) Its comparison with the percentile increase in the managerial remuneration.                                                                                       | The increase in managerial remuneration compared with the other employees are in line with the industry practice and is within normal range.                                                                                                                                                                                                                                                      |
|        | c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.                                       |                                                                                                                                                                                                                                                                                                                                                                                                   |
| (vi)   | Affirmation that the remuneration is as per the remuneration policy of the Company.                                                                                  | Yes, it is confirmed.                                                                                                                                                                                                                                                                                                                                                                             |

For and on behalf of the Board

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND EXCHANGE EARNINGS AND OUTGO**

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

### **A. CONSERVATION OF ENERGY:**

#### **i) Steps taken or impact on conservation of energy:**

The following measures were taken by the business in relation to conservation of energy.

- Optimised kiln-1 k-line fine coal hopper bag filter fan speed from 3000RPM to 1500RPM through installation of available VVVF drive resulted in energy saving of 2 Kw/Hr.
- Optimised raw mill 1 classifier CA fan speed by replacing 6600V motor with available 440V motor & VVVF drive resulted in energy saving of 21 Kw/Hr.
- Replaced 4 Nos of old inefficient multiple rewind motors with IE3 premium energy efficient motors.
- Optimised cement storage silo top bag filter fan speed by replacement of 1500 RPM motor with 1000 RPM motor and achieved an energy saving of 4.06 Kw/ Hr.
- Optimised raw mill 2 classifier CA fan GRR cooling fans operation through GRR temperature and achieved an energy saving of 0.45 Kw/Hr.
- Replaced 131 Nos conventional lights with energy efficient LED lights.
- Replaced 12 Nos of beyond repair conventional ceiling fans with energy efficient BLDC super fans.
- Replacement of IE3 energy efficient motor for booster fan in coal mill-2.
- Providing digital timer for TXR SLDB - 2 & 3 in packing plant
- Replacement of Metallic fan with FRP fans for Coal Mill -3 Main Drive Cooling Blower -1 & 2 motor.
- Replacement of IE3 energy efficient motor for mass flow conveyor, for cooler water spray pump and for coal mill lubrication pump.
- Replacement of old IE2 motor with IE3 motor for raw mill fan cooling blower 1 & 2.
- Clinker Crusher Reverse Operation in kiln-2.
- Installation of 55KW VFD for Compressor in packing plant-2.
- CEP discharge line modification in U1 Turbine / CEP.
- Operating U4 ESP hopper heaters through DCS in auto mode.
- VFD for Unit - 4 service air compressor - 02 in TPP-4.
- Interlocking of U-1 Raw mill silo top material distribution blower to be stopped whenever mill stopped 1 Hr. & above.
- Cement mill-4 silo feed bucket elevator VFD installation.
- VFD for U1 Fly Ash Bin Bag filter fan.
- VFD for Coal stacker drive.
- Replacement of 70W conventional light fittings with LED fittings in material handling area.

#### **ii) Steps taken by the Company for utilising alternate sources of energy:**

During FY 2023-24, Co-processed 8079.62 MT of Black carbon, 11485.15 MT of Plastic waste, 1380.21 MT of Agriculture waste, 1284.855 MT of Rice husk in CPP and 59.54 MT carbon black in Kiln.

#### **iii) Capital investment on energy consumption equipment:**

₹ 29.91 Lakh were invested towards VFDs.

### **B. TECHNOLOGY ABSORPTION:**

#### **i) Efforts made towards technology absorption:**

Replaced old multiple rewind and inefficient motors with new Premium Energy efficient motors, replaced

conventional light fittings with Energy Efficient LED lights, replaced conventional ceiling Fans with Energy Efficient BLDC super fans, installed VVVF drive to softener water pump for optimisation of pump speed. DCS system upgraded to improve plant efficiency. Replacement of old electric fuses with MCBs in Kiln HT Motors panel boards for better protection & easy trouble shooting.

**ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- In house fabrication and erection of Air slide box from Rawmill-3 silo feeding bucket elevator discharge to BS-3 silo for feeding rawmill-3 final product at centre point of silo to improve material blending efficiency.
- Provided flow adjustment plate for Cement mill 2 clinker hopper feed chute for consistent material discharge to weigh feeder.
- Provided changeover interlock switch for Unit-2 packing plant platform belt conveyor near the operator point to avoid frequent jamming & damage of cement bags.
- Increased the effective diameter of C-line 4th cyclone discharge to MFC pipe from 600mm to 800mm to get constant discharge of material and avoided frequent jamming of material.
- Installation of conveyor belt under raw coal hopper to improve coal quality by proper mixing of different grades of coal in consistent manner.
- Installation of 700mm Dia hot air duct parallel to the existing duct to improve the coal mill grinding efficiency.
- LS crushers hammers changed from Manganese steel to Ceramic inserted type hammer for cost saving.
- Installation of Modified Grizzle bars set in cooler discharge to avoid escaping of big size lumps, thereby improved grinding efficiency in cement mills.
- Installed carbon black feeding system in line-1, 2 & 4 for consumption of black carbon as AFR (8079.62 MT consumed in FY23-24).
- Coal mill-1 baghouse upgraded by increasing the bag filter height by 3.9 mtr to 5 mtr, resulted in Differential Pressure (DP) across the bag house reduced by 50 mmWC & increase in mill output.
- Cement mill-3 Hr separator fan modification done by increasing static cone diameter towards fan impeller from 1200 mm to 1250 mm, resulted in separator fan efficiency increased to 50-55% (at 80% fan speed) from 30-35% (at 94% fan speed).
- Manufacturing of New product "Super Plast" launched in May'23.
- HT integration between TG-3 and TG-5 feed power to Line-3 Cement Plant for import power system improvement.
- Clinker integration provision from U1 cement mill to U4 cement mill, to avoid manual shifting of clinker.
- Cement mill-1&2 Fly ash Rotor Scale capacity enhancement.
- CAT Pay Loader No-11 radiator cooling fan guard modification to improve run efficiency.
- Unit -3 Laterite manual feeding dump hopper discharge chute side modification.
- Modification of crusher axle doors for ease of maintenance.
- Modified 1400mm belt returned idlers to improve belt life.
- Additive new crusher belt 3BC10 belt conveyor discharge chute inspection door modification work for ease of maintenance.
- Modified rotary air lock drive (chain to direct couple), to avoid slippage & ease of maintenance.
- Modification of Water Spray Line at Dump Hopper to avoid fugitive dust emission.
- VFD PLC wiring simplification in Line-3 Cooler fan-3, PC Firing blower, Line - 2 Cooler fans, 4N58FN & 4N58AFN, 3N50, 3N50A, 3N32WS Bag filter fan, 3N58, 3N58A Bag filter fans for ease of maintenance.
- Provision of U-1 Old crusher PID to BC-2 belt weigh TPH Vs Push feeder strokes to optimize crusher production & Avoid belt over loads.
- Unit - 1,2,3 & 4 Main Burner Pipes Refractory Preheating to improve refractory life.
- Hot air connection to coal mill-1 Gravel gate for dry out the material in rainy season to avoid jamming.
- Unit - 3 Clinker Breaker Hood modification & Clinker Breaker Motor Direction Change to avoid jamming.
- Unit -1 TAD bricks and Cyclone Cone bricks Standardization, to make spares common and to reduce inventory.

- Replacement of Unit-4 FCV IL positioner with Forbes Marshall 831 WP positioner for common inventory.
- Bauxite WF capacity increased to 30TPH, to cope up mill production.
- Coal feeder dividing chute modification in boiler, for ease of maintenance.
- Synchronization of U4 EBR-2 breaker from TG-5 generator control panel for online power change over.
- 3N08BC discharge suction hood modified to minimize fugitive emission in Cement mill-3.
- Flaps provided in Packing Plant-1& 3 to avoid bag jamming.
- Unit-3 laterite feeding belt 3BC10 discharge chute diverter replaced and chute modification done to avoid jamming.

iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**

(a) Details of technology imported - **No technology was imported during the last three years by the Company**

(b) Year of import - **Not applicable**

(c) Whether the technology has been fully absorbed - **Not applicable**

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - **Not applicable**

iv) **Expenditure incurred on Research & Development: Nil**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

| ₹/ Crore                           |            |            |
|------------------------------------|------------|------------|
| Particulars                        | FY 2023-24 | FY 2022-23 |
| Foreign Exchange earned            | Nil        | Nil        |
| Foreign Exchange Outgo (CIF value) | 2.02       | 34.80      |

**For and on behalf of the Board**

Place: Kolkata  
Date: 22<sup>nd</sup> April, 2024

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

## SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

(All amounts in ₹ Crores, except otherwise stated)

| Particulars                                              | 31-03-2024      | 31-03-2023      | 31-03-2022      | 31-03-2021      | 31-03-2020      |
|----------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Fixed Assets                                         | 1,316.21        | 1,337.52        | 1,571.10        | 1,612.75        | 1,683.53        |
| Investments                                              | 371.35          | 388.44          | 380.05          | 537.88          | 499.55          |
| Other Assets/ (Liabilities)- Current & Non-current (net) | 674.14          | 654.24          | 351.65          | 29.13           | (302.72)        |
| <b>Capital Employed</b>                                  | <b>2,361.70</b> | <b>2,380.20</b> | <b>2,302.80</b> | <b>2,179.76</b> | <b>1,880.36</b> |
| Less: Loan Funds                                         | 2,044.35        | 1,731.97        | 1,696.52        | 1,832.60        | 1,853.00        |
| <b>Total Equity</b>                                      | <b>317.35</b>   | <b>648.23</b>   | <b>606.28</b>   | <b>347.16</b>   | <b>27.36</b>    |
| <b>Therefore, Company's Total Equity represented by</b>  |                 |                 |                 |                 |                 |
| a. Equity Share Capital                                  | 310.66          | 310.66          | 244.41          | 164.81          | 142.59          |
| b. Reserve & Surplus                                     | 6.69            | 337.57          | 361.87          | 182.35          | (115.23)        |
|                                                          | <b>317.35</b>   | <b>648.23</b>   | <b>606.28</b>   | <b>347.16</b>   | <b>27.36</b>    |

Share application money pending allotment included in March 31, 2022.

Figures for previous year(s) have been regrouped/ rearranged where considered necessary.

## SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

(All amounts in ₹ Crore, except otherwise stated)

| Particulars                                                                    | 2023-2024       | 2022-2023       | 2021-2022       | 2020-2021       | 2019-2020       |
|--------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue from operations                                                        | 3,740.48        | 3,533.75        | 3,539.56        | 2,415.21        | 2,329.95        |
| Other income                                                                   | 43.06           | 70.18           | 38.15           | 102.22          | 79.35           |
| <b>Total Income</b>                                                            | <b>3,783.54</b> | <b>3,603.93</b> | <b>3,577.71</b> | <b>2,517.43</b> | <b>2,409.30</b> |
| Operating Expenses                                                             | 3,363.48        | 3,232.71        | 2,990.91        | 2,020.69        | 2,101.37        |
| <b>Earnings before Interest, Depreciation, Tax and Amortization ("EBIDTA")</b> | <b>420.06</b>   | <b>371.22</b>   | <b>586.80</b>   | <b>496.74</b>   | <b>307.93</b>   |
| Finance costs                                                                  | 115.28          | 422.78          | 481.70          | 245.81          | 315.05          |
| Depreciation                                                                   | 461.75          | 81.57           | 90.73           | 96.21           | 91.26           |
| <b>Profit/ (Loss) Before Tax (before exceptional items)</b>                    | <b>(156.97)</b> | <b>(133.13)</b> | <b>14.37</b>    | <b>154.72</b>   | <b>(98.38)</b>  |
| Exceptional Items                                                              | (64.84)         | (173.07)        | (154.25)        | (294.83)        | (387.12)        |
| <b>Profit/ (Loss) Before Tax</b>                                               | <b>(221.81)</b> | <b>(306.20)</b> | <b>(139.88)</b> | <b>(140.11)</b> | <b>(485.50)</b> |
| Tax expense/ credit                                                            | 109.86          | (190.53)        | (9.87)          | (307.05)        | -               |
| <b>Profit/(Loss) for the year</b>                                              | <b>(331.67)</b> | <b>(115.67)</b> | <b>(130.01)</b> | <b>166.94</b>   | <b>(485.50)</b> |
| Other Comprehensive Income                                                     | 0.79            | 5.19            | 0.97            | 8.42            | (11.37)         |
| <b>Total comprehensive income/ (loss) for the year</b>                         | <b>(330.88)</b> | <b>(110.48)</b> | <b>(129.04)</b> | <b>175.36</b>   | <b>(496.87)</b> |

Figures for previous year(s) have been regrouped/ rearranged where considered necessary

# **STANDALONE FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To The Members of KESORAM INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of Kesoram Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including material accounting policy information and other explanatory information.
2. 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. 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.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How our audit addressed the key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | <p><b>Recoverability of deferred tax assets recognized on brought forward tax losses including unabsorbed depreciation.</b></p> <ul style="list-style-type: none"> <li>Refer to Company's significant material accounting policies in <b>note 2</b> and the deferred tax related disclosure in <b>notes 10 and 34</b> of the Standalone Financial Statements.</li> <li>The Company has recognized deferred tax assets on unutilized business loss (including unabsorbed depreciation) (together hereinafter referred to as "tax losses") as at March 31, 2024 amounting to ₹ <b>351.86 Crores</b>.</li> <li>The deferred tax assets have been recognized based on the Company's assessment of ability to utilize the same, which is based on forecast of business operations including the assessment of ability of utilization of the said deferred tax assets by the transferee company in the event of successful completion of proposed demerger transaction of cement division, to UltraTech Cement Limited ("UltraTech") which is subject to regulatory approvals as stated in <b>note 45</b> to the standalone financial statements.</li> <li>The assessment of meeting the recognition criteria as well as recoverability of the deferred tax assets within the time frame allowed under the Income Tax Act, 1961, requires significant management judgement as it involves use of assumptions and estimates that are inherently subjective and depend on various factors including future market and economic conditions. Any change in aforesaid assumptions could have a material impact on the carrying value of the deferred tax.</li> <li>Owing to the materiality of the balances, complexities and judgements involved as described above, we have identified the recoverability of deferred tax assets recognized on brought forward tax losses as a key audit matter for the current year audit.</li> </ul> | <p><b>Our audit procedures in relation to recoverability of deferred tax assets included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>Evaluated of the design and tested operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets relating to unabsorbed tax losses.</li> <li>Assessed the reasonableness of the period of projections used in the deferred tax asset recoverability assessment considering that the Company / Group operates in a highly competitive industry which is subject to disruptions through changing technology.</li> <li>Compared the Company projections of future taxable profit to the approved business plans.</li> <li>Tested whether projections prepared were consistent with our understanding and knowledge of current business and the general economic environment in which the Company operates and whether the tax losses can be utilized within the forecast recoupment period, including by the transferee company upon successful completion of proposed scheme of demerger of cement division of the Company.</li> <li>Tested the assumptions used in the aforesaid future projections relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on actual historical results, other relevant existing conditions external data and market conditions.</li> <li>Tested the arithmetical accuracy of projections including those related to sensitivity analysis performed by the management.</li> <li>Assessed the appropriateness and adequacy of disclosures made by the management in <b>notes 10 and 34</b> to the Standalone Financial Statements in accordance with requirements of the accounting standards.</li> </ul> |

| Sr. No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How our audit addressed the key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2       | <p><b>Impairment assessment of investments in and recoverability of loans to wholly owned subsidiary (Cygnnet Industries Limited)</b></p> <ul style="list-style-type: none"> <li>As detailed in <b>notes 6 and 33</b> of Standalone Financial Statements, the carrying value of Company's investments in Cygnnet Industries Limited ('the Subsidiary Company') as at 31 March 2024 amounts to ₹ <b>291 crores</b>. Further, as detailed in <b>note 8</b> to the Standalone Financial Statements, loans given to subsidiary as at 31 March 2024 amounts to ₹ <b>136.07 crores</b>.</li> <li>The recoverability of the above-mentioned amounts is dependent on the operational performance of the subsidiary. The subsidiary has incurred losses during the recent years, and the management has identified the aforesaid as possible impairment indicators as per the principles enunciated under Ind AS 36, Impairment of Assets ('Ind AS 36').</li> <li>The Management has assessed the recoverability of the said investment and loans, by carrying out a valuation of the subsidiary with the help of an external valuation expert using discounted cash flow method, which requires management to make significant estimates and assumptions relating to forecast of future business performance, and selection of the discount rates to determine the recoverable value to be considered for impairment testing of the carrying value of above-mentioned balances.</li> </ul> <p>Considering the materiality of the above matter to the Standalone Financial Statements, complexities and judgement involved, and significant auditor attention required to test management assessment. We have identified this as a key audit matter for the current year audit.</p> | <p><b>Our audit procedures in relation to impairment assessment of investments included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of process and controls implemented by the Company to identify impairment indicators and to determine impairment in the value of investment in/ recoverable from Subsidiary Company and tested the design and operating effectiveness of such controls.</li> <li>Assessed the competence and objectivity of management's expert involved by the management in determining the enterprise recoverable value of the Subsidiary Company;</li> <li>Assessed the valuation methodology and assumptions used by management's expert to estimate the recoverability of investment with the help of auditor's valuation experts.</li> <li>Reconciled the projected cashflows used in the valuation to approved business plans of the Subsidiary Company;</li> <li>Evaluated the appropriateness of assumptions applied in determining key inputs such as discount rate and terminal growth rate which included assumptions based on our knowledge of the business and relevant external market conditions;</li> <li>Tested mathematical accuracy of the projections and applied independent sensitivity tests to the key assumptions mentioned above to determine and focus on inputs with high estimation uncertainty.</li> <li>Assessed the appropriateness and adequacy of disclosures made by the management in note 6 to the Standalone Financial Statements in accordance with requirements of the accounting standards.</li> </ul> |

**Information other than the Standalone Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The accompanying Standalone Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. 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.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

10. 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 Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' 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; and
  - Evaluate the overall presentation, structure and

content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in "Annexure A", as required by section 143(3) of the Act based on our audit, 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 purpose of our audit of the accompanying 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 except for the matters stated in **paragraph 17(h)(vi)** below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) The Standalone Financial Statements dealt with

by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The adverse remark relating to the maintenance of accounts and other matters connected therewith are as stated in **paragraph 17(b)** above on reporting under section 143(3)(b) of the Act and **paragraph 17(h)(vi)** below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in **note 36** to the Standalone Financial Statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024:

| Amount<br>(₹ crores) | Due date       | Date of<br>payment |
|----------------------|----------------|--------------------|
| 0.02                 | Multiple dates | Not yet paid       |

- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in **note 48** to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or

- entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in **note 48** to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

- vi. As stated in **Note 43** to the financial statements and Based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below:

| Nature of exception noted                                                                                                                                                                                                         | Details of Exception                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software. | <p>i) The audit trail feature for master data changes for accounting software (Ramco) used for maintenance of accounting records was not enabled at the application level.</p> <p>ii) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of records by the Company.</p> |

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Manoj Kumar Gupta  
Partner  
Membership No.: 083906  
UDIN: 24083906BKFLVE4484

Place: Kolkata  
Date: 22 April 2024

## ANNEXURE "A"

referred to in Paragraph 18 of the Independent Auditor's Report of even date to the members of Kesoram Industries Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the 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, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 3 to the Standalone Financial Statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land, building and right of use Assets situated at various location with gross carrying values of ₹422.22 crores as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders
- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit aggregating to ₹27.92 Crores as at 31 March 2024. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in **note 18** to the Standalone Financial Statements, the Company has been sanctioned a working capital limit in excess of ₹5 crores by banks based on the security of current assets during the year. The monthly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to review
- iii. The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 or other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amount which has been considered as deemed deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.
- vi. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of

the cost records with a view to determine whether they are accurate or complete.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.
- vii. (a) In our opinion, and according to the information and explanations given to us, undisputed statutory

dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been significant delays in depositing in goods and services tax in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

| Name of the statute                                             | Nature of dues | Forum where dispute is pending                                | Period to which the amount relates                     | Gross Amount<br>(₹ In crores) | Amount paid under Protest<br>(₹ In crores) |
|-----------------------------------------------------------------|----------------|---------------------------------------------------------------|--------------------------------------------------------|-------------------------------|--------------------------------------------|
| Andhra Pradesh General Sales Tax Act, 1957                      | Sales Tax      | Tribunal                                                      | 2003-04                                                | 0.12                          | 0.02                                       |
| Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001 | Entry tax      | High Court                                                    | 2007-2009                                              | 0.82                          | 0.41                                       |
| Bombay Sales Tax Act                                            | Sales Tax      | Deputy Commissioner of Sales Tax (Appeals), Amravati Division | 2003-04 and 2004-05                                    | 0.37                          | 0.05                                       |
| Central Excise Act, 1944                                        | Central Excise | CESTAT                                                        | 1974-1975 to 1997-98, 1998-2004 and 2005-06 to 2011-12 | 11.91                         | 0.89                                       |
| Central Excise Act, 1944                                        | Central Excise | Commissioner                                                  | 2002-03                                                | 0.53                          | 0.03                                       |
| Central Excise Act, 1944                                        | Central Excise | Superintendent of Central Excise                              | 2002-03                                                | 0.03                          | -                                          |
| Central Excise Act, 1944                                        | Central Excise | Additional Commissioner of Central Excise Hyderabad           | 2005-2007                                              | 0.38                          | -                                          |
| Central Excise Act, 1944                                        | Central Excise | High Court                                                    | 1994-95 and 2010                                       | 0.10                          | -                                          |
| Centra Sales Tax Act, 1956                                      | Sales Tax      | Telangana High Court                                          | 2001-02                                                | 0.65                          | 0.47                                       |
| Centra Sales Tax Act, 1956                                      | Sales Tax      | CESTAT                                                        | 2016-17                                                | 0.07                          | 0.01                                       |
| Centra Sales Tax Act, 1956                                      | Sales Tax      | WB Appellate & Revisional Board                               | 2004-05 to 2007-08, 2009-10, 2010-11                   | 6.13                          | -                                          |
| Customs Act, 1962                                               | Custom Duty    | Supreme court                                                 | 2012-13                                                | 1.06                          | 1.06                                       |
| Central Excise Act, 1944                                        | Central Excise | Additional Commissioner                                       | 2005-06 to 2009-10                                     | 0.52                          | 0.02                                       |

| Name of the statute                                          | Nature of dues                                                       | Forum where dispute is pending                              | Period to which the amount relates                                                       | Gross Amount<br>(₹ In crores) | Amount paid under Protest<br>(₹ In crores) |
|--------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------|
| Central Excise Act, 1944                                     | Central Excise                                                       | Assistant Commissioner of Central Excise                    | 2005                                                                                     | 0.16                          | -                                          |
| Central Excise Act, 1944                                     | Central Excise                                                       | Deputy Commissioner of Central Excise                       | 2004-05                                                                                  | 0.03                          | -                                          |
| Finance Act , 1994                                           | Service Tax                                                          | CESTAT                                                      | 2005-06 to 2016-17                                                                       | 49.37                         | 3.70                                       |
| The CGST Act, 2017                                           | Interest on unpaid amount of goods and service tax and penalty       | Joint Commissioner (Appeals)                                | October 2018 to November 2018, March 2019 to September 2019, July 2020 to September 2020 | 3.44                          | -                                          |
| Tamil Nadu General Sales Tax Act, 1959                       | Sales Tax                                                            | Chennai High Court, Chennai                                 | 1999-00                                                                                  | 0.18                          | -                                          |
| The CGST Act, 2017                                           | Education and High Education Cess                                    | High Court                                                  | 2017-18                                                                                  | 0.10                          | 0.03                                       |
| West Bengal VAT Act, 2003                                    | Sales Tax                                                            | WB Appellate and Revisional Board                           | 2004-05 to 2006-07 and 2009-10                                                           | 1.84                          | -                                          |
| West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | Entry tax                                                            | High Court                                                  | 2013-14 to 2015-16                                                                       | 2.40                          | -                                          |
| The Central Excise Tariff Act, 1985                          | CENVAT credit                                                        | CESTAT                                                      | June and July, 2009                                                                      | 24.88                         | 1.18                                       |
| The Central Goods and Service Tax Act, 2017                  | Reversal of ITC                                                      | Appellate Authority                                         | July 2017- March 2022, July 2017- March 2022                                             | 2.44                          | 0.21                                       |
| The Central Goods and Service Tax Act, 2017                  | Reversal of ITC and interest on account of delayed filing of returns | Commissioner of Central Tax, Central Excise and Service Tax | Jan- 19 to Mar- 19, July- 17 to March- 23                                                | 1.56                          | 0.03                                       |
| Electricity Duty Act, 1939                                   | Electricity Duty                                                     | Supreme Court                                               | 2003 – 2013                                                                              | 23.11                         | 14.03                                      |
| Motor Vehicle Act, 1988                                      | Motor Vehicle                                                        | High Court                                                  | 2012                                                                                     | 0.64                          | -                                          |
| Andhra Pradesh Forest Act, 1967                              | Permit Fees                                                          | High Court                                                  | 2009-10 2018-19 and 2020 - 21                                                            | 8.51                          | -                                          |
| Employee State Insurance Act, 1948                           | Employee State Insurance                                             | Dy. Director, ESI Corporation, Gulbarga                     | 1995-98                                                                                  | 0.22                          | -                                          |

| Name of the statute                                       | Nature of dues             | Forum where dispute is pending                     | Period to which the amount relates | Gross Amount<br>(₹ In crores) | Amount paid under Protest<br>(₹ In crores) |
|-----------------------------------------------------------|----------------------------|----------------------------------------------------|------------------------------------|-------------------------------|--------------------------------------------|
| The Karnataka Electricity Act, 1999                       | Power                      | Karnataka Electricity Regulatory Commission (KERC) | 2015-16                            | 6.25                          | -                                          |
| Indian Forest Act, 1927                                   | Permit Tax                 | High Court                                         | 2009-10 and 2011-12                | 3.57                          | -                                          |
| Environment (Protection) Act, 1986                        | Environment protection fee | Karnataka High Court                               | 2009-10 and 2010-11                | 8.06                          | 4.03                                       |
| Investor Education and Protection Fund                    | Unpaid Dividend            | IEPF Authority                                     | 1995 to 2013                       | 0.02                          | -                                          |
| Karnataka Stamp Act, 1957                                 | Stamp Duty                 | High Court                                         | 2003-04                            | 6.33                          | -                                          |
| Mines and Minerals (Development and Regulation) Act, 1957 | District Mineral Fund      | High Court                                         | 2015-16                            | 17.53                         | -                                          |
| Karnataka Land Revenue Act, 1964                          | Compounding Fee            | High Court                                         | 2009-10                            | 23.17                         | -                                          |

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

ix. (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks, financial institution and other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilized for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the

financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint venture.

(f) 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 subsidiary or joint venture.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as

prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the Standalone Financial Statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. The Company has incurred cash losses amounting to ₹ 126.67 Crores in the current financial year but had not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the Standalone Financial Statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Manoj Kumar Gupta

Partner

Membership No.: 083906

UDIN: 24083906BKFLVE4484

Place: Kolkata

Date: 22 April 2024

## ANNEXURE B

### Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the Standalone Financial Statements of Kesoram Industries Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to Standalone Financial Statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to Standalone Financial Statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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 the Company's business, including adherence to the 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.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the 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 Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial

Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of such internal financial controls, 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

#### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to Standalone Financial Statements include 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 with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the

risk that the internal financial controls with reference to 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Walker Chandiok & Co LLP**

*Chartered Accountants*

Firm's Registration No.: 001076N/N500013

**Manoj Kumar Gupta**

*Partner*

Membership No.: 083906

UDIN: 24083906BKFLVE4484

Place: Kolkata

Date: 22 April 2024

## Standalone Balance Sheet as at 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                                                                | Notes | 31 March, 2024  | 31 March, 2023  |
|--------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>ASSETS</b>                                                                              |       |                 |                 |
| <b>(1) Non-current assets</b>                                                              |       |                 |                 |
| (a) Property, plant and equipment                                                          | 3     | 1,225.84        | 1,231.98        |
| (b) Right-of-use Assets                                                                    | 4     | 61.61           | 53.04           |
| (c) Capital work-in-progress                                                               | 5     | 25.14           | 47.83           |
| (d) Other intangible assets                                                                | 5A    | 3.62            | 4.67            |
| (e) Investments in subsidiary and joint venture                                            | 6     | 291.00          | 306.22          |
| (f) Financial assets                                                                       |       |                 |                 |
| (i) Investments in others                                                                  | 7     | 80.35           | 82.22           |
| (ii) Loans                                                                                 | 8     | 136.07          | 133.25          |
| (iii) Other financial assets                                                               | 9     | 54.45           | 52.12           |
| (g) Income-tax asset                                                                       |       | 3.72            | 5.86            |
| (h) Deferred tax assets (net)                                                              | 10    | 351.86          | 461.68          |
| (i) Other non-current assets                                                               | 11    | 11.63           | 7.04            |
| <b>Total non-current assets</b>                                                            |       | <b>2,245.29</b> | <b>2,385.91</b> |
| <b>(2) Current assets</b>                                                                  |       |                 |                 |
| (a) Inventories                                                                            | 12    | 238.33          | 180.69          |
| (b) Financial assets                                                                       |       |                 |                 |
| (i) Trade receivables                                                                      | 13    | 441.66          | 358.66          |
| (ii) Cash and cash equivalents                                                             | 14    | 93.76           | 52.56           |
| (iii) Bank balances other than cash and cash equivalents                                   | 15    | 89.55           | 56.28           |
| (iv) Loans                                                                                 | 8     | 0.03            | 0.45            |
| (v) Other financial assets                                                                 | 9     | 70.06           | 82.77           |
| (c) Other current assets                                                                   | 11    | 105.58          | 117.76          |
| (d) Current tax asset                                                                      |       | 6.72            | -               |
| <b>Total current assets</b>                                                                |       | <b>1,045.69</b> | <b>849.17</b>   |
| <b>(3) Assets Held for Sale</b>                                                            | 33    | -               | 60.00           |
| <b>TOTAL ASSETS</b>                                                                        |       | <b>3,290.98</b> | <b>3,295.08</b> |
| <b>EQUITY AND LIABILITIES</b>                                                              |       |                 |                 |
| <b>Equity</b>                                                                              |       |                 |                 |
| (a) Equity share capital                                                                   | 16    | 310.66          | 310.66          |
| (b) Other equity                                                                           | 17    | 6.69            | 337.57          |
| <b>Total equity</b>                                                                        |       | <b>317.35</b>   | <b>648.23</b>   |
| <b>Liabilities</b>                                                                         |       |                 |                 |
| <b>(1) Non-current liabilities</b>                                                         |       |                 |                 |
| (a) Financial liabilities                                                                  |       |                 |                 |
| (i) Borrowings                                                                             | 18    | 1,927.61        | 1,645.74        |
| (ii) Lease liabilities                                                                     | 39    | 0.09            | 1.65            |
| (iii) Other financial liabilities                                                          | 19    | 80.93           | 82.39           |
| (b) Provisions                                                                             | 20    | 27.73           | 25.63           |
| (c) Other non-current liabilities                                                          | 21    | -               | 0.18            |
| <b>Total non-current liabilities</b>                                                       |       | <b>2,036.36</b> | <b>1,755.59</b> |
| <b>(2) Current liabilities</b>                                                             |       |                 |                 |
| (a) Financial liabilities                                                                  |       |                 |                 |
| (i) Borrowings                                                                             | 18    | 116.74          | 84.40           |
| (ii) Lease liabilities                                                                     | 39    | 1.57            | 1.84            |
| (iii) Trade payables                                                                       | 22    |                 |                 |
| (a) total outstanding dues of micro enterprises and small enterprises                      |       | 16.91           | 6.05            |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises |       | 569.45          | 486.60          |
| (iv) Other financial liabilities                                                           | 19    | 97.74           | 69.63           |
| (b) Other current liabilities                                                              | 21    | 121.25          | 227.87          |
| (c) Provisions                                                                             | 20    | 13.41           | 14.67           |
| (d) Current tax liabilities                                                                |       | 0.20            | 0.20            |
| <b>Total current liabilities</b>                                                           |       | <b>937.27</b>   | <b>891.26</b>   |
| <b>Total liabilities</b>                                                                   |       | <b>2,973.63</b> | <b>2,646.85</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |       | <b>3,290.98</b> | <b>3,295.08</b> |

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Standalone Financial Statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/ N500013

For and on behalf of the Board of Directors  
**Kesoram Industries Limited**

**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

**Kashi Prasad Khandelwal**  
Independent Director  
DIN: 00748523

**Sudip Banerjee**  
Independent Director  
DIN: 05245757

**Lee Seow Chuan**  
Independent Director  
DIN: 02696217

**Jikyeong Kang**  
Non-Independent Director  
DIN: 08045661

Place: Kolkata  
Date: 22 April 2024

**Mangala Radhakrishna Prabhu**  
Independent Director  
DIN: 06450659

**Satish Narain Jajoo**  
Independent Director  
DIN: 07524333

**Gautam Ganguli**  
Company Secretary

**Rohit Shah**  
Chief Financial Officer

**Standalone Statement of Profit and Loss** for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars |                                                                                       | Notes | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------|---------------------------------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| I.          | Revenue from operations                                                               | 23    | 3,740.48                    | 3,533.75                    |
| II.         | Other income                                                                          | 24    | 43.06                       | 70.18                       |
| III.        | <b>Total Income (I+II)</b>                                                            |       | <b>3,783.54</b>             | <b>3,603.93</b>             |
| IV.         | <b>Expenses</b>                                                                       |       |                             |                             |
|             | Cost of materials consumed                                                            | 25    | 415.31                      | 373.18                      |
|             | Changes in inventories of finished goods and work-in-progress                         | 26    | (26.40)                     | (40.57)                     |
|             | Employee benefits expense                                                             | 27    | 160.98                      | 159.32                      |
|             | Finance costs                                                                         | 28    | 461.75                      | 422.78                      |
|             | Depreciation and amortisation expense                                                 | 29    | 115.28                      | 81.57                       |
|             | Power and fuel                                                                        | 30    | 1,374.76                    | 1,382.86                    |
|             | Packing and carriage                                                                  | 31    | 1,145.70                    | 1,030.68                    |
|             | Other expenses                                                                        | 32    | 293.13                      | 327.24                      |
|             | <b>Total Expenses (IV)</b>                                                            |       | <b>3,940.51</b>             | <b>3,737.06</b>             |
| V.          | <b>Loss before exceptional items and tax (III-IV)</b>                                 |       | <b>(156.97)</b>             | <b>(133.13)</b>             |
| VI.         | <b>Exceptional items</b>                                                              | 33    | (64.84)                     | (173.07)                    |
| VII.        | <b>Loss before tax (V+VI)</b>                                                         |       | <b>(221.81)</b>             | <b>(306.20)</b>             |
| VIII.       | <b>Tax expenses</b>                                                                   |       |                             |                             |
|             | Current tax                                                                           |       | -                           | -                           |
|             | Deferred tax charge/ (credit)                                                         |       | 109.86                      | (190.53)                    |
|             | <b>Total tax expense (VIII)</b>                                                       |       | <b>109.86</b>               | <b>(190.53)</b>             |
| IX.         | <b>Loss for the year (VII-VIII)</b>                                                   |       | <b>(331.67)</b>             | <b>(115.67)</b>             |
| X.          | <b>Other Comprehensive Income</b>                                                     |       |                             |                             |
|             | Items that will not be reclassified to profit or loss:                                |       |                             |                             |
|             | (a) Remeasurement of post-employment benefit plans                                    |       | 2.10                        | (1.91)                      |
|             | (b) Fair value changes of investments in equity shares/ gain on sale of equity shares |       | (1.35)                      | 8.40                        |
|             | Less: Income-tax relating to items that will not be reclassified to profit or loss    |       | (0.04)                      | 1.30                        |
|             | <b>Other comprehensive income for the year (X)</b>                                    |       | <b>0.79</b>                 | <b>5.19</b>                 |
| XI.         | <b>Total comprehensive loss for the year (IX+X)</b>                                   |       | <b>(330.88)</b>             | <b>(110.48)</b>             |
| XII.        | <b>Earnings per share</b>                                                             |       |                             |                             |
|             | (a) Basic (₹)                                                                         |       | (10.68)                     | (4.07)                      |
|             | (b) Diluted (₹)                                                                       |       | (10.68)                     | (4.07)                      |

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Standalone Financial Statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/  
N500013

For and on behalf of the Board of Directors  
**Kesoram Industries Limited**

**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

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Independent Director  
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DIN: 05245757

**Lee Seow Chuan**  
Independent Director  
DIN: 02696217

**Jikyeong Kang**  
Non-Independent  
Director  
DIN: 08045661

Place: Kolkata  
Date: 22 April 2024

**Mangala Radhakrishna Prabhu**  
Independent Director  
DIN: 06450659

**Satish Narain Jajoo**  
Independent Director  
DIN: 07524333

**Gautam Ganguli**  
Company Secretary

**Rohit Shah**  
Chief Financial Officer

## Standalone Statement of Cash Flows for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A Cash flows from Operating Activities</b>                                |                             |                             |
| Net Loss before tax & after exceptional items                                | (221.81)                    | (306.20)                    |
| Adjustments for:                                                             |                             |                             |
| Depreciation and amortisation expense                                        | 115.28                      | 81.57                       |
| Advances/ deposits/ Bad Debts written off                                    | 0.01                        | 0.81                        |
| Provision for bad and doubtful debts written back                            | (2.61)                      | (1.99)                      |
| Inventory provision written off                                              | 0.80                        | -                           |
| Capital work-in-progress written off                                         | 0.02                        | 0.38                        |
| Provision for doubtful advances                                              | (0.01)                      | 0.35                        |
| Impairment loss on investment in subsidiary (refer note 33)                  | 15.22                       | -                           |
| Unamortised cost written off on debenture repayment (refer note 33)          | 49.62                       | -                           |
| Finance cost                                                                 | 461.75                      | 422.78                      |
| Tax asset written off                                                        | 0.57                        | -                           |
| Loss on assets held for sale (refer note 33)                                 | -                           | 173.07                      |
| Profit on sale of property, plant and equipment                              | (1.15)                      | (0.33)                      |
| Profit on lease modification/ cancellation                                   | -                           | (0.51)                      |
| Liabilities no longer required written back                                  | (4.23)                      | (42.82)                     |
| Interest income                                                              | (19.57)                     | (18.36)                     |
| Dividend income from non-current investment                                  | (0.02)                      | (0.02)                      |
| <b>Operating profit before working capital changes and other adjustments</b> | <b>393.87</b>               | <b>308.73</b>               |
| <b>Changes in working capital:</b>                                           |                             |                             |
| <b>Decrease in liabilities:</b>                                              |                             |                             |
| Trade payables, financial and other liabilities/ provisions                  | (3.25)                      | (10.60)                     |
| <b>Increase in assets:</b>                                                   |                             |                             |
| Trade receivable, financial and other assets                                 | (52.85)                     | (80.33)                     |
| Inventories                                                                  | (58.44)                     | (39.25)                     |
| <b>Cash Generated from Operations</b>                                        | <b>279.33</b>               | <b>178.55</b>               |
| Income-tax refund/ (paid)                                                    | (4.05)                      | 1.74                        |
| <b>Net cash generated from operating activities - Total</b>                  | <b>275.28</b>               | <b>180.29</b>               |
| <b>B. Cash flow from Investing Activities:</b>                               |                             |                             |
| Purchase of property, plant and equipment/ capital advance given             | (91.52)                     | (70.68)                     |
| Proceeds from sale of property, plant and equipment                          | 28.61                       | 7.78                        |
| Advance received for assets held for sale                                    | -                           | 31.00                       |
| Repayment of loans given to subsidiary                                       | -                           | 7.60                        |
| Repayment of loans by body corporate                                         | -                           | 6.30                        |
| Proceeds from sale of non current investments                                | 0.52                        | -                           |
| Interest received                                                            | 4.08                        | 2.64                        |
| Deposit made with bank                                                       | (31.36)                     | (0.89)                      |
| Dividend income from non-current investment (other than trade)               | 0.02                        | 0.02                        |
| <b>Net cash used in investing activities - Total</b>                         | <b>(89.65)</b>              | <b>(16.23)</b>              |

**Statement of Cash Flows** for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| <b>C. Cash flow from financing activities</b>             |                             |                             |
| Proceeds from issue of equity shares                      | -                           | 0.23                        |
| Finance cost paid                                         | (541.52)                    | (246.04)                    |
| Payment of Lease obligations                              | (0.46)                      | (5.44)                      |
| Proceeds from                                             |                             |                             |
| - Non current Borrowings                                  | 1,904.80                    | 205.91                      |
| - Current Borrowings                                      | 100.00                      | 60.00                       |
| Repayment of                                              |                             |                             |
| - Non current Borrowings                                  | (1,554.25)                  | (185.13)                    |
| - Current Borrowings                                      | (53.00)                     | (60.00)                     |
| <b>Net cash used in financing activities - Total</b>      | <b>(144.43)</b>             | <b>(230.47)</b>             |
| Net (decrease)/ increase in cash and cash equivalents     | 41.20                       | (66.41)                     |
| Cash and cash equivalents at the beginning of the period  | 52.56                       | 118.97                      |
| <b>Cash and cash equivalents at the end of the period</b> | <b>93.76</b>                | <b>52.56</b>                |

**Changes in liabilities arising from financing activities:**

| Particulars                                                                    | As at March<br>31, 2023 | Cashflows     | Non Cash<br>changes | As at March<br>31, 2024 |
|--------------------------------------------------------------------------------|-------------------------|---------------|---------------------|-------------------------|
| Non-current borrowing (including current maturities of Non-current borrowings) | 1,727.14                | 350.55        | (83.34)             | 1,994.35                |
| Current borrowing                                                              | 3.00                    | 47.00         | -                   | 50.00                   |
|                                                                                | <b>1,730.14</b>         | <b>397.55</b> | <b>(83.34)</b>      | <b>2,044.35</b>         |

| Particulars                                                                    | As at March<br>31, 2022 | Cashflows    | Non Cash<br>changes | As at March<br>31, 2023 |
|--------------------------------------------------------------------------------|-------------------------|--------------|---------------------|-------------------------|
| Non-current borrowing (including current maturities of Non-current borrowings) | 1,692.72                | 20.78        | 13.64               | 1,727.14                |
| Current borrowing                                                              | 3.00                    | -            | -                   | 3.00                    |
|                                                                                | <b>1,695.72</b>         | <b>20.78</b> | <b>13.64</b>        | <b>1,730.14</b>         |

| Particulars                                | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------|-----------------------------|-----------------------------|
| <b>Cash and Cash Equivalents comprise:</b> |                             |                             |
| Cash on hand                               | 0.06                        | 0.06                        |
| Balances with banks on current account     | 93.70                       | 52.50                       |
|                                            | <b>93.76</b>                | <b>52.56</b>                |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statements of Cash Flows'.

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Standalone Financial Statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/ N500013

For and on behalf of the Board of Directors  
**Kesoram Industries Limited**

**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

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Independent Director  
DIN: 00748523

**Sudip Banerjee**  
Independent Director  
DIN: 05245757

**Lee Seow Chuan**  
Independent Director  
DIN: 02696217

**Jikyeong Kang**  
Non-Independent Director  
DIN: 08045661

Place: Kolkata  
Date: 22 April 2024

**Mangala Radhakrishna Prabhu**  
Independent Director  
DIN: 06450659

**Satish Narain Jajoo**  
Independent Director  
DIN: 07524333

**Gautam Ganguli**  
Company Secretary

**Rohit Shah**  
Chief Financial Officer

## Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### A. Equity share capital (\*)

As on 31 March, 2024

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|
| 310.66                                                   | -                                                          | 310.66                                                            | -                                                       | 310.66                                             |

As on 31 March, 2023

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|
| 244.41                                                   | -                                                          | 244.41                                                            | 66.25                                                   | 310.66                                             |

\*Refer note 16(a)

### B. Other equity

| Particulars                                                                            | Reserves and surplus |                                              |                                       |                                    |                 |        |                   | Equity component of compound financial instruments | Share application money pending allotment | FVOCI - equity instruments | Total other equity |
|----------------------------------------------------------------------------------------|----------------------|----------------------------------------------|---------------------------------------|------------------------------------|-----------------|--------|-------------------|----------------------------------------------------|-------------------------------------------|----------------------------|--------------------|
|                                                                                        | Securities premium   | Capital reserve - Development grant/ subsidy | Capital reserve -Amalgamation reserve | Capital reserve redemption reserve | General reserve | Others | Retained earnings |                                                    |                                           |                            |                    |
| Balance at 01 April 2022                                                               | 1,230.99             | 0.15                                         | 2.91                                  | 3.59                               | 224.00          | 7.31   | (1,163.98)        | -                                                  | 1.06                                      | 55.84                      | 361.87             |
| Changes in accounting policy or prior period item                                      | -                    | -                                            | -                                     | -                                  | -               | -      | -                 | -                                                  | -                                         | -                          | -                  |
| Restated balance at the beginning of the current reporting period                      | 1,230.99             | 0.15                                         | 2.91                                  | 3.59                               | 224.00          | 7.31   | (1,163.98)        | -                                                  | 1.06                                      | 55.84                      | 361.87             |
| Loss for the year                                                                      | -                    | -                                            | -                                     | -                                  | -               | -      | (115.67)          | -                                                  | -                                         | -                          | (115.67)           |
| Other comprehensive income/ (expense) [net of tax]                                     | -                    | -                                            | -                                     | -                                  | -               | -      | (1.43)            | -                                                  | -                                         | 6.62                       | 5.19               |
| Total comprehensive income for the year                                                | -                    | -                                            | -                                     | -                                  | -               | -      | (117.10)          | -                                                  | -                                         | 6.62                       | (110.48)           |
| Issue of equity shares                                                                 | 28.69                | -                                            | -                                     | -                                  | -               | -      | -                 | -                                                  | (1.06)                                    | -                          | 27.63              |
| Shares forfeited                                                                       | -                    | -                                            | -                                     | -                                  | -               | 0.66   | -                 | -                                                  | -                                         | -                          | 0.66               |
| Deemed equity on fair value of Non-Convertible Cumulative Redeemable Preference Shares | -                    | -                                            | -                                     | -                                  | -               | -      | -                 | 57.89                                              | -                                         | -                          | 57.89              |
| Balance as at 31 March 2023                                                            | 1,259.68             | 0.15                                         | 2.91                                  | 3.59                               | 224.00          | 7.97   | (1,281.08)        | 57.89                                              | -                                         | 62.46                      | 337.57             |

## Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                                                            | Reserves and surplus |                                              |                                       |                            |                 |        |                   | Equity component of compound financial instruments | Share application money pending allotment | FVOCI - equity instruments | Total other equity |
|----------------------------------------------------------------------------------------|----------------------|----------------------------------------------|---------------------------------------|----------------------------|-----------------|--------|-------------------|----------------------------------------------------|-------------------------------------------|----------------------------|--------------------|
|                                                                                        | Securities premium   | Capital reserve - Development grant/ subsidy | Capital reserve -Amalgamation reserve | Capital redemption reserve | General reserve | Others | Retained earnings |                                                    |                                           |                            |                    |
| Changes in accounting policy or prior period item                                      | -                    | -                                            | -                                     | -                          | -               | -      | -                 | -                                                  | -                                         | -                          | -                  |
| Restated balance at the beginning of the current reporting period                      | 1,259.68             | 0.15                                         | 2.91                                  | 3.59                       | 224.00          | 7.97   | (1,281.08)        | 57.89                                              | -                                         | 62.46                      | 337.57             |
| Loss for the year                                                                      | -                    | -                                            | -                                     | -                          | -               | -      | (331.67)          | -                                                  | -                                         | -                          | (331.67)           |
| Other comprehensive income/ (expense) [net of tax]                                     | -                    | -                                            | -                                     | -                          | -               | -      | 2.14              | -                                                  | -                                         | (1.35)                     | 0.79               |
| Total comprehensive income for the year                                                | -                    | -                                            | -                                     | -                          | -               | -      | (329.53)          | -                                                  | -                                         | (1.35)                     | (330.88)           |
| Issue of equity shares                                                                 | 16                   | -                                            | -                                     | -                          | -               | -      | -                 | -                                                  | -                                         | -                          | -                  |
| Shares forfeited                                                                       | 16                   | -                                            | -                                     | -                          | -               | -      | -                 | -                                                  | -                                         | -                          | -                  |
| Deemed equity on fair value of Non-Convertible Cumulative Redeemable Preference Shares | 16                   | -                                            | -                                     | -                          | -               | -      | -                 | -                                                  | -                                         | -                          | -                  |
| Balance as at 31 March 2024                                                            | 1,259.68             | 0.15                                         | 2.91                                  | 3.59                       | 224.00          | 7.97   | (1,610.61)        | 57.89                                              | -                                         | 61.11                      | 6.69               |

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Standalone Financial Statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/  
N500013

For and on behalf of the Board of Directors  
**Kesoram Industries Limited**

**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

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Place: Kolkata  
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Independent Director  
DIN: 07524333

**Gautam Ganguli**  
Company Secretary

**Rohit Shah**  
Chief Financial Officer

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 1 Corporate information

Kesoram Industries Limited (the Company) is a public company domiciled and incorporated under the provisions of the Indian Companies Act, 1913. The Company is a flagship company of B. K. Birla group of companies. Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange) and its Global Depositary Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company is engaged in the business of manufacture and sale of Cement and it markets its product under the brand name "Birla Shakti".

The financial statements as at 31 March 2024 present the financial position of the Company.

The financial statements for the year ended 31 March 2024 were approved by the Board of Directors and authorised for issue on 22 April 2024.

### 2 Summary of significant accounting policies

#### 2.01 Basis of preparation

##### a. Compliance with Ind AS

These standalone financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

##### b. Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS, except for the following:

- certain financial assets and liabilities, which are measured at its fair values;
- assets held for sale – measured at the lower of its carrying amount and fair value less costs on disposal of assets and its value in use; and
- defined benefit plans – plan assets measured at fair value.

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.

##### c. Functional and Presentation Currency

- (i) The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.
- (ii) All other figures have been rounded off in decimals to the nearest in ₹ crores, unless otherwise stated.

##### d. Classification of Assets and Liabilities into Current/ Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / NonCurrent classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.01 Basis of preparation (cont'd)

- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

### 2.02 Property, plant and equipment and capital work-in-progress

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.15 below] incurred during construction/ installation period relating to items or projects in progress.

Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Class of assets        | Estimated useful life |
|------------------------|-----------------------|
| Buildings              | 5-60 years            |
| Plant and Equipment    | 1-40 years            |
| Furniture and Fixtures | 1-16 years            |
| Office Equipment       | 1-20 years            |
| Vehicles               | 8-10 years            |
| Railway Siding         | 15 years              |

The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not considered more than 5% of the original cost of the asset. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

### 2.03 Intangible assets and amortisation

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.03 Intangible assets and amortisation (cont'd)

| Class of assets | Estimated useful life |
|-----------------|-----------------------|
| Software        | 3 years               |

### 2.04 Impairment of Non-Financial Assets

Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.05 Leases

#### Company as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/ purchase etc.

#### Recognition and initial measurement of right of use assets

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### Subsequent measurement of right of use assets

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

#### Lease liabilities

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.06 Inventories

Inventories consists of raw materials, work-in-progress, finished goods and stores and spares which are valued as follows:

#### **Raw Material & Stores & Spares:**

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

#### **Work-in-progress & Finished Goods:**

These are stated at lower of cost and net realisable value. Cost of Finished goods, WIP and trial run inventories includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of Stock-in Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost of inventories is computed on weighted average basis. Provision is made for obsolete/ slow moving/ defective stocks, wherever necessary.

### 2.07 Investment in Subsidiaries and Joint Ventures:

The Company's investment in its Subsidiaries and Joint Ventures are carried at cost net of accumulated impairment loss, if any. On disposal of the Investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### 2.08 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### **(i) Financial assets**

##### **Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those to be measured at amortised cost.
- The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

'For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

##### **Initial recognition and measurement**

All financial assets are recognized initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.08 Financial Instruments (cont'd)

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect 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 on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

#### Impairment of financial assets

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### De-recognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### (ii) Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities, debts and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.08 Financial Instruments (cont'd)

#### Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

#### Financial liabilities at FVTPL

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'finance cost' line item (note 31) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings.

#### Financial liabilities at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination,

(ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.08 Financial Instruments (cont'd)

risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.09 Employee Benefits

#### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

#### Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

### 2.10 Provision and Contingent Liabilities

#### Provisions

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

# Festivities



# Care for society



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.10 Provision and Contingent Liabilities (cont'd)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Provision for mines restoration and related environmental costs:

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

#### Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### 2.11 Non-current assets (or disposal groups) held for sale

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 their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised 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 recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### 2.12 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

## **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

### **2.12 Income tax (cont'd)**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

### **2.13 Cash and bank balances**

#### **- Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **- Other bank balances**

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

### **2.14 Revenue Recognition**

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

#### **Sale of goods**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

#### **Significant financing component**

Generally, the Company receives shortterm advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### **Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.14 Revenue Recognition (cont'd)

#### Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### 2.15 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### 2.16 Foreign currency transactions and translations

#### Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

#### Transactions and balances

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

### 2.17 Earnings per equity share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

### 2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors has been identified as the chief operating decision maker. Refer note 42 for segment information presented. The company accounts for intersegment sales and transfers at cost.

### 2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 2.19 Cash Flow Statement (cont'd)

item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 2.20 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies, measurement of lease liability and Right to Use Asset.

### 2.21 New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards, and are effective 1 April 2023. The rule predominantly amends Ind AS 1, Presentation of Financial statements, Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications. As per the management's assessment, these amendments did not have any material impact on the amounts recognised in the prior periods.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 3 Property, plant and equipment

| Particulars            | Gross block           |                                 |                 |                                 | Accumulated depreciation  |                       |                        |                 | Net Block                       |                           |                           |
|------------------------|-----------------------|---------------------------------|-----------------|---------------------------------|---------------------------|-----------------------|------------------------|-----------------|---------------------------------|---------------------------|---------------------------|
|                        | As at<br>1 April 2023 | Additions<br>during the<br>year | Transfer<br>out | Deletions<br>during the<br>year | As at<br>31 March<br>2024 | As at<br>1 April 2023 | Charge for<br>the year | Transfer<br>out | Deletions<br>during the<br>year | As at<br>31 March<br>2024 | As at<br>31 March<br>2024 |
| Freehold land          | 378.69                | -                               | -               | 0.04                            | 378.65                    | -                     | -                      | -               | -                               | -                         | 378.65                    |
| Freehold buildings     | 231.62                | 3.51                            | -               | -                               | 235.13                    | 59.59                 | 8.34                   | -               | -                               | 67.93                     | 167.20                    |
| Plant and equipment    | 1,116.48              | 92.09                           | -               | -                               | 1,208.57                  | 454.86                | 94.10                  | -               | -                               | 548.96                    | 659.61                    |
| Furniture and fittings | 7.59                  | 0.35                            | -               | -                               | 7.94                      | 4.94                  | 0.49                   | -               | -                               | 5.43                      | 2.51                      |
| Office equipment       | 6.63                  | 1.00                            | -               | 0.05                            | 7.58                      | 4.67                  | 1.38                   | -               | 0.04                            | 6.01                      | 1.57                      |
| Vehicles               | 16.48                 | 2.82                            | -               | 0.40                            | 18.90                     | 10.28                 | 1.73                   | -               | 0.33                            | 11.68                     | 7.22                      |
| Railway siding         | 19.74                 | 1.87                            | -               | -                               | 21.61                     | 11.01                 | 1.62                   | -               | -                               | 12.63                     | 8.98                      |
| Bearer Plants          | 0.10                  | -                               | -               | -                               | 0.10                      | -                     | -                      | -               | -                               | -                         | 0.10                      |
| Total                  | 1,777.33              | 101.64                          | -               | 0.49                            | 1,878.48                  | 545.35                | 107.66                 | -               | 0.37                            | 652.64                    | 1,225.84                  |

| Particulars            | Gross block              |                                 |                 |                                 | Accumulated depreciation  |                          |                        |                                    | Net Block                       |                           |                           |
|------------------------|--------------------------|---------------------------------|-----------------|---------------------------------|---------------------------|--------------------------|------------------------|------------------------------------|---------------------------------|---------------------------|---------------------------|
|                        | As at<br>1 April<br>2022 | Additions<br>during the<br>year | Transfer<br>Out | Deletions<br>during the<br>year | As at<br>31 March<br>2023 | As at<br>1 April<br>2022 | Charge for<br>the year | Transfer out<br>(refer note<br>33) | Deletions<br>during the<br>year | As at<br>31 March<br>2023 | As at<br>31 March<br>2023 |
| Freehold land          | 608.55                   | -                               | 229.86          | -                               | 378.69                    | -                        | -                      | -                                  | -                               | -                         | 378.69                    |
| Freehold buildings     | 242.89                   | 3.02                            | 5.29            | 9.00                            | 231.62                    | 58.06                    | 9.07                   | 5.29                               | 2.25                            | 59.59                     | 172.03                    |
| Plant and equipment    | 1,103.13                 | 22.16                           | 1.04            | 7.77                            | 1,116.48                  | 403.25                   | 60.42                  | 1.04                               | 7.77                            | 454.86                    | 661.62                    |
| Furniture and fittings | 7.97                     | 0.06                            | 0.01            | 0.43                            | 7.59                      | 4.78                     | 0.57                   | 0.01                               | 0.40                            | 4.94                      | 2.65                      |
| Office equipment       | 7.19                     | 0.89                            | 0.05            | 1.40                            | 6.63                      | 4.97                     | 1.06                   | 0.05                               | 1.31                            | 4.67                      | 1.96                      |
| Vehicles               | 13.77                    | 2.81                            | -               | 0.10                            | 16.48                     | 8.88                     | 1.46                   | -                                  | 0.06                            | 10.28                     | 6.20                      |
| Railway siding         | 17.47                    | 2.27                            | -               | -                               | 19.74                     | 9.36                     | 1.65                   | -                                  | -                               | 11.01                     | 8.73                      |
| Bearer Plants          | 0.10                     | -                               | -               | -                               | 0.10                      | -                        | -                      | -                                  | -                               | -                         | 0.10                      |
| Total                  | 2,001.07                 | 31.21                           | 236.25          | 18.70                           | 1,777.33                  | 489.30                   | 74.23                  | 6.39                               | 11.79                           | 545.35                    | 1,231.98                  |

- (a) Refer note 18 for property, plant and equipment pledged as security.
- (b) Contractual obligations: Refer note 37 for disclosure of contractual commitments towards acquisition of property, plant and equipment.
- (c) All the title deeds for the immovable properties except leases are in the name of the Company.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 4 Right - of - use Assets

(Amount in ₹ crores, except otherwise stated)

| Particulars         | Gross block        |                           |                           | Amortisation        |                    |                     | Net Block                 |                     |
|---------------------|--------------------|---------------------------|---------------------------|---------------------|--------------------|---------------------|---------------------------|---------------------|
|                     | As at 1 April 2023 | Additions during the year | Deletions during the year | As at 31 March 2024 | As at 1 April 2023 | Charge for the year | Deletions during the year | As at 31 March 2024 |
| Leasehold land      | 56.76              | 15.79                     | -                         | 72.55               | 11.51              | 5.43                | -                         | 16.94               |
| Building            | 8.50               | -                         | 1.51                      | 6.99                | 0.93               | 0.39                | 0.11                      | 1.21                |
| Vehicle             | 0.84               | -                         | -                         | 0.84                | 0.62               | -                   | -                         | 0.62                |
| Plant and equipment | -                  | -                         | -                         | -                   | -                  | -                   | -                         | -                   |
| <b>Total</b>        | <b>66.10</b>       | <b>15.79</b>              | <b>1.51</b>               | <b>80.38</b>        | <b>13.06</b>       | <b>5.82</b>         | <b>0.11</b>               | <b>18.77</b>        |

| Particulars         | Gross block        |                           |                           | Amortisation        |                    |                     | Net Block                 |                             |
|---------------------|--------------------|---------------------------|---------------------------|---------------------|--------------------|---------------------|---------------------------|-----------------------------|
|                     | As at 1 April 2022 | Additions during the year | Deletions during the year | As at 31 March 2023 | As at 1 April 2022 | Charge for the year | Deletions during the year | Balance as at 31 March 2023 |
| Leasehold Land      | 34.23              | 27.02                     | 4.49                      | 56.76               | 8.66               | 2.85                | -                         | 11.51                       |
| Building            | 6.02               | 2.48                      | -                         | 8.50                | 4.00               | 0.55                | 3.62                      | 0.93                        |
| Vehicle             | 4.59               | -                         | 3.75                      | 0.84                | 3.57               | 1.64                | 4.59                      | 0.62                        |
| Plant and equipment | 24.07              | -                         | 24.07                     | -                   | 21.56              | 2.30                | 23.86                     | -                           |
| <b>Total</b>        | <b>68.91</b>       | <b>29.50</b>              | <b>32.31</b>              | <b>66.10</b>        | <b>37.79</b>       | <b>7.34</b>         | <b>32.07</b>              | <b>13.06</b>                |

Note: All lease agreements are duly executed in the name of the Company

### 5 Capital work-in-progress (CWIP) along with ageing

| Particulars                                | As at 31 March 2023 |              |
|--------------------------------------------|---------------------|--------------|
| Balance as at the beginning of the period  | 47.83               | 28.21        |
| Addition for the period                    | 86.83               | 75.94        |
| Capitalised during the period              | (108.70)            | (55.94)      |
| Charged off                                | (0.02)              | (0.38)       |
| Transfer to Capital Spare                  | (0.80)              | -            |
| <b>Balance as at the end of the period</b> | <b>25.14</b>        | <b>47.83</b> |

Notes:

#### (a) CWIP ageing schedule:

| Particulars                                        | Less than 1 year | 1-2 years    | 2-3 years   | More than 3 years | Total        |
|----------------------------------------------------|------------------|--------------|-------------|-------------------|--------------|
| <b>As on 31 March 2024</b>                         |                  |              |             |                   |              |
| - Projects in progress                             | 5.89             | 16.32        | 2.33        | -                 | 24.54        |
| - Projects temporarily suspended [refer note 5(c)] | -                | -            | -           | 0.60              | 0.60         |
| <b>As on 31 March 2023</b>                         | <b>5.89</b>      | <b>16.32</b> | <b>2.33</b> | <b>0.60</b>       | <b>25.14</b> |
| - Projects in progress                             | 42.73            | 2.98         | 1.52        | -                 | 47.23        |
| - Projects temporarily suspended [refer note 5(c)] | -                | -            | -           | 0.60              | 0.60         |
|                                                    | <b>42.73</b>     | <b>2.98</b>  | <b>1.52</b> | <b>0.60</b>       | <b>47.83</b> |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

## (b) Capital Work-in-Progress whose completion is overdue or has exceeded its cost compared to its original plan

| Particulars                        | To be completed In |           |           |                   | Total |
|------------------------------------|--------------------|-----------|-----------|-------------------|-------|
|                                    | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| <b>As on 31 March 2024</b>         |                    |           |           |                   |       |
| - Carbon Black Feeding System      | 4.45               | -         | -         | -                 | 4.45  |
| - AFR Feeding System With Shredder | 15.90              | -         | -         | -                 | 15.90 |
| - Others                           | 0.34               | -         | -         | -                 | 0.34  |
|                                    | 20.69              | -         | -         | -                 | 20.69 |
| <b>As on 31 March 2023</b>         |                    |           |           |                   |       |
| - Railway Sleepers                 | 1.52               | -         | -         | -                 | 1.52  |
| - AFR Feeding System With Shredder | 9.58               | -         | -         | -                 | 9.58  |
| - Others                           | 0.82               | -         | -         | -                 | 0.82  |
|                                    | 11.92              | -         | -         | -                 | 11.92 |

## (c) Details of Projects temporarily suspended along with ageing schedule

| Particulars                | To be completed In |           |           |                   | Total |
|----------------------------|--------------------|-----------|-----------|-------------------|-------|
|                            | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| <b>As on 31 March 2024</b> |                    |           |           |                   |       |
| Railway Track Shifting     | -                  | -         | -         | 0.60              | 0.60  |
|                            | -                  | -         | -         | 0.60              | 0.60  |
| <b>As on 31 March 2023</b> |                    |           |           |                   |       |
| Railway Track Shifting     | -                  | -         | -         | 0.60              | 0.60  |
|                            | -                  | -         | -         | 0.60              | 0.60  |

## 5A Other Intangible assets

|          | Gross block           |                                 |                                | As at<br>1 April 2023 | As at<br>31 March<br>2024 | Amortisation           |                                |                                   | Net Block<br>As at<br>31 March<br>2024 |
|----------|-----------------------|---------------------------------|--------------------------------|-----------------------|---------------------------|------------------------|--------------------------------|-----------------------------------|----------------------------------------|
|          | As at<br>1 April 2023 | Additions<br>during the<br>year | Deletion<br>during the<br>year |                       |                           | Charge for<br>the year | Deletion<br>during the<br>year | Balance as<br>at 31 March<br>2024 |                                        |
| Software |                       | 5.07                            | 0.75                           |                       | -                         | 1.80                   | -                              | 2.20                              | 3.62                                   |
| Total    | -                     | 5.07                            | 0.75                           |                       | -                         | 1.80                   | -                              | 2.20                              | 3.62                                   |

|          | Gross block           |                                 |                                | As at<br>1 April 2022 | As at<br>31 March<br>2023 | Amortisation           |                                |                                   | Net Block<br>As at<br>31 March<br>2023 |
|----------|-----------------------|---------------------------------|--------------------------------|-----------------------|---------------------------|------------------------|--------------------------------|-----------------------------------|----------------------------------------|
|          | As at<br>1 April 2022 | Additions<br>during the<br>year | Deletion<br>during the<br>year |                       |                           | Charge for<br>the year | Deletion<br>during the<br>year | Balance as<br>at 31 March<br>2023 |                                        |
| Software |                       | 5.07                            | -                              |                       | 5.07                      | 0.40                   | -                              | 0.40                              | 4.67                                   |
| Total    | -                     | 5.07                            | -                              |                       | 5.07                      | 0.40                   | -                              | 0.40                              | 4.67                                   |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 6 Investments in subsidiary and joint venture

| Particulars                                                                                                                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Investment in equity instrument - unquoted</b>                                                                               |                        |                        |
| (Measured at cost)                                                                                                              |                        |                        |
| <b>(a) Subsidiary</b>                                                                                                           |                        |                        |
| 926,536,876 (31 March 2023: 926,536,876) shares in Cygnet Industries Limited of ₹ 10 each, fully paid-up [refer note (i) below] | 291.00                 | 926.54                 |
| Less: Provision for impairment in value of investments                                                                          | -                      | (620.32)               |
| <b>(b) Joint Venture</b>                                                                                                        |                        |                        |
| 22,730 (31 March, 2023: 22,730) shares of Gondhkari Coal Mining Limited of ₹ 10 each, fully paid-up [refer note (ii) below]     | -                      | 0.02                   |
| Less: Provision for impairment in value of investments                                                                          | -                      | (0.02)                 |
| <b>Total investment in subsidiary and joint venture</b>                                                                         | <b>291.00</b>          | <b>306.22</b>          |
| <b>Note:</b>                                                                                                                    |                        |                        |
| Aggregate amount of unquoted investments                                                                                        | 291.00                 | 306.22                 |

#### Notes:

- Considering the performance over last few years, regular past losses and negative retained earnings of Cygnet Industries Limited (wholly owned subsidiary), the management believes there are no sign of reversal of impairment losses of ₹ 635.54 crore in near future. Consequently, on a prudent basis, the management has written off the impairment losses recognised and netted off the same from the cost of investment as at 31 March 2024. Also refer to note 33 on exceptional items.
- The Company has written off the investment in joint venture during the current year considering irrecoverability of the same in near future.

### 7 Investments in others

| Particulars                                                                                                                                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Investment in equity instruments - quoted</b>                                                                                                        |                        |                        |
| (Investments carried at fair value through other comprehensive income)                                                                                  |                        |                        |
| 496,100 (31 March 2023: 496,100) shares of HGI Industries Limited of ₹ 10 each, fully paid-up [refer note (a), (b) & (c) below]                         | 0.00                   | 0.00                   |
| 4,997,006 (31 March 2023: 4,997,006) shares of Kesoram Textile Mills Limited of ₹ 2 each, fully paid-up [refer note (a) below]                          | 17.74                  | 27.10                  |
| 44,750 (31 March, 2023: 44,750) shares of Vidula Chemicals & Manufacturing Industries Ltd of ₹ 10 each, fully paid-up [refer note (a) & (c) below]      | -                      | -                      |
|                                                                                                                                                         | <b>17.74</b>           | <b>27.10</b>           |
| <b>Investment in equity instruments - unquoted</b>                                                                                                      |                        |                        |
| (Investments carried at fair value through other comprehensive income)                                                                                  |                        |                        |
| 30,000 (31 March 2023: 30,000) shares of Birla Buildings Ltd. of ₹ 10 each, fully paid-up                                                               | 54.36                  | 49.87                  |
| 10,000 (31 March, 2023: 10,000) shares of Coromandel Stampings and Stones Ltd of ₹ 10 each, fully paid-up [refer note (b) & (c) below]                  | 0.00                   | 0.00                   |
| 143,000 (31 March, 2023: 143,000) shares of Kesoram Services Limited (erstwhile Kesoram Insurance Broking Services Limited) of ₹ 10 each, fully paid-up | 0.93                   | 1.00                   |
| Nil (31 March, 2023: 10,455) shares of Calcutta Stock Exchange Association Ltd of ₹ 1 each, fully paid-up                                               | -                      | -                      |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 7 Investments in others (cont'd)

| Particulars                                                                                                                               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 10 (31 March, 2023: 10) shares of Meghdoot Co-operative Housing Society Limited of ₹ 100 each, fully paid-up [refer note (b) & (c) below] | 0.00                   | 0.00                   |
| 7,231 (31 March, 2023: 7,231) shares of Padmavati Investment Private Limited of ₹ 10 each, fully paid-up                                  | 6.93                   | 3.74                   |
| 18,800 (31 March, 2023: 18,800) shares of Vasavadatta Services Limited of ₹ 10 each, fully paid-up                                        | 0.39                   | 0.51                   |
|                                                                                                                                           | <b>62.61</b>           | <b>55.12</b>           |
| <b>Total</b>                                                                                                                              | <b>80.35</b>           | <b>82.22</b>           |
| (i) The carrying value and market value of investments are as below:                                                                      |                        |                        |
| (a) <b>Quoted</b>                                                                                                                         |                        |                        |
| Carrying value                                                                                                                            | 17.74                  | 27.10                  |
| (b) <b>Unquoted</b>                                                                                                                       |                        |                        |
| Carrying value                                                                                                                            | 62.61                  | 55.12                  |

#### Notes:

- Market value of certain investments listed on Calcutta Stock Exchange are not available. Accordingly, the fair values of these investments have been derived using level III inputs, available with the management.
- Cost of these equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Amount is below the rounding off norm adopted by the Company.

### 8 Loans

| Particulars                                                                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------------------------|------------------------|------------------------|
| (a) <b>Non-current</b>                                                          |                        |                        |
| (Unsecured, carried at amortised cost, considered good unless otherwise stated) |                        |                        |
| Loan to joint venture Company [refer note (i) below]                            | -                      | 1.79                   |
| Less: Allowance for impairment loss                                             | -                      | (1.79)                 |
|                                                                                 | -                      | -                      |
| Loan to subsidiary Company [refer note (ii) below]                              | 136.07                 | 133.25                 |
| Loan to body corporate [refer note (iii) below]                                 | -                      | 516.39                 |
| Less: Allowance for impairment loss                                             | -                      | (516.39)               |
|                                                                                 | -                      | -                      |
|                                                                                 | <b>136.07</b>          | <b>133.25</b>          |
| (b) <b>Current</b>                                                              |                        |                        |
| (Unsecured, carried at amortised cost, considered good)                         |                        |                        |
| Loan to employees                                                               | 0.03                   | 0.45                   |
| Loan to others                                                                  | -                      | -                      |
|                                                                                 | <b>0.03</b>            | <b>0.45</b>            |

#### Note:

- The loan to Gondkhari Coal Mining Limited, joint venture company, has been written off considering the irrecoverability of the amount on prudent basis. The balance was already provided for in the books.
- The loan to Cygnet Industries Limited, a wholly-owned subsidiary company, was given after complying with the provisions of section 186 (4) of the Companies Act, 2013 (as amended). The loan was given in accordance with the terms and conditions as mutually agreed between the parties for use by the recipient in the normal course of business. The loan is repayable on demand and carries an interest rate of 10.50% p.a. (31 March 2023: 10.50% p.a)

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 8 Loans (cont'd)

(iii) This pertains to loan given to Birla Tyres Limited, a body corporate, which was repayable on demand and carried an interest rate of 5.93% p.a. During the current year, the Company has written off the loan balance on prudent basis, considering it irrecoverable since the body corporate has already been liquidated. Provision had been made against the loan balance in the books in the earlier years.

(iv) Loans granted to Promoters, Directors, KMPs and other Related Parties:

| Type of Borrower                                                                            | Amount of loan or advance in the nature of loan outstanding |                     | Percentage to the total loans and advances in the nature of loans |                     |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------|-------------------------------------------------------------------|---------------------|
|                                                                                             | As at 31 March 2024                                         | As at 31 March 2023 | As at 31 March 2024                                               | As at 31 March 2023 |
| - Related Parties:                                                                          |                                                             |                     |                                                                   |                     |
| (a) Loan to joint venture company - without specifying any terms or period of repayment (*) | -                                                           | -                   | -                                                                 | -                   |
| (b) Loan to subsidiary (Cygnet Industries Limited) - repayable on demand                    | 136.07                                                      | 133.25              | 100%                                                              | 20%                 |

Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

(v) Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Name of the Company                                 | As at 31 March 2024 | Maximum balance outstanding during the year | Investment by the loanee in shares of parent Company |
|-----------------------------------------------------|---------------------|---------------------------------------------|------------------------------------------------------|
| Cygnet Industries Limited (wholly owned subsidiary) | 136.07              | 136.07                                      | -                                                    |

### 9 Other financial assets

| Particulars                                                      | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------------------------------------------|---------------------|---------------------|
| <b>(a) Non-current</b>                                           |                     |                     |
| Bank deposit with remaining maturity for more than 12 months (*) | 0.19                | 2.10                |
| Security deposits                                                | 10.01               | 19.74               |
| Interest accrued on loans (refer note 46)                        | 44.24               | 30.28               |
| Others                                                           | 0.01                | -                   |
|                                                                  | <b>54.45</b>        | <b>52.12</b>        |
| <b>(b) Current</b>                                               |                     |                     |
| Security deposits                                                | 18.97               | 6.05                |
| Advance to body corporate                                        | 10.63               | 10.63               |
| Less: Provision for doubtful advance                             | (10.63)             | (10.63)             |
| Interest accrued on deposits                                     | 0.97                | 0.48                |
| Claims receivable (**)                                           | 22.18               | 47.61               |
| Others                                                           | 27.94               | 28.63               |
|                                                                  | <b>70.06</b>        | <b>82.77</b>        |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 9 Other financial assets (cont'd)

(\*) Held as lien by bank against bank guarantees

(\*\*) Pursuant to Circular no. 14 of 2017 (dated 30 March 2017) of the Ministry of Railways, the Company had entered into a Long-term Tariff Contract (LTTC) with the South Central Zonal Railways for a period of 5 years. Since the Company has complied with the terms of the Contract, it has accrued a Freight rebate receivable till the previous year.

### 10 Deferred tax assets (net)

| Particulars                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax liabilities</b>                  |                        |                        |
| Property, plant and equipment                    | 174.04                 | 191.12                 |
| Investments                                      | 15.43                  | 16.00                  |
| Other                                            | 18.86                  | 12.05                  |
| <b>Total deferred tax liability</b>              | <b>208.33</b>          | <b>219.17</b>          |
| <b>Deferred tax assets</b>                       |                        |                        |
| Unabsorbed depreciation (refer note below)       | 226.83                 | 217.07                 |
| Unabsorbed losses (refer note below)             | 300.74                 | 117.01                 |
| Amortisation of Debenture interest               | -                      | 19.82                  |
| Items allowable for tax purpose on payment basis | 9.38                   | 13.60                  |
| Provisions                                       | 10.59                  | 300.52                 |
| Others                                           | 12.65                  | 12.83                  |
| <b>Total deferred tax asset</b>                  | <b>560.19</b>          | <b>680.85</b>          |
| <b>Net deferred tax assets</b>                   | <b>351.86</b>          | <b>461.68</b>          |

Note: The Company has recognised net deferred tax asset on unabsorbed depreciation and unabsorbed losses considering that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

### 11 Other assets

| Particulars                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------|------------------------|------------------------|
| <b>(a) Non-current</b>                         |                        |                        |
| Capital advances                               | 9.13                   | 5.53                   |
| Prepaid expenses                               | 2.50                   | 1.51                   |
|                                                | <b>11.63</b>           | <b>7.04</b>            |
| <b>(b) Current</b>                             |                        |                        |
| Balance with statutory/ government authorities | 10.09                  | 14.38                  |
| Prepaid expenses                               | 17.66                  | 22.88                  |
| Advance to vendors                             | 106.62                 | 112.50                 |
| Less: Allowances for doubtful advances         | (32.61)                | (32.61)                |
| Receivable from gratuity fund (refer note 27)  | 1.48                   | -                      |
| Others                                         | 2.34                   | 0.61                   |
|                                                | <b>105.58</b>          | <b>117.76</b>          |

Note: No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 12 Inventories

| Particulars                           | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Raw materials (#)                     | 22.98                  | 25.47                  |
| Work-in-progress                      | 77.23                  | 45.75                  |
| Finished goods (#)                    | 34.81                  | 40.07                  |
| Stores and spare parts (#) (*)        | 103.31                 | 69.40                  |
|                                       | <b>238.33</b>          | <b>180.69</b>          |
| (#) Included above, goods-in-transit: |                        |                        |
| Raw materials                         | 0.01                   | 0.01                   |
| Finished goods                        | 8.58                   | 15.77                  |
| Stores and spare parts                | 19.33                  | 12.40                  |
|                                       | <b>27.92</b>           | <b>28.18</b>           |

(\*) The inventories of stores and spare parts is net of provision of ₹ 1.19 crores (31 March 2023: ₹ 4.25 crores) towards slow moving, non-moving and obsolete stock.

### 13 Trade receivables

| Particulars                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------|------------------------|------------------------|
| Trade receivables                             |                        |                        |
| - secured, considered good (*)                | 32.31                  | 33.83                  |
| - unsecured, considered good                  | 410.51                 | 328.40                 |
| Less: Allowance for expected credit loss (**) | (1.16)                 | (3.57)                 |
| - credit impaired                             | 7.12                   | 7.33                   |
| Less: Allowance for credit impaired           | (7.12)                 | (7.33)                 |
|                                               | <b>441.66</b>          | <b>358.66</b>          |

(\*) Secured against security deposits collected from the customers

(\*\*) The amount of trade receivables for which the company has assessed credit risk on an individual basis amounts to ₹ 442.82 crores (31 March 2023: ₹ 362.23 crores) and the amount of loss allowance recognized for such trade receivables amounts to ₹ 1.16 crores (31 March 2023: ₹ 3.57 crores)

#### Notes:

(a) Trade receivables ageing schedule is as follows:

| Particulars                   | 31 March 2024                                              |                       |                      |             |             |                      |               |
|-------------------------------|------------------------------------------------------------|-----------------------|----------------------|-------------|-------------|----------------------|---------------|
|                               | Outstanding for following periods from due date of payment |                       |                      |             |             |                      |               |
|                               | Not Due                                                    | Less than<br>6 months | 6 months<br>- 1 year | 1-2 years   | 2-3 years   | More than<br>3 years | Total         |
| <b>As at 31 March 2024:</b>   |                                                            |                       |                      |             |             |                      |               |
| Undisputed trade receivables  |                                                            |                       |                      |             |             |                      |               |
| - secured, considered good    | 25.39                                                      | 4.94                  | 0.86                 | 0.55        | 0.10        | -                    | 31.84         |
| - unsecured, considered good  | 386.38                                                     | 17.97                 | 2.20                 | 2.10        | 1.48        | 0.38                 | 410.51        |
| Disputed trade receivables    |                                                            |                       |                      |             |             |                      |               |
| - secured - considered good   | -                                                          | -                     | 0.01                 | 0.06        | -           | 0.40                 | 0.47          |
| - unsecured - credit impaired | -                                                          | -                     | 0.06                 | 0.81        | 0.88        | 5.37                 | 7.12          |
| <b>Total trade receivable</b> | <b>411.77</b>                                              | <b>22.91</b>          | <b>3.13</b>          | <b>3.52</b> | <b>2.46</b> | <b>6.15</b>          | <b>449.94</b> |
| Less: Allowance for Loss      | -                                                          | -                     | -                    | -           | -           | -                    | (8.28)        |
| <b>Net trade receivable</b>   | <b>411.77</b>                                              | <b>22.91</b>          | <b>3.13</b>          | <b>3.52</b> | <b>2.46</b> | <b>6.15</b>          | <b>441.66</b> |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**  
(Amount in ₹ crores, except otherwise stated)

**13 Trade receivables (cont'd)**

| Particulars                   | 31 March 2023                                              |                    |                   |             |             |                   |               |
|-------------------------------|------------------------------------------------------------|--------------------|-------------------|-------------|-------------|-------------------|---------------|
|                               | Outstanding for following periods from due date of payment |                    |                   |             |             |                   |               |
|                               | Not Due                                                    | Less than 6 months | 6 months - 1 year | 1-2 years   | 2-3 years   | More than 3 years | Total         |
| <b>As at 31 March 2023:</b>   |                                                            |                    |                   |             |             |                   |               |
| Undisputed trade receivables  |                                                            |                    |                   |             |             |                   |               |
| - secured, considered good    | 24.79                                                      | 7.94               | 0.39              | 0.15        | -           | 0.02              | 33.29         |
| - unsecured, considered good  | 286.78                                                     | 37.81              | 1.75              | 1.48        | 0.42        | 0.16              | 328.40        |
| Disputed trade receivables    |                                                            |                    |                   |             |             |                   |               |
| - secured - considered good   | -                                                          | -                  | 0.09              | 0.03        | 0.01        | 0.41              | 0.54          |
| - unsecured - credit impaired | -                                                          | 0.15               | 0.71              | 0.91        | 1.76        | 3.80              | 7.33          |
| <b>Total trade receivable</b> | <b>311.57</b>                                              | <b>45.90</b>       | <b>2.94</b>       | <b>2.57</b> | <b>2.19</b> | <b>4.39</b>       | <b>369.56</b> |
| Less: Allowance for Loss      | -                                                          | -                  | -                 | -           | -           | -                 | (10.90)       |
| <b>Net trade receivable</b>   | <b>311.57</b>                                              | <b>45.90</b>       | <b>2.94</b>       | <b>2.57</b> | <b>2.19</b> | <b>4.39</b>       | <b>358.66</b> |

(b) No trade receivables are due from directors or other officers of the Company, either severally or jointly with any other person. Further no trade receivables are due from firms or private companies, respectively in which any director is a partner, a director or a member.

(c) There are no unbilled trade receivables, hence the same is not disclosed in the ageing schedules.

(d) The Company is making provision for outstanding trade receivables based on expected credit loss method however since the amount is not material the same has not been disclosed.

**14 Cash and cash equivalents**

| Particulars                                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------|------------------------|------------------------|
| Cash on hand                                            | 0.06                   | 0.06                   |
| Balances with bank:                                     |                        |                        |
| - in current accounts                                   | 93.70                  | 52.50                  |
| Others:                                                 |                        |                        |
| - deposit with original maturity less than three months | -                      | -                      |
|                                                         | <b>93.76</b>           | <b>52.56</b>           |

**15 Other bank balances**

| Particulars                                                                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------------------------------------------------|------------------------|------------------------|
| Deposit with remaining maturity for more than three months but less than twelve months (*) | 89.53                  | 56.25                  |
| On unpaid dividend accounts                                                                | 0.02                   | 0.03                   |
|                                                                                            | <b>89.55</b>           | <b>56.28</b>           |
| (*) Deposits more than three months includes:-                                             |                        |                        |
| - Held as lien by bank against bank guarantees                                             | <b>36.04</b>           | <b>55.17</b>           |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 16 Share capital

| Particulars                                                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised share capital</b>                                               |                        |                        |
| 600,000,000 Equity Shares of ₹ 10 each (31 March 2023: 600,000,000 shares]    | 600.00                 | 600.00                 |
| 60,000,000 Preference Shares of ₹ 100 each (31 March 2023: 60,000,000 shares) | 600.00                 | 600.00                 |
|                                                                               | <b>1,200.00</b>        | <b>1,200.00</b>        |
| <b>Issued, subscribed and paid-up equity share capital</b>                    |                        |                        |
| 310,663,663 Equity Shares of ₹ 10 each fully paid up                          | 310.66                 | 310.66                 |
| (31 March 2023: 310,663,663 equity Shares of ₹ 10 each fully paid-up)         |                        |                        |
|                                                                               | <b>310.66</b>          | <b>310.66</b>          |

#### (a) Movement in equity share capital

| Particulars                                                                   | 31 March 2024       |               | 31 March 2023       |               |
|-------------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                               | Number of<br>shares | Amount        | Number of<br>shares | Amount        |
| Opening balance                                                               | 31,06,63,663        | 310.66        | 24,44,16,630        | 244.41        |
| Conversion of optionally convertible preference shares [refer note (i) below] | -                   | -             | 6,61,19,874         | 66.12         |
| Fresh issue of equity shares [refer note (ii) below]                          | -                   | -             | -                   | -             |
| Fresh issue of partly paid up equity shares [refer note (ii) below]           | -                   | -             | 2,59,813            | 0.26          |
| Forefeiture of partly paid equity shares [refer note (ii) below]              | -                   | -             | (1,32,654)          | (0.13)        |
| Closing balance                                                               | <b>31,06,63,663</b> | <b>310.66</b> | <b>31,06,63,663</b> | <b>310.66</b> |

- (i) During the previous year, the Board at its Meeting held on August 25, 2022, approved allotment of 66,119,874 fully paid-up Equity Shares of the Company having face value of ₹ 10 each upon conversion of 42,977,918 Zero Coupon Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of ₹ 100 each, at a pre-determined ratio to the holders of OCRPS who have opted for conversion as on August 24, 2022 (the record date fixed for the conversion). These Equity Shares have since been accorded both, listing and trading approval by the respective Stock Exchanges.
- (ii) The Company, during the year ended 31 March 2022, has made a rights issue of 79,997,755 equity shares having face value of ₹ 10 each at a premium of ₹ 40 per share, for cash, aggregating to ₹ 399.99 crores. Allotment of 79,212,822 partly paid-up equity shares having face value ₹ 5 each and a premium of ₹ 20 per share, paid on application, was done during the financial year ended 31 March 2022 itself. Further in previous year ended 31 March 2023, 519,626 shares were allotted on payment of first and final call money of ₹ 25 each. However, on account of non-payment of the first and final call, despite several reminders, 265,307 partly paid-up shares, were finally forfeited. These proceeds have been fully utilised and there has been no deviation in use of proceeds from issue objectives as stated in the Rights Issue Offer Document.

#### (b) Terms and rights attached to shares

The Company has one class of equity shares having a par value of ₹ 10 per share each. All shareholders for fully paid up equity shares are entitled to one vote per share and for partly paid up shares the voting rights considered are in proportion to the actual amount paid on those shares. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

### 16 Share capital (cont'd)

#### (c) Details of shareholders holding more than 5% shares in the company

| Name of the shareholder                               | 31 March 2024       |           | 31 March 2023       |           |
|-------------------------------------------------------|---------------------|-----------|---------------------|-----------|
|                                                       | Number of shares    | % holding | Number of shares    | % holding |
| Manav Investment & Trading Co. Limited                | 6,88,17,624         | 22.15%    | 6,88,17,624         | 22.15%    |
| Pilani Investments and Industries Corporation Limited | 4,63,48,750         | 14.92%    | 4,63,48,750         | 14.92%    |
| Mundhra Homes Pvt. Ltd                                | 2,92,48,176         | 9.41%     | 2,83,27,032         | 9.12%     |
|                                                       | <b>14,44,14,550</b> |           | <b>14,34,93,406</b> |           |

#### (d) Details of shareholdings by the Promoter/ Promoter Group

| Promoter/ Promoter Group Name                         | 31 March 2024       |               | 31 March 2023       |               | % Change during the year (*) |
|-------------------------------------------------------|---------------------|---------------|---------------------|---------------|------------------------------|
|                                                       | Number of shares    | % holding     | Number of shares    | % holding     |                              |
| <b>Promoter</b>                                       |                     |               |                     |               |                              |
| Manav Investment & Trading Co. Ltd                    | 6,88,17,624         | 22.15%        | 6,88,17,624         | 22.15%        | 0.00%                        |
| Pilani Investments and Industries Corporation Limited | 4,63,48,750         | 14.92%        | 4,63,48,750         | 14.92%        | 0.00%                        |
| Manjushree Khaitan (Chairperson)                      | 10,69,723           | 0.34%         | 10,69,723           | 0.34%         | 0.00%                        |
| <b>Promoter Group</b>                                 |                     |               |                     |               |                              |
| Century Textiles and Industries Ltd                   | 76,00,502           | 2.45%         | 76,00,502           | 2.45%         | 0.00%                        |
| Umang Commercial Company Pvt. Ltd                     | 36,37,913           | 1.17%         | 36,37,913           | 1.17%         | 0.00%                        |
| Padmavati Investment Pvt. Ltd.                        | 28,20,948           | 0.91%         | 28,20,948           | 0.91%         | 0.00%                        |
| Birla Institute of Technology and Science             | 15,15,806           | 0.49%         | 15,15,806           | 0.49%         | 0.00%                        |
| Birla Education Trust                                 | 9,54,171            | 0.31%         | 9,54,171            | 0.31%         | 0.00%                        |
| Prakash Educational Society                           | 9,10,922            | 0.29%         | 9,10,922            | 0.29%         | 0.00%                        |
| Late Basant Kumar Birla                               | 5,97,868            | 0.19%         | 5,97,868            | 0.19%         | 0.00%                        |
| Birla Educational Institution                         | 3,62,643            | 0.12%         | 3,62,643            | 0.12%         | 0.00%                        |
| Late Vidula Jalan (refer note below)                  | -                   | 0.00%         | 1,71,381            | 0.06%         | -100.00%                     |
| Rajashree Birla                                       | 4,827               | 0.00%         | 4,827               | 0.00%         | 0.00%                        |
| Vasavadutta Bajaj                                     | 8,541               | 0.00%         | 8,541               | 0.00%         | 0.00%                        |
| Kumar Mangalam Birla                                  | 445                 | 0.00%         | 445                 | 0.00%         | 0.00%                        |
|                                                       | <b>13,46,50,683</b> | <b>43.33%</b> | <b>13,48,22,064</b> | <b>43.39%</b> | <b>-0.13%</b>                |

Note: Vidula Jalan ceased to be a part of the Promoter Group after quarter ended December, 2023 post her demise on May 11, 2023. There is no shareholding in her name as on March 31, 2024.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 16 Share capital (cont'd)

| Promoter/ Promoter Group Name                         | 31 March 2023       |               | 31 March 2022       |               | % Change during the year (*) |
|-------------------------------------------------------|---------------------|---------------|---------------------|---------------|------------------------------|
|                                                       | Number of shares    | % holding     | Number of shares    | % holding     |                              |
| <b>Promoter</b>                                       |                     |               |                     |               |                              |
| Manav Investment & Trading Co. Ltd                    | 6,88,17,624         | 22.15%        | 5,43,19,456         | 22.26%        | 26.69%                       |
| Pilani Investments and Industries Corporation Limited | 4,63,48,750         | 14.92%        | 4,63,48,750         | 18.99%        | 0.00%                        |
| Manjushree Khaitan (Chairperson)                      | 10,69,723           | 0.34%         | 10,69,723           | 0.44%         | 0.00%                        |
| <b>Promoter Group</b>                                 |                     |               |                     |               |                              |
| Century Textiles and Industries Ltd                   | 76,00,502           | 2.45%         | 76,00,502           | 3.11%         | 0.00%                        |
| Umang Commercial Company Pvt. Ltd                     | 36,37,913           | 1.17%         | 36,37,913           | 1.49%         | 0.00%                        |
| Padmavati Investment Pvt. Ltd.                        | 28,20,948           | 0.91%         | 28,20,948           | 1.16%         | 0.00%                        |
| Birla Institute of Technology and Science             | 15,15,806           | 0.49%         | 15,15,806           | 0.62%         | 0.00%                        |
| Birla Education Trust                                 | 9,54,171            | 0.31%         | 9,54,171            | 0.39%         | 0.00%                        |
| Prakash Educational Society                           | 9,10,922            | 0.29%         | 9,10,922            | 0.37%         | 0.00%                        |
| Late Basant Kumar Birla                               | 5,97,868            | 0.19%         | 5,97,868            | 0.25%         | 0.00%                        |
| Birla Educational Institution                         | 3,62,643            | 0.12%         | 3,62,643            | 0.15%         | 0.00%                        |
| Vidula Jalan                                          | 1,71,381            | 0.06%         | 1,71,381            | 0.07%         | 0.00%                        |
| Rajashree Birla                                       | 4,827               | 0.00%         | 4,827               | 0.00%         | 0.00%                        |
| Vasavadutta Bajaj                                     | 8,541               | 0.00%         | 8,541               | 0.00%         | 0.00%                        |
| Kumar Mangalam Birla                                  | 445                 | 0.00%         | 445                 | 0.00%         | 0.00%                        |
|                                                       | <b>13,48,22,064</b> | <b>43.39%</b> | <b>12,03,23,896</b> | <b>49.30%</b> | <b>12.05%</b>                |

(\*) % change during the year has been computed on the basis of the number of shares at the beginning of the year.

### 17 Other Equity

| Particulars                                                               | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------------------------------------------|---------------------|---------------------|
| <b>Reserves and surplus</b>                                               |                     |                     |
| Securities premium                                                        | 1,259.68            | 1,259.68            |
| Capital reserve                                                           |                     |                     |
| (a) Development grant/ subsidy                                            | 0.15                | 0.15                |
| (b) Amalgamation reserve                                                  | 2.91                | 2.91                |
| Capital redemption reserve                                                | 3.59                | 3.59                |
| General reserve                                                           | 224.00              | 224.00              |
| Retained earnings                                                         | (1,610.61)          | (1,281.08)          |
| Equity component of compound financial instruments                        | 57.89               | 57.89               |
| Others                                                                    | 7.97                | 7.97                |
| <b>Other comprehensive Income</b>                                         |                     |                     |
| Fair value through other comprehensive income (FVOCI)- equity instruments | 61.11               | 62.46               |
| <b>Total</b>                                                              | <b>6.69</b>         | <b>337.57</b>       |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

(Amount in ₹ crores, except otherwise stated)

**17 Other Equity (cont'd)**

**Notes:**

**(a) Securities Premium**

| Particulars                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------|------------------------|------------------------|
| Opening balance                             | 1,259.68               | 1,230.99               |
| Increase during the year [refer note 16(a)] | -                      | 28.69                  |
| <b>Closing balance</b>                      | <b>1,259.68</b>        | <b>1,259.68</b>        |

**(b) Capital reserve**

**- Development grant/subsidy**

| Particulars                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Opening balance                     | 0.15                   | 0.15                   |
| Increase/(decrease) during the year | -                      | -                      |
| <b>Closing balance</b>              | <b>0.15</b>            | <b>0.15</b>            |

**- Amalgamation reserve**

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 2.91                   | 2.91                   |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>2.91</b>            | <b>2.91</b>            |

**(c) Capital redemption reserve**

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 3.59                   | 3.59                   |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>3.59</b>            | <b>3.59</b>            |

**(d) General reserve**

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 224.00                 | 224.00                 |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>224.00</b>          | <b>224.00</b>          |

**(e) Other reserves**

| Particulars                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------|------------------------|------------------------|
| Opening balance                         | 7.97                   | 7.31                   |
| Forfeiture of Shares [refer note 16(a)] | -                      | 0.66                   |
| <b>Closing balance</b>                  | <b>7.97</b>            | <b>7.97</b>            |

**(f) Retained earnings**

| Particulars                                                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------|------------------------|------------------------|
| Opening balance                                                              | (1,281.08)             | (1,163.98)             |
| Net loss for the year                                                        | (331.67)               | (115.67)               |
| Items of other comprehensive income recognised directly in retained earnings |                        |                        |
| - Remeasurement of post-employment benefit obligation, net of tax            | 2.14                   | (1.43)                 |
| <b>Closing balance</b>                                                       | <b>(1,610.61)</b>      | <b>(1,281.08)</b>      |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 17 Other Equity (cont'd)

#### (g) Equity component of compound financial instruments

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 57.89                  | -                      |
| Increase/ (decrease) during the year | -                      | 57.89                  |
| <b>Closing balance</b>               | <b>57.89</b>           | <b>57.89</b>           |

#### (h) Fair value through other comprehensive income (FVOCI)- equity instruments

| Particulars                                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------|------------------------|------------------------|
| Opening balance                                               | 62.46                  | 55.84                  |
| Change in fair value of FVOCI equity instruments net of taxes | (1.35)                 | 6.62                   |
| <b>Closing balance</b>                                        | <b>61.11</b>           | <b>62.46</b>           |

### Nature and purpose of other reserves

#### (i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

#### (ii) Capital reserve

- (a) Certain grants of capital nature had been credited to Capital Reserve.
- (b) The Company has recognised profit on account of amalgamation in capital reserve.

#### (iii) Capital redemption reserve

Capital redemption reserve was created on account of reinstatement of certain investments and spares at cost.

#### (iv) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### (v) Revaluation reserve

Revaluation reserve was created on account of revaluation of fixed assets carried out under previous GAAP.

#### (vi) Fair value through other comprehensive income (FVOCI)- equity instruments

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

#### (vii) Other reserves

Others primarily include:

- (a) Amounts appropriated out of profit or loss for doubtful debts and contingencies.
- (b) Share buyback reserve has been created as per the Companies Act, 1956.
- (c) Reserve which has arisen on forfeiture of shares.

#### (viii) Fair valuation of Non-Convertible Cumulative Redeemable Preference Shares

Deemed equity on fair value of Non-Convertible Cumulative Redeemable Preference Shares

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

(Amount in ₹ crores, except otherwise stated)

**Financial Liabilities**

**18 Borrowings**

| Particulars                                                                                                                                                                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Non - current</b>                                                                                                                                                                    |                        |                        |
| <b>Debentures</b>                                                                                                                                                                           |                        |                        |
| <b>(Secured, carried at amortised cost)</b>                                                                                                                                                 |                        |                        |
| Nil (31 March 2023: 16,035) senior secured, listed and rated redeemable Non-Convertible Debentures, having face value of ₹ Nil each (31 March 2023: ₹ 9,59,464 each) [Refer note (a) below] | -                      | 1,598.42               |
| <b>Term Loan</b>                                                                                                                                                                            |                        |                        |
| Indian rupee loan from Financial Institutions [Refer note (a) below]                                                                                                                        | 1,871.45               | -                      |
| Vehicle Loan [Refer note (a) below]                                                                                                                                                         | 1.50                   | -                      |
| <b>(Unsecured, carried at amortised cost)</b>                                                                                                                                               |                        |                        |
| 19,19,277 (31 March, 2023: 19,19,277) Zero % Optionally Convertible Redeemable Preference Shares [face value of ₹ 100 each]- (Refer note (a) below]                                         | 5.85                   | 4.76                   |
| <b>Public Deposit (Refer note (a) below)</b>                                                                                                                                                | 80.65                  | 91.35                  |
| 90,00,000 (31 March 2023: 90,00,000) 5% Cumulative Non-Convertible Cumulative Redeemable Preference Shares [face value of ₹ 100 each] (Refer note (a) below]                                | 34.90                  | 32.61 -                |
|                                                                                                                                                                                             | <b>1,994.35</b>        | <b>1,727.14</b>        |
| Less: Current maturities of non-current borrowings                                                                                                                                          | (66.74)                | (81.40)                |
|                                                                                                                                                                                             | <b>1,927.61</b>        | <b>1,645.74</b>        |

**(b) Current**

|                                                     |               |              |
|-----------------------------------------------------|---------------|--------------|
| <b>(Secured, carried at amortised cost)</b>         |               |              |
| <b>Current maturities of non-current borrowings</b> | 66.74         | 81.40        |
| Short term loans from bank [Refer note (b) below]   | 50.00         | -            |
| <b>(Unsecured, carried at amortised cost)</b>       |               |              |
| Loans from body corporate                           | -             | 3.00         |
|                                                     | <b>116.74</b> | <b>84.40</b> |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 18. Borrowings (cont'd)

#### Notes:

(a) Repayment terms and nature of securities given for borrowings from others are as follows:

| Others                                                          | As at<br>31 March<br>2024 | As at<br>31 March<br>2023 | Nature of Security                                                                                                                                                                                                                                                                                                                                                                     | Repayment Terms                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------|---------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Convertible Debenture                                       | -                         | 1,598.42                  | First pari passu charge on all fixed assets, moveable assets (non-current and current) and intangible assets of the Company. Additionally secured by pledge on equity shares of the Company held by the promoters ; Non Disposal Undertaking (NDU) on other security held by a promoter; guarantee by a promoter limited to the value of shares pledged and under NDU as stated above. | Fully repaid during the current year                                                                                                                                                                                                                                   |
| Indian rupee loan from Financial Institutions                   | 1,821.97                  | -                         | First pari passu charge on all fixed assets, moveable assets (non-current and current) and intangible assets and second charge on the current assets of the cement division with certain exclusions as specified in the loan documents.                                                                                                                                                | Repayable over a period of 10 years starting from Q4 FY 2024-25. Rate of interest 11.25% to 11.50% p.a.                                                                                                                                                                |
| Indian rupee loan from Financial Institutions                   | 49.48                     | -                         | First pari passu charge on the current assets and second charge on all fixed assets (present and future) of the cement division.                                                                                                                                                                                                                                                       | Repayable in 8 quarterly instalments over a period of 3 years starting from Q4 FY 2024-25. Rate of interest 11.50% p.a.                                                                                                                                                |
| Vehicle Loan                                                    | 1.50                      | -                         | Secured by the vehicles purchased                                                                                                                                                                                                                                                                                                                                                      | Repayable in 47 monthly instalments carrying interest of 10.71% p.a.                                                                                                                                                                                                   |
| Zero Coupon Optionally Convertible Redeemable Preference Shares | 5.85                      | 4.76                      | NA                                                                                                                                                                                                                                                                                                                                                                                     | Redeemable in 5 equal instalments starting from 31 March 2028                                                                                                                                                                                                          |
| Public Deposit                                                  | 80.65                     | 91.35                     | NA                                                                                                                                                                                                                                                                                                                                                                                     | Accepted from public vide deposit scheme, approved by the Board of Directors on April 11, 2022 and shareholders dated June 17, 2022. It carries a rate of interest of 12.50% for members and 12.25% for others. Repayment at the end of 3 years from the date of issue |
| 5% Non-Convertible Cumulative Redeemable Preference Shares      | 34.90                     | 32.61                     | NA                                                                                                                                                                                                                                                                                                                                                                                     | The instrument together with arrear cumulative dividend will be redeemed upon expiry of ten years, or earlier, at the option of the Company, from the date of allotment i.e. December 15, 2022.                                                                        |
|                                                                 | <b>1,994.35</b>           | <b>1,727.14</b>           |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                        |

#### (b) Repayment terms and nature of securities given for short term borrowings

- Secured by way of first pari passu charge on the current assets and second charge on all fixed assets (present and future) of the cement division.
- The working capital demand loan is repayable on demand.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 18. Borrowings (cont'd)

- (c) The Company has submitted the quarterly returns or statements of current assets to the bank for the secured working capital loan which is reconciled with the books of account.
- (d) The Company has not defaulted in the repayment of borrowings during the current year.
- (e) As on March 31, 2024 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

### 19 Other financial liabilities

| Particulars                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| <b>(a) Non-Current</b>         |                        |                        |
| Security deposits              | 80.93                  | 82.39                  |
|                                | <b>80.93</b>           | <b>82.39</b>           |
| <b>(b) Current</b>             |                        |                        |
| Liability for capital goods    | 4.80                   | 6.56                   |
| Retention and earnest deposits | 11.03                  | 10.44                  |
| Other payables                 | 1.99                   | 2.66                   |
| Security deposits              | 38.33                  | 22.94                  |
| Employee's benefits payable    | 26.97                  | 25.18                  |
| Unpaid dividends (*)           | 0.02                   | 0.02                   |
| Interest accrued on loans      | 14.60                  | 1.83                   |
|                                | <b>97.74</b>           | <b>69.63</b>           |

(\*) There is no liability due which is required to be transferred to Investor Education and Protection Fund under section 124 and 125 of the Companies Act, 2013 except for disputed cases for shares held in abeyance under section 126.

### 20 Provisions

| Particulars                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------|------------------------|------------------------|
| <b>(a) Non-Current</b>                      |                        |                        |
| Provision for employee benefits:            |                        |                        |
| Provision for leave encashment (unfunded) * | 13.57                  | 12.89                  |
| Mines restoration obligations **            | 14.16                  | 12.74                  |
| <b>Total non-current provisions</b>         | <b>27.73</b>           | <b>25.63</b>           |
| <b>(b) Current</b>                          |                        |                        |
| Provision for employee benefits:            |                        |                        |
| Provision for gratuity (Refer note 27) *    | -                      | 4.90                   |
| Provision for leave encashment (unfunded) * | 2.42                   | 2.97                   |
| Provision for disputed statutory dues *     | 4.96                   | 5.26                   |
| Others                                      | 6.03                   | 1.54                   |
| <b>Total current provisions</b>             | <b>13.41</b>           | <b>14.67</b>           |

\* The same is basis management's best estimates and may vary on actual basis.

\*\* Expected outflow of mines restoration obligations will be FY 2030 onwards.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 20 Provisions (cont'd)

- (i) Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" specified under Section 133 of the Companies Act, 2013:

| Particulars                            | Decommissioning obligation | Provision for contingencies | Provision for disputed statutory dues |
|----------------------------------------|----------------------------|-----------------------------|---------------------------------------|
| <b>As at 1 April 2022</b>              | 11.46                      | -                           | 14.75                                 |
| Charged/ (credited) to profit or loss: | -                          | -                           | -                                     |
| Additional provision recognised        | -                          | -                           | -                                     |
| Unused amounts reversed                | -                          | -                           | -9.49                                 |
| Amounts used during the year           | -                          | -                           | -                                     |
| Unwinding of discount                  | 1.28                       | -                           | -                                     |
| <b>As at 31 March 2023</b>             | <b>12.74</b>               | <b>-</b>                    | <b>5.26</b>                           |
| <b>As at 1 April 2023</b>              | 12.74                      | -                           | 5.26                                  |
| Charged/ (credited) to profit or loss: | -                          | -                           | -                                     |
| Additional provision recognised        | -                          | -                           | -                                     |
| Unused amounts reversed                | -                          | -                           | (0.30)                                |
| Amounts used during the year           | -                          | -                           | -                                     |
| Unwinding of discount                  | 1.42                       | -                           | -                                     |
| <b>As at 31 March 2024</b>             | <b>14.16</b>               | <b>-</b>                    | <b>4.96</b>                           |

### 21 Other liabilities

| Particulars                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------|------------------------|------------------------|
| <b>(a) Non-current</b>          |                        |                        |
| Advance received from employees | -                      | 0.18                   |
|                                 | -                      | <b>0.18</b>            |
| <b>(b) Current</b>              |                        |                        |
| Advance from customers          | 29.30                  | 80.04                  |
| Statutory dues                  | 86.15                  | 131.11                 |
| Advance received from employees | 0.53                   | 0.61                   |
| Other payables                  | 5.27                   | 16.11                  |
|                                 | <b>121.25</b>          | <b>227.87</b>          |

### 22 Trade payables

| Particulars                                                                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 38)</b>      | <b>16.91</b>           | <b>6.05</b>            |
| <b>(b) Total outstanding dues of creditors other than micro enterprises and small enterprises</b> | <b>569.32</b>          | <b>486.53</b>          |
| <b>(c) Due to Related Parties (refer note 46)</b>                                                 | <b>0.13</b>            | <b>0.07</b>            |
| <b>Total</b>                                                                                      | <b>569.45</b>          | <b>486.60</b>          |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 22 Trade payables (cont'd)

#### Notes:

(i) Trade payables ageing schedule is as follows: (\*)

| Particulars                 | < 1 year      | 1-2 years    | 2-3 years   | More than 3 years | Total         |
|-----------------------------|---------------|--------------|-------------|-------------------|---------------|
| <b>As at 31 March 2024:</b> |               |              |             |                   |               |
| (i) MSME                    | 16.91         | -            | -           | -                 | 16.91         |
| (ii) Other payables         | 545.50        | 20.72        | 0.40        | 1.03              | 567.65        |
| (iii) Disputed Dues - MSME  | -             | -            | -           | -                 | -             |
| (iv) Disputed Dues - Others | -             | -            | -           | 1.80              | 1.80          |
| <b>Total</b>                | <b>562.41</b> | <b>20.72</b> | <b>0.40</b> | <b>2.83</b>       | <b>586.36</b> |
| <b>As at 31 March 2023:</b> |               |              |             |                   |               |
| (i) MSME                    | 6.05          | -            | -           | -                 | 6.05          |
| (ii) Other payables         | 460.37        | 19.91        | 3.62        | 0.90              | 484.80        |
| (iii) Disputed Dues - MSME  | -             | -            | -           | -                 | -             |
| (iv) Disputed Dues - Others | -             | -            | -           | 1.80              | 1.80          |
|                             | <b>466.42</b> | <b>19.91</b> | <b>3.62</b> | <b>2.70</b>       | <b>492.65</b> |

(\*) Note: Ageing has been considered from the date of transaction.

### 23 Revenue from operations

| Particulars                           | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------|-----------------------------|-----------------------------|
| Revenue from contracts with customers |                             |                             |
| Sale of Products (#)                  | 3,736.10                    | 3,517.45                    |
| Other operating revenue               | 4.38                        | 16.30                       |
|                                       | <b>3,740.48</b>             | <b>3,533.75</b>             |

(#) The entire revenue is being recorded at a point in time.

A. Revenue from contracts with customers disaggregated on the basis of geographical region and product lines is presented below:

| Particulars                       | India           | Outside India | Total           |
|-----------------------------------|-----------------|---------------|-----------------|
| <b>Year ended 31 March 2024:</b>  |                 |               |                 |
| Cement                            | 3,736.10        | -             | 3,736.10        |
|                                   | <b>3,736.10</b> | -             | <b>3,736.10</b> |
| <b>Year ended 31 March, 2023:</b> |                 |               |                 |
| Cement                            | 3,517.45        | -             | 3,517.45        |
|                                   | <b>3,517.45</b> | -             | <b>3,517.45</b> |

B. Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:

| Particulars                                        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------|-----------------------------|-----------------------------|
| Revenue as per contract price                      | 4,148.75                    | 3,844.56                    |
| Less: Discounts and incentives                     | 412.65                      | 327.11                      |
| <b>Revenue as per statement of profit and loss</b> | <b>3,736.10</b>             | <b>3,517.45</b>             |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 23 Revenue from operations (cont'd)

#### C. The Company has recognised the following revenue-related contract liabilities and receivables from contract with customers:

The Company is primarily in the business of manufacture and sale of cement and cement related products. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component. The credit period on an average ranges from 15 to 60 days.

##### (i) Contract liabilities

| Particulars                                                                             | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Contract liabilities - Advance from customers                                           | 29.30                       | 48.04                       |
|                                                                                         | <b>29.30</b>                | <b>48.04</b>                |
| The movement in Contract Liabilities are as follows:                                    |                             |                             |
| As at the beginning of the reporting period                                             | 48.04                       | 48.73                       |
| Add: Additions during the year, excluding amounts recognised as revenue during the year | 28.38                       | 40.88                       |
| Less: Revenue recognised in the current year which was included in Contract Liabilities | (47.12)                     | (41.57)                     |
| As at the end of the reporting period                                                   | <b>29.30</b>                | <b>48.04</b>                |

- Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were not satisfied in a prior year.

Revenue recognised that was included in the contract liability balance at the beginning of the year:

| Particulars                                   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| Contract liabilities – Deferred revenue       | -                           | 26.69                       |
| Contract liabilities - Advance from customers | 47.12                       | 14.88                       |
|                                               | <b>47.12</b>                | <b>41.57</b>                |

##### (ii) Contract assets

| Particulars                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Trade Receivables- Gross                     | 449.94                      | 369.56                      |
| Less: Expected credit loss & credit impaired | (8.28)                      | (10.90)                     |
|                                              | <b>441.66</b>               | <b>358.66</b>               |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 24 Other income

| Particulars                                                      | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest income:                                                 |                             |                             |
| - On fixed deposit & loan to subsidiary                          | 18.48                       | 20.35                       |
| - On income tax refund                                           | 1.09                        | 0.19                        |
| Less: Provision for doubtful Interest Income [refer note 8(iii)] | -                           | (2.18)                      |
| Dividend income                                                  | 0.02                        | 0.02                        |
| Liabilities no longer required written back                      | 4.23                        | 42.82                       |
| Provision for doubtful debts written back                        | 2.62                        | 1.99                        |
| Gain on property, plant and equipments sold/ discarded           | 1.15                        | 0.33                        |
| Other miscellaneous income                                       | 15.47                       | 6.66                        |
|                                                                  | <b>43.06</b>                | <b>70.18</b>                |

### 25 Cost of materials consumed

| Particulars                                             | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| Raw Material Consumed                                   |                             |                             |
| Inventories as at the beginning of the reporting period | 25.47                       | 14.76                       |
| Add: Purchases                                          | 228.22                      | 220.86                      |
| Less: Inventories as at the end of the reporting period | (22.98)                     | (25.47)                     |
| Add: Limestone raising cost                             | 184.60                      | 163.03                      |
|                                                         | <b>415.31</b>               | <b>373.18</b>               |

### 26 Changes in stock of finished goods and work-in-progress

| Particulars                              | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|------------------------------------------|-----------------------------|-----------------------------|
| Inventories at the beginning of the year |                             |                             |
| - Work - in - progress                   | 45.75                       | 11.54                       |
| - Finished Goods                         | 40.07                       | 33.88                       |
| Less: Inventories at the end of the year |                             |                             |
| - Work - in - progress                   | 77.23                       | 45.75                       |
| - Finished Goods                         | 34.81                       | 40.07                       |
| Less: Transferred to capital projects    | 0.18                        | 0.17                        |
|                                          | <b>(26.40)</b>              | <b>(40.57)</b>              |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 27 Employee benefits expense

| Particulars                                         | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus                           | 141.67                      | 141.09                      |
| Contribution to provident fund                      | 7.00                        | 6.39                        |
| Contribution to superannuation fund                 | -                           | (0.01)                      |
| Gratuity                                            | 3.62                        | 2.56                        |
| Contribution under Employees State Insurance Scheme | 0.09                        | 0.08                        |
| Staff welfare expenses                              | 8.60                        | 9.21                        |
| <b>Total employee benefits expense</b>              | <b>160.98</b>               | <b>159.32</b>               |

#### (i) Compensated absences

Compensated absences cover the Company's liability for sick and earned leave.

#### (ii) Defined benefit plan

##### a) Gratuity

The Company operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

##### b) Provident fund

Provident fund for certain eligible employees is managed by the Company through the "B. K. Birla Group of Companies Provident Fund Institution" 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 Company 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 as at 31 March 2024 and 31 March 2023 respectively.

The Company also pays provident fund contributions to publically administered local fund as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

The details of fund and plan asset position are given below:

| Particulars         | Present value<br>of obligation | Fair value of<br>plan assets | Net amount |
|---------------------|--------------------------------|------------------------------|------------|
| as at 31 March 2023 | 27.29                          | 28.27                        | 0.98       |
| as at 31 March 2024 | 27.56                          | 29.54                        | 1.99       |

The plan assets have been primarily invested in government securities.

| Particulars                                        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------|-----------------------------|-----------------------------|
| Discount Rate (per annum)                          | 8.15%                       | 8.15%                       |
| Expected Rate of Return on Plan Assets (per annum) | 8.15%                       | 8.15%                       |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

(Amount in ₹ crores, except otherwise stated)

**27 Employee benefit expense (cont'd)**

**(iii) Balance sheet recognition**

**a) Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| Particulars                                                                     | Present value of obligation | Fair value of plan assets | Net amount    |
|---------------------------------------------------------------------------------|-----------------------------|---------------------------|---------------|
| <b>01 April 2022</b>                                                            | <b>51.76</b>                | <b>52.20</b>              | <b>(0.44)</b> |
| Current service cost                                                            | 3.22                        |                           | 3.22          |
| Interest expense/ (income)                                                      | 3.57                        | (3.81)                    | (0.24)        |
| <b>Total amount recognised in profit or loss</b>                                | <b>6.79</b>                 | <b>(3.81)</b>             | <b>2.98</b>   |
| <i>Remeasurement</i>                                                            |                             |                           |               |
| Return on plan assets, excluding amounts included in interest expense/ (income) |                             | (2.35)                    | 2.35          |
| Actuarial (gain)/ loss from change in demographic assumptions                   |                             |                           | -             |
| Actuarial (gain)/ loss from change in financial assumptions                     | (1.28)                      |                           | (1.28)        |
| Actuarial (gain)/ loss from unexpected experience                               | 0.85                        |                           | 0.85          |
| <b>Total amount recognised in other comprehensive income</b>                    | <b>(0.43)</b>               | <b>(2.35)</b>             | <b>1.92</b>   |
| Employer contributions/ premium paid                                            |                             | (0.44)                    | 0.44          |
| Benefit payments                                                                | 5.70                        | 5.70                      | -             |
| Settlement Cost                                                                 |                             |                           | -             |
| Disposal/ Transfer of Asset                                                     |                             |                           | -             |
| <b>31 March 2023</b>                                                            | <b>52.42</b>                | <b>47.52</b>              | <b>4.90</b>   |

| Particulars                                                                     | Present value of obligation | Fair value of plan assets | Net amount    |
|---------------------------------------------------------------------------------|-----------------------------|---------------------------|---------------|
| <b>01 April 2023</b>                                                            | <b>52.42</b>                | <b>47.52</b>              | <b>4.90</b>   |
| Current service cost                                                            | 3.49                        |                           | 3.49          |
| Interest expense/ (income)                                                      | 3.46                        | (3.33)                    | 0.13          |
| <b>Total amount recognised in profit or loss</b>                                | <b>6.95</b>                 | <b>(3.33)</b>             | <b>3.62</b>   |
| <i>Remeasurement</i>                                                            |                             |                           |               |
| Return on plan assets, excluding amounts included in interest expense/ (income) | -                           | 6.24                      | (6.24)        |
| Actuarial (gain)/ loss from change in demographic assumptions                   |                             |                           | -             |
| Actuarial (gain)/ loss from change in financial assumptions                     | 1.35                        |                           | 1.35          |
| Actuarial (gain)/ loss from unexpected experience                               | 2.79                        |                           | 2.79          |
| <b>Total amount recognised in other comprehensive income</b>                    | <b>4.14</b>                 | <b>6.24</b>               | <b>(2.10)</b> |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 27 Employee benefit expense (cont'd)

| Particulars                          | Present value of obligation | Fair value of plan assets | Net amount    |
|--------------------------------------|-----------------------------|---------------------------|---------------|
| Employer contributions/ premium paid |                             | 7.90                      | (7.90)        |
| Benefit payments                     | 6.11                        | 6.11                      | -             |
| Settlement Cost                      |                             |                           | -             |
| Acquisition adjustment               |                             |                           | -             |
| <b>31 March 2024</b>                 | <b>57.40</b>                | <b>58.88</b>              | <b>(1.48)</b> |

#### (iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

| Particulars        | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------|--------------------------|--------------------------|
| Discount rate      | 7.00%                    | 7.30%                    |
| Salary growth rate | 5.00%                    | 5.00%                    |
| Attrition rate     | 1.00%                    | 1.00%                    |
| Mortality rate     | IALM 2012-2015 ULTIMATE  | IALM 2012-2014 ULTIMATE  |

#### (v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                                  | Impact on defined benefit obligation |          |               |          |
|----------------------------------------------|--------------------------------------|----------|---------------|----------|
|                                              | 31 March 2024                        |          | 31 March 2023 |          |
|                                              | Increase                             | Decrease | Increase      | Decrease |
| Discount rate (-/+ 0.5%)                     | 55.14                                | 59.81    | 50.35         | 54.62    |
| % change compared to base due to sensitivity | -3.94%                               | 4.21%    | -3.94%        | 4.21%    |
| Salary growth rate (-/+ 0.5%)                | 59.83                                | 55.10    | 54.65         | 50.31    |
| % change compared to base due to sensitivity | 4.25%                                | -4.01%   | 4.27%         | -4.02%   |
| Attrition rate (-/+ 0.5%)                    | 57.40                                | 57.39    | 52.43         | 52.41    |
| % change compared to base due to sensitivity | 0.02%                                | -0.02%   | 0.02%         | -0.02%   |
| Life expectancy/ mortality rate (-/+ 10%)    | 57.42                                | 57.37    | 52.44         | 52.39    |
| % change compared to base due to sensitivity | 0.04%                                | -0.04%   | 0.04%         | -0.04%   |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 27 Employee benefit expense (cont'd)

#### (vi) Maturity profile of defined benefit obligation:

| Particulars               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| Within the next 12 months | 8.26                        | 8.12                        |
| Between 1 and 5 years     | 18.09                       | 16.85                       |
| Between 5 and 10 years    | 25.36                       | 22.38                       |
| 10 Years and above        | 61.76                       | 60.21                       |

#### (vii) The major categories of plans assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

#### (viii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

##### *Investment risk:*

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

##### *Interest risk:*

A decrease in the interest rate on plan assets will increase the plan liability.

##### *Life expectancy:*

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

##### *Salary growth risk*

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

#### (ix) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 12 years (31 March 2023 – 12 years).

### 28 Finance costs

| Particulars                                                                      | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest expenses                                                                |                             |                             |
| - Interest cost on financial liabilities measured at amortized cost              | 450.56                      | 410.90                      |
| - Increase in the carrying amount of provisions / mining restoration liabilities | 1.35                        | 1.21                        |
| Interest on lease liabilities                                                    | 0.06                        | 0.55                        |
| Other borrowing costs                                                            | 9.78                        | 10.12                       |
|                                                                                  | <b>461.75</b>               | <b>422.78</b>               |

### 29 Depreciation and amortisation expense

| Particulars                                       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation on tangible assets                   | 107.66                      | 74.23                       |
| Amortisation of right-of-use assets & intangibles | 7.62                        | 7.34                        |
|                                                   | <b>115.28</b>               | <b>81.57</b>                |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 30 Power and fuel

| Particulars                   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Consumption of power and fuel | 1,374.76                    | 1,382.86                    |
|                               | <b>1,374.76</b>             | <b>1,382.86</b>             |

### 31 Packing and carriage

| Particulars                 | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Cost of packing and freight | 1,145.70                    | 1,030.68                    |
|                             | <b>1,145.70</b>             | <b>1,030.68</b>             |

### 32 Other expenses

| Particulars                                            | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Consumption of stores and spare parts                  | 31.14                       | 50.87                       |
| Rent                                                   | 26.64                       | 17.45                       |
| Repairs and maintenance                                |                             |                             |
| - Building                                             | 5.72                        | 6.20                        |
| - Plant and machinery                                  | 50.81                       | 70.54                       |
| - Others                                               | 2.49                        | 3.36                        |
| Insurance                                              | 7.63                        | 8.43                        |
| Rates and taxes                                        | 4.12                        | 6.11                        |
| Brokerage and discounts                                | 27.43                       | 32.37                       |
| Commission to selling agents                           | 5.65                        | 6.70                        |
| Sales promotion                                        | 45.65                       | 41.18                       |
| Directors' fees                                        | 0.83                        | 1.16                        |
| Legal and professional expenses [refer note (b) below] | 38.40                       | 42.12                       |
| Provision for doubtful debts                           | -                           | -                           |
| Provision for doubtful advances                        | -                           | 0.35                        |
| Payments to auditors [refer note (a) below]            | 2.67                        | 3.85                        |
| Security services                                      | 8.17                        | 6.98                        |
| Miscellaneous expenses [refer note (b) below]          | 35.78                       | 29.57                       |
|                                                        | <b>293.13</b>               | <b>327.24</b>               |

(a) Details of auditors' remuneration and out-of-pocket expenses are as below:

| Particulars                                                                    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| (a) Details of auditors' remuneration and out-of-pocket expenses are as below: |                             |                             |
| Audit Fees (including Limited Reviews)                                         | 2.38                        | 2.14                        |
| Tax audit fees                                                                 | 0.14                        | 0.32                        |
| Fees for issuing various certificates                                          | 0.09                        | 1.33                        |
| Reimbursement of expenses                                                      | 0.06                        | 0.06                        |
| <b>Total</b>                                                                   | <b>2.67</b>                 | <b>3.85</b>                 |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 32 Other expenses (cont'd)

| Particulars                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------------|-----------------------------|-----------------------------|
| (b) Legal & Professional expenses include |                             |                             |
| (i) Payment to cost auditor               | 0.05                        | 0.05                        |

### 33 Exceptional items

| Particulars                                                            | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Impairment Loss on Subsidiary Investment [refer note (a) below]        | (15.22)                     | -                           |
| Loss on repayment of Non-Convertible Debentures [refer note (b) below] | (49.62)                     |                             |
| Impairment loss on assets held for sale [refer note (c) below]         |                             | (173.07)                    |
|                                                                        | <b>(64.84)</b>              | <b>(173.07)</b>             |

- a) The Company has carried out an impairment analysis in respect of its investments and loans to Cygnet Industries Limited, its wholly owned subsidiary. Consequently, it has recognised an additional provision for impairment of ₹ 15.22 crores (31 March 2023: ₹ nil) which has been presented as an exceptional item in the Statement of Profit and Loss. The assessment was based on the management's business plans and future projections, approved by the Board of Directors. The key assumptions used for computation of value-in-use were the sales growth rate, gross profit margins, long-term growth rate and the risk-adjusted pre-tax discount rate. The post-tax discount rates were derived from the Company's weighted average cost of capital, taking into account the cost of capital, to which specific market-related premium adjustments are made. The Company had performed sensitivity analysis by changing the aforementioned variables independently, keeping the other variables constant, based upon which, there would be no material increase to the impairment charge which would impact the decision of the user of the Standalone Financial Statements.
- b) During the current year, the Company has repaid the entire 16,035 numbers of secured Listed Non-Convertible Debentures (NCDs) having a book value of ₹ 1,683.86 Crore on the date of redemption by availing new secured term loans from Financial Institutions bearing lower interest rates. On repayment of the above mentioned NCDs before its scheduled final maturity date, the unamortised issue expenses and upfront interest amounting to ₹ 49.62 Crore has been charged off and presented as an 'Exceptional item' in the Statement of Profit and Loss.
- c) During the previous year, the Company had decided to dispose off the factory land comprised in its Hindustan Heavy Chemicals ("HHC") unit that has been under suspension of work post requisite approvals. This was in accordance with the requirements of the debenture trust deed entered between the Company and Vistra ITCL ('Debenture Trustee'), dated 10 March 2021, to sell of its non-core assets.

In view of the foregoing and as per the principles of Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations', the said land was classified in these financial statements as 'Assets held for sale' as on 31 March 2023 amounting to ₹ 60 crores and its value has been measured at the lower of its carrying value and fair value less costs to sell, which has resulted in a loss of ₹ 173.07 crores. The loss on such remeasurement was recognised and presented as an 'Exceptional item' in the Statement of Profit and Loss in the previous year ended March 31, 2023. During the current year the sale deed was executed and on receipt of full consideration, the asset disposal adjustment was made in the books of account.

| Particulars                                  | Year ended<br>31 March 2023 |
|----------------------------------------------|-----------------------------|
| Gross carrying amount of asset held for sale | 233.07                      |
| Less: Allowance for impairment loss          | (173.07)                    |
| <b>Net carrying value</b>                    | <b>60.00</b>                |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 34 Income tax

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

| Particulars                                      | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| (a) Income tax expense                           |                             |                             |
| <i>Current tax</i>                               |                             |                             |
| Current tax on profits for the year              | -                           | -                           |
| Adjustments for current tax of prior periods     | -                           | -                           |
| <b>Total current tax expense</b>                 | <b>-</b>                    | <b>-</b>                    |
| <i>Deferred tax</i>                              |                             |                             |
| Decrease (increase) in deferred tax assets       | 120.66                      | (165.98)                    |
| (Decrease) increase in deferred tax liabilities  | (10.84)                     | (23.25)                     |
| <b>Total deferred tax expense/ (benefit) (*)</b> | <b>109.82</b>               | <b>(189.23)</b>             |
| <b>Total tax expense</b>                         | <b>109.82</b>               | <b>(189.23)</b>             |

#### Notes:

(\*) Deferred tax expense (credit) amounting to ₹ 109.82 crores (31 March 2023: credit ₹ 189.23 crores), includes deferred tax loss ₹ 109.86 crores (31 March 2023: credit ₹ 190.53 crores) routed through Statement of Profit & Loss and deferred tax credit of ₹ 0.04 crores (31 March 2023: expense ₹ 1.30 crores) crores routed through OCI.

| Particulars              | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------|-----------------------------|-----------------------------|
| Deferred tax assets      | 560.19                      | 680.85                      |
| Deferred tax liabilities | (208.33)                    | (219.17)                    |
| <b>Closing Balance</b>   | <b>351.86</b>               | <b>461.68</b>               |

### b) Movement of deferred tax assets

| Particulars                                      | As at<br>01 April<br>2023 | Recognised<br>in Statement<br>of Profit and<br>Loss | Recognised<br>in Other<br>Comprehensive<br>Income | As at<br>31 March<br>2024 | Not<br>Recognised<br>due to<br>Uncertainty |
|--------------------------------------------------|---------------------------|-----------------------------------------------------|---------------------------------------------------|---------------------------|--------------------------------------------|
| <b>A. Deferred tax assets</b>                    |                           |                                                     |                                                   |                           |                                            |
| Unabsorbed depreciation                          | 217.07                    | 9.76                                                | -                                                 | 226.83                    | 1.87                                       |
| Unabsorbed losses                                | 117.01                    | 183.73                                              | -                                                 | 300.74                    | 177.48                                     |
| Amortisation of Debenture interest               | 19.82                     | (19.82)                                             |                                                   | -                         | -                                          |
| Provision for doubtful debts                     | 11.29                     | (0.70)                                              | -                                                 | 10.59                     | -                                          |
| Provision for doubtful advances                  | 0.45                      | (0.45)                                              | -                                                 | 0.00                      | -                                          |
| Other Provisions                                 | 288.78                    | (288.78)                                            | -                                                 | -                         | 2.68                                       |
| Items allowable for tax purpose on payment basis | 13.60                     | (4.22)                                              | -                                                 | 9.38                      | -                                          |
| Others                                           | 12.83                     | (0.18)                                              | -                                                 | 12.65                     | -                                          |
|                                                  | <b>680.85</b>             | <b>(120.66)</b>                                     | <b>-</b>                                          | <b>560.19</b>             | <b>182.02</b>                              |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

(Amount in ₹ crores, except otherwise stated)

**34 Income tax (cont'd)**

| Particulars                                         | As at<br>01 April<br>2023 | Recognised<br>in Statement<br>of Profit and<br>Loss | Recognised<br>in Other<br>Comprehensive<br>Income | As at<br>31 March<br>2024 | Not<br>Recognised<br>due to<br>Uncertainty |
|-----------------------------------------------------|---------------------------|-----------------------------------------------------|---------------------------------------------------|---------------------------|--------------------------------------------|
| <b>B. Deferred tax liabilities</b>                  |                           |                                                     |                                                   |                           |                                            |
| Property, plant and equipment                       | 191.12                    | (17.08)                                             | -                                                 | 174.04                    | -                                          |
| Investments                                         | 16.00                     | (0.53)                                              | (0.04)                                            | 15.43                     | -                                          |
| Others                                              | 12.05                     | 6.81                                                | -                                                 | 18.86                     | -                                          |
|                                                     | 219.17                    | (10.80)                                             | (0.04)                                            | 208.33                    | -                                          |
| <b>Net deferred tax assets/ (liabilities) (A-B)</b> | 461.68                    | (109.86)                                            | (0.04)                                            | 351.86                    | 182.02                                     |

| Particulars                                         | As at<br>01 April<br>2022 | Recognised<br>in Statement<br>of Profit and<br>Loss | Recognised<br>in Other<br>Comprehensive<br>Income | As at<br>31 March<br>2023 | Not<br>Recognised<br>due to<br>Uncertainty |
|-----------------------------------------------------|---------------------------|-----------------------------------------------------|---------------------------------------------------|---------------------------|--------------------------------------------|
| <b>A. Deferred tax assets</b>                       |                           |                                                     |                                                   |                           |                                            |
| Unabsorbed depreciation                             | 217.32                    | (0.25)                                              | -                                                 | 217.07                    | -                                          |
| Unabsorbed losses                                   | 126.54                    | (9.53)                                              | -                                                 | 117.01                    | -                                          |
| Amortisation of Debenture interest                  | -                         | 19.82                                               | -                                                 | 19.82                     | -                                          |
| Provision for doubtful debts                        | 11.66                     | (0.37)                                              | -                                                 | 11.29                     | -                                          |
| Provision for doubtful advances                     | 1.80                      | (1.35)                                              | -                                                 | 0.45                      | -                                          |
| Other Provisions                                    | 133.87                    | 154.91                                              | -                                                 | 288.78                    | -                                          |
| Items allowable for tax purpose on payment basis    | 20.40                     | (7.28)                                              | 0.48                                              | 13.60                     | -                                          |
| Others                                              | 3.28                      | 9.55                                                | -                                                 | 12.83                     | -                                          |
|                                                     | 514.87                    | 165.50                                              | 0.48                                              | 680.85                    | -                                          |
| <b>B. Deferred tax liabilities</b>                  |                           |                                                     |                                                   |                           |                                            |
| Property, plant and equipment                       | 201.70                    | (10.58)                                             | -                                                 | 191.12                    | -                                          |
| Investments                                         | 14.22                     | -                                                   | 1.78                                              | 16.00                     | -                                          |
| Amortisation of Debenture interest                  | 17.41                     | (17.41)                                             | -                                                 | 0.00                      | -                                          |
| Others                                              | 9.09                      | 2.96                                                | -                                                 | 12.05                     | -                                          |
|                                                     | 242.42                    | (25.03)                                             | 1.78                                              | 219.17                    | -                                          |
| <b>Net deferred tax assets/ (liabilities) (A-B)</b> | 272.45                    | 190.53                                              | (1.30)                                            | 461.68                    | -                                          |

**(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:**

| Particulars                                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------|------------------------|------------------------|
| Loss before tax                                     | (221.81)               | (306.20)               |
| <b>Tax at the rate of 25.168%</b>                   | <b>(55.83)</b>         | <b>(77.06)</b>         |
| Loss on Valuation of Property, Plant and Equipments | -                      | 43.56                  |
| Tax reversal on impairment of Investment            | 159.95                 | (156.12)               |
| Unabsorbed depreciation                             | 1.87                   | -                      |
| Others (including difference in tax rates)          | 3.87                   | (0.91)                 |
| <b>Total income tax expense/ (credit)</b>           | <b>109.86</b>          | <b>(190.53)</b>        |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 34 Income tax (cont'd)

- (a) As per the provisions of the Income Tax Act, 1961, the unabsorbed depreciation does not have any expiry period.
- (b) With effect from 1 April 2021, (Assessment year 2021-22), the Company has opted a new tax regime as per the provisions of Section 115BAA of the Income Tax Act, 1961. Accordingly, reinstated brought forward business losses/unabsorbed depreciation has been considered while computing deferred tax assets.

### 35 Earnings per equity share (EPS)

| Particulars                                                          |              | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------------------|--------------|-----------------------------|-----------------------------|
| <b>(i) Basic</b>                                                     |              |                             |                             |
| Number of equity shares at the beginning of the year                 |              | 31,06,63,663                | 24,40,24,163                |
| Number of equity shares at the end of the year                       |              | 31,06,63,663                | 31,06,63,663                |
| Weighted average number of equity shares outstanding during the year | <b>(A)</b>   | 31,06,63,663                | 28,42,29,778                |
| Nominal value of each equity Share (₹)                               |              | 10                          | 10                          |
| Loss for the year (₹ in crore)                                       | <b>(B)</b>   | (331.67)                    | (115.67)                    |
| Earnings per share (Basic) (₹)                                       | <b>(B/A)</b> | (10.68)                     | (4.07)                      |
| <b>(ii) Diluted</b>                                                  |              |                             |                             |
| Weighted average number of equity shares outstanding during the year | <b>(C)</b>   | 31,06,63,662                | 28,42,29,778                |
| Earnings per share (Diluted) (₹)                                     | <b>(B/C)</b> | (10.68)                     | (4.07)                      |

### 36 Contingent liabilities

| Particulars                                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Claims against the Company not acknowledged as debts:</b> |                        |                        |
| (i) Rates, Taxes, Duties etc. demanded by various Authorities    | 119.37                 | 161.98                 |
| <b>(b) Income Tax matters</b>                                    | -                      | 2.22                   |
| <b>(c) Other Legal matters</b>                                   | 125.63                 | 125.63                 |
|                                                                  | <b>245.00</b>          | <b>289.83</b>          |

#### Note:

- (i) In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.
- (ii) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- (iii) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and do not include any penalty payable.
- (iv) During the previous year, the Company received an arbitration award pertaining to a legal dispute with Mintech Global Private Limited which was challenged by both the parties and the matter which is sub judice is being adjudicated upon before the High Court at Kolkata. Based on the facts of the matter, supported by independent legal opinion obtained, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Company in this respect of the aforementioned litigation and accordingly, no provision has been made in these Standalone Financial Statement.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 37 Capital and other commitments

| Particulars                                                                                                                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Capital Commitments</b>                                                                                                          |                        |                        |
| Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 4.64 crores (31 March 2023: ₹ 5.53 crores)] | 30.71                  | 14.59                  |
|                                                                                                                                         | <b>30.71</b>           | <b>14.59</b>           |

38 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006. ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| Particulars                                                                                                                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                           | 16.91                  | 6.05                   |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                                   | -                      | -                      |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                      | -                      |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                      | -                      |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made                                               | -                      | -                      |
| Further interest remaining due and payable for earlier years                                                                                   | -                      | -                      |

#### Note:

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company

### 39 Leases

(a) The following is the break-up of current and non-current lease liabilities as at 31 March 2024:

| Particulars                   | 31 March 2024 | 31 March 2023 |
|-------------------------------|---------------|---------------|
| Current lease liability *     | 1.57          | 1.84          |
| Non-current lease liability * | 0.09          | 1.65          |
|                               | <b>1.66</b>   | <b>3.49</b>   |

\* Primarily consists of leased plant and machinery and warehouses. (b) The following is the movement in lease liabilities during the year ended 31 March 2024:

| Particulars                               | 31 March 2024 | 31 March 2023 |
|-------------------------------------------|---------------|---------------|
| Balance as at the beginning of the year   | 3.49          | 6.66          |
| Additions during the year                 | 0.08          | 2.48          |
| Finance cost accrued during the period    | 0.06          | 0.55          |
| Deletions                                 | 1.51          | 0.76          |
| Payment of lease liabilities and interest | 0.46          | 5.44          |
| Balance as at the end of the year         | <b>1.66</b>   | <b>3.49</b>   |

(c) Expense pertaining to leases which has been identified as short-term amounts to ₹ 22.28 crores (31 March 2023: ₹ 17.36 crores)

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 39 Leases (cont'd)

(d) Expense pertaining to leases which has been identified as low value amounts to ₹ 0.16 crores (31 March 2023: ₹ 0.09 crores)

(e) Contractual maturities of lease liabilities as at the end of the year, on an undiscounted basis:

| Particulars          | 31 March 2024 | 31 March 2023 |
|----------------------|---------------|---------------|
| Less than one year   | 1.59          | 1.97          |
| One to five years    | 0.18          | 1.06          |
| More than five years | -             | 8.61          |

### 40 Capital Management

#### (a) Risk management

The capital structure of the Company consists of debt and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. For Debt Equity ratio refer note 47.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

### 41 Financial instruments - fair values and risk management

The sources of risks that the Company is exposed to and their management is given below:

| Risk                        | Exposure Arising From                                              | Measurement                                    | Management                                                                              |
|-----------------------------|--------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>i) Market Risk</b>       |                                                                    |                                                |                                                                                         |
| A) Interest Rate Risk       | Long Term Borrowings at variable rates                             | Sensitivity Analysis, Interest rate movements  | Interest Rate swaps, Coupon only swaps                                                  |
| B) Commodity Risk           | Movement in prices of commodities mainly Thermal Coal and Pet Coke | Sensitivity Analysis, Commodity price tracking | Commodity Fixed Prices                                                                  |
| <b>ii) Credit Risk</b>      | Trade receivables, Investments, Loans and Bank balances            | Ageing analysis, Credit Rating                 | (a) Credit limit & credit worthiness monitoring,<br>(b) Criteria based approval process |
| <b>iii) Liquidity Risks</b> | Borrowings and Other Liabilities                                   | Rolling cash flow forecasts                    | Adequate borrowing facilities                                                           |

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

#### Financial instruments by category

| Particulars                   | 31 March 2024 |              |                 | Total Carrying Value | Total Fair Value |
|-------------------------------|---------------|--------------|-----------------|----------------------|------------------|
|                               | FVPL          | FVOCI        | Amortised cost  |                      |                  |
| <b>Financial assets</b>       |               |              |                 |                      |                  |
| Cash and cash equivalents     | -             | -            | 93.76           | 93.76                | 93.76            |
| Other bank balances           | -             | -            | 89.55           | 89.55                | 89.55            |
| Trade receivables             | -             | -            | 441.66          | 441.66               | 441.66           |
| Loans                         | -             | -            | 136.10          | 136.10               | 136.10           |
| Investments                   | -             | 80.35        | 291.00          | 371.35               | 371.35           |
| Other financial assets        | -             | -            | 124.51          | 124.51               | 124.51           |
| <b>Total financial assets</b> | -             | <b>80.35</b> | <b>1,176.58</b> | <b>1,256.93</b>      | <b>1,256.93</b>  |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 41 Financial instruments - fair values and risk management (cont'd)

| Particulars                        | 31 March 2024 |       |                 | Total Carrying Value | Total Fair Value |
|------------------------------------|---------------|-------|-----------------|----------------------|------------------|
|                                    | FVPL          | FVOCI | Amortised cost  |                      |                  |
| <b>Financial liabilities</b>       |               |       |                 |                      |                  |
| Borrowings                         | -             | -     | 2,044.35        | 2,044.35             | 2,044.35         |
| Trade and other payables           | -             | -     | 586.36          | 586.36               | 586.36           |
| Lease Liability                    | -             | -     | 1.66            | 1.66                 | 1.66             |
| Other financial liabilities        | -             | -     | 178.67          | 178.67               | 178.67           |
| <b>Total financial liabilities</b> | -             | -     | <b>2,811.04</b> | <b>2,811.04</b>      | <b>2,811.04</b>  |

| Particulars                        | 31 March 2023 |              |                 | Total Carrying Value | Total Fair Value |
|------------------------------------|---------------|--------------|-----------------|----------------------|------------------|
|                                    | FVPL          | FVOCI        | Amortised cost  |                      |                  |
| <b>Financial assets</b>            |               |              |                 |                      |                  |
| Cash and cash equivalents          | -             | -            | 52.56           | 52.56                | 52.56            |
| Other bank balances                | -             | -            | 56.28           | 56.28                | 56.28            |
| Trade receivables                  | -             | -            | 358.66          | 358.66               | 358.66           |
| Loans                              | -             | -            | 133.70          | 133.70               | 133.70           |
| Investments                        | -             | 82.22        | 306.22          | 388.44               | 388.44           |
| Other financial assets             | -             | -            | 134.89          | 134.89               | 134.89           |
| <b>Total financial assets</b>      | -             | <b>82.22</b> | <b>1,042.31</b> | <b>1,124.53</b>      | <b>1,124.53</b>  |
| <b>Financial liabilities</b>       |               |              |                 |                      |                  |
| Borrowings                         | -             | -            | 1,730.14        | 1,730.14             | 1,730.14         |
| Trade and other payables           | -             | -            | 492.65          | 492.65               | 492.65           |
| Lease Liability                    | -             | -            | 3.49            | 3.49                 | 3.49             |
| Other financial liabilities        | -             | -            | 152.02          | 152.02               | 152.02           |
| <b>Total financial liabilities</b> | -             | -            | <b>2,378.30</b> | <b>2,378.30</b>      | <b>2,378.30</b>  |

#### A. Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 41 Financial instruments - fair values and risk management (cont'd)

| Particulars                   | 31 March 2024 |         |         |       |
|-------------------------------|---------------|---------|---------|-------|
|                               | Level 1       | Level 2 | Level 3 | Total |
| <b>Financial assets:</b>      |               |         |         |       |
| Investments                   | -             | -       | 80.35   | 80.35 |
|                               | -             | -       | 80.35   | 80.35 |
| <b>Financial liabilities:</b> |               |         |         |       |
| Borrowings                    | -             | -       | -       | -     |
|                               | -             | -       | -       | -     |

| Particulars                   | 31 March 2023 |         |         |       |
|-------------------------------|---------------|---------|---------|-------|
|                               | Level 1       | Level 2 | Level 3 | Total |
| <b>Financial assets:</b>      |               |         |         |       |
| Investments                   | -             | -       | 82.22   | 82.22 |
|                               | -             | -       | 82.22   | 82.22 |
| <b>Financial liabilities:</b> |               |         |         |       |
| Borrowings                    | -             | -       | -       | -     |
|                               | -             | -       | -       | -     |

#### B. Valuation technique used to determine fair value

- The Company does not have any exposure in derivatives.
- Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Company has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.
- The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- Market values in cases of some quoted and unquoted investments are not available, hence the fair value has been considered as market values in such cases

In the course of its business, the Company is exposed primarily to fluctuations in interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 41 Financial instruments - fair values and risk management (cont'd)

#### C. Risk management

##### (i) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Maximum exposure to credit risk of the Company has been listed below:

| Particulars            | 31 March 2024 | 31 March 2023 |
|------------------------|---------------|---------------|
| Trade receivables      | 441.66        | 358.66        |
| Loan                   | 136.10        | 133.70        |
| Other financial assets | 124.51        | 134.89        |
| <b>Total</b>           | <b>702.27</b> | <b>627.25</b> |

Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

##### (a) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Company's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31 March 2024.

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

| Particulars                                       | 31 March 2024 | 31 March 2023 |
|---------------------------------------------------|---------------|---------------|
| <b>Opening balance</b>                            | <b>10.90</b>  | <b>10.95</b>  |
| Charge in statement of profit and loss            | -             | -             |
| Charge/ (Release) to statement of profit and loss | -             | -             |
| Utilised during the year                          | (2.62)        | (0.05)        |
| <b>Balance at the end of the year</b>             | <b>8.28</b>   | <b>10.90</b>  |

##### (ii) Liquidity risk

Liquidity risk refers to that risk where the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

##### (a) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 41 Financial instruments - fair values and risk management (cont'd)

| Contractual maturities of financial liabilities<br>31 March 2024 | Less than<br>1 year | 1 - 5 years     | More than 5<br>years | Total           |
|------------------------------------------------------------------|---------------------|-----------------|----------------------|-----------------|
| <b>Non-derivatives</b>                                           |                     |                 |                      |                 |
| Borrowings (including interest obligations)                      | 279.91              | 1,667.05        | 1,201.42             | 3,148.38        |
| Lease Liability                                                  | 1.59                | 0.18            | -                    | 1.77            |
| Other financial liabilities                                      | 97.74               | -               | 80.93                | 178.67          |
| Trade payables                                                   | 586.36              | -               | -                    | 586.36          |
| <b>Total non-derivative financial liabilities</b>                | <b>965.60</b>       | <b>1,667.23</b> | <b>1,282.35</b>      | <b>3,915.18</b> |

| Contractual maturities of financial liabilities<br>31 March 2023 | Less than<br>1 year | 1 - 5 years     | More than 5<br>years | Total           |
|------------------------------------------------------------------|---------------------|-----------------|----------------------|-----------------|
| <b>Non-derivatives</b>                                           |                     |                 |                      |                 |
| Borrowings (including interest obligations)                      | 336.55              | 2,127.04        | 105.35               | 2,568.95        |
| Lease Liability                                                  | 1.97                | 1.06            | 8.61                 | 11.64           |
| Other financial liabilities                                      | 69.63               | -               | 82.39                | 152.02          |
| Trade payables                                                   | 492.65              | -               | -                    | 492.65          |
| <b>Total non-derivative financial liabilities</b>                | <b>900.80</b>       | <b>2,128.10</b> | <b>196.35</b>        | <b>3,225.26</b> |

### (iii) Market risk

#### (a) Foreign currency risk

The Company deals with foreign currency loan, advances for goods, trade payables etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

As at 31 March 2024

| Particulars                                  | USD (in crore)                   |                                | EUR (in crore)                   |                                | DKK (in crore)                   |                                |
|----------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                              | Amount<br>in foreign<br>currency | Amount<br>in local<br>currency | Amount<br>in foreign<br>currency | Amount<br>in local<br>currency | Amount<br>in foreign<br>currency | Amount<br>in local<br>currency |
| <b>Financial assets</b>                      |                                  |                                |                                  |                                |                                  |                                |
| Trade receivables                            | -                                | -                              | -                                | -                              | -                                | -                              |
| Advance to Vendors                           | -                                | -                              | -                                | -                              | -                                | -                              |
| <b>Financial liabilities</b>                 |                                  |                                |                                  |                                |                                  |                                |
| Trade payables                               | -                                | -                              | -                                | -                              | -                                | -                              |
| Borrowings                                   | -                                | -                              | -                                | -                              | -                                | -                              |
| Derivative liability                         |                                  |                                |                                  |                                |                                  |                                |
| <b>Net exposure to foreign currency risk</b> | <b>-</b>                         | <b>-</b>                       | <b>-</b>                         | <b>-</b>                       | <b>-</b>                         | <b>-</b>                       |

As at 31 March 2023

| Particulars                  | USD (in crore)                   |                                | EUR (in crore)                   |                                | DKK (in crore)                   |                                |
|------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                              | Amount<br>in foreign<br>currency | Amount<br>in local<br>currency | Amount<br>in foreign<br>currency | Amount<br>in local<br>currency | Amount<br>in foreign<br>currency | Amount<br>in local<br>currency |
| <b>Financial assets</b>      |                                  |                                |                                  |                                |                                  |                                |
| Trade receivables            | -                                | -                              | -                                | -                              | -                                | -                              |
| Advance to Vendors           | 0.05                             | 3.79                           | 0.01                             | 0.50                           | 0.02                             | 0.22                           |
| <b>Financial liabilities</b> |                                  |                                |                                  |                                |                                  |                                |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 41 Financial instruments - fair values and risk management (cont'd)

| Particulars                                  | USD (in crore)             |                          | EUR (in crore)             |                          | DKK (in crore)             |                          |
|----------------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                                              | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency |
| Trade payables                               | -                          | -                        | -                          | -                        | -                          | -                        |
| Borrowings                                   | -                          | -                        | -                          | -                        | -                          | -                        |
| Derivative liability                         | -                          | -                        | -                          | -                        | -                          | -                        |
| <b>Net exposure to foreign currency risk</b> | <b>0.05</b>                | <b>3.79</b>              | <b>0.01</b>                | <b>0.50</b>              | <b>0.02</b>                | <b>0.22</b>              |

\* Amount is below the rounding off norm adopted by the Company

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars                                     | Impact on profit before tax |               |
|-------------------------------------------------|-----------------------------|---------------|
|                                                 | 31 March 2024               | 31 March 2023 |
| <b>USD sensitivity</b>                          |                             |               |
| INR/USD appreciates by 5% (31 March 2022 - 5%)@ | -                           | (0.19)        |
| INR/USD depreciates by 5% (31 March 2022 - 5%)@ | -                           | 0.19          |
| <b>EUR sensitivity</b>                          |                             |               |
| INR/EUR appreciates by 5% (31 March 2022 - 5%)@ | -                           | (0.03)        |
| INR/EUR depreciates by 5% (31 March 2022 - 5%)@ | -                           | 0.03          |
| <b>DKK sensitivity</b>                          |                             |               |
| INR/DKK appreciates by 5% (31 March 2022 - 5%)@ | -                           | -             |
| INR/DKK depreciates by 5% (31 March 2022 - 5%)@ | -                           | -             |
| <b>GBP sensitivity</b>                          |                             |               |
| INR/EUR appreciates by 5% (31 March 2021 - 5%)@ | -                           | (0.01)        |
| INR/EUR depreciates by 5% (31 March 2021 - 5%)@ | -                           | (0.01)        |

@ Holding all other variables constant

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2024 and 31 March 2023, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 41 Financial instruments - fair values and risk management (cont'd)

#### (a) Interest rate risk exposure

##### On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

| Particulars              | 31 March 2024   | 31 March 2023   |
|--------------------------|-----------------|-----------------|
| Fixed rate borrowings    | 122.90          | 1,733.14        |
| Variable rate borrowings | 1,871.45        | -               |
| <b>Total borrowings*</b> | <b>1,994.35</b> | <b>1,733.14</b> |

\* Borrowings excluding accrued interest

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

| Particulars                                                    | Impact on profit before tax |               |
|----------------------------------------------------------------|-----------------------------|---------------|
|                                                                | 31 March 2024               | 31 March 2023 |
| Interest expense rates – increase by 50 basis points (50 bps)# | (9.36)                      | -             |
| Interest expense rates – decrease by 50 basis points (50 bps)# | 9.36                        | -             |

# Holding all other variables constant

### (iii) Price risk

#### (a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. In general, these investments are not held for trading purposes.

The exposure from investments held by the Company to price risk is as follows:

| Particulars          | 31 March 2024 | 31 March 2023 |
|----------------------|---------------|---------------|
| Investment in others | 17.74         | 27.10         |

#### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity.

| Particulars               | Impact on profit before tax |               |
|---------------------------|-----------------------------|---------------|
|                           | 31 March 2024               | 31 March 2023 |
| Share price - Increase 5% | 0.89                        | 1.36          |
| Share price - Decrease 5% | (0.89)                      | (1.36)        |

### 42 Segment reporting

The Company, at standalone financial statement level, operates in one segment i.e. "Cement". The Company has disclosed segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of INDAS 108 'Operating Segments', no disclosure related to segments are presented in this standalone financial statement.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 42 Segment reporting (cont'd)

#### Geographical information

##### (a) Revenue from external customers:

| Particulars                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------------|-----------------------------|-----------------------------|
| India (i.e. entity's country of domicile) | 3,740.48                    | 3,533.75                    |
| Others                                    | -                           | -                           |
|                                           | <b>3,740.48</b>             | <b>3,533.75</b>             |

43 As per Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with reference to use of accounting software by the Company for maintaining its books of accounts, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention. Furthermore, the management has ensured control over maintenance and monitoring of audit trail and its features are designed and operating effectively, except for the following:

- (i) The audit trail feature in the accounting software used for maintenance of master records i.e Vendor Master, Customer Master, Freight Master etc. of the Company did not operate throughout the year.
- (ii) The audit trail feature was not enabled at the database level for the accounting software to log any direct data changes.

However, the Company's access to the database is through a system support agency who maintain the checks and trail of any request received from the Company for updating the database. The Company is in the process of activation of audit trail features at the database level.

- 44 During the previous year, the Board of Directors ("the Board") of the Company had approved a Scheme of Arrangement ("the Proposed Scheme") under Sections 230-232 of the Companies Act, 2013 between Kesoram Industries Limited ("Company") and Cygnet Industries Limited ("wholly-owned subsidiary" or "Cygnet") with the appointed date being 1 April, 2022. However, the scheme was withdrawn in the board meeting held on during the current financial year.
- 45 The Board of Directors ("the Board") of the Company at its meeting held on, November 30, 2023 has approved a Scheme of Arrangement ("the Proposed Scheme") under Sections 230-232 of the Companies Act, 2013 between Kesoram Industries Limited ("Company") and UltraTech Cement Limited ("the Resulting Company") with the appointed date being April 1, 2024. The Proposed Scheme involves demerger of the cement business from the Company and is subject to the shareholders and various regulatory approvals. Pending such approvals, no effect of the Proposed Scheme has been considered in the books of account.

### 46 Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

#### A. List of Related Parties and relationship

##### I. Subsidiary

Cygnet Industries Limited

##### II. Joint Venture

Gondkhari Coal Mining Limited

##### III. Post Retirement Benefit Plan

B.K. Birla Group of Companies Provident Fund Institution.

Birla Industries Provident Fund Institution.

KICM Gratuity Fund

Kesoram Superannuation Fund

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 46 Related party disclosures (cont'd)

#### IV. Key Management Personnel & Directors

Smt. Manjushree Khaitan [Chairman]  
 Mr. P Radhakrishnan [Whole Time Director & CEO]  
 Mr. Rohit Shah [Chief Financial Officer]  
 Mr. Gautam Ganguli [Company Secretary]  
 Mrs. Mangala Radhakrishna Prabhu [Independent Director]  
 Mr. Satish Narain Jajoo [Independent Director]  
 Mr. Lee Seow Chuan [Independent Director]  
 Ms. Jikyeong Kang [Non-Independent Director]  
 Mr. Kashi Prasad Khandelwal [Independent Director]  
 Mr. Sudip Banerjee [Independent Director]

#### V. Others

##### A. Entity controlled or jointly controlled by the Key Management Personnel:

MSK Travels and Tours Limited  
 Umang Commercial Pvt Ltd (erstwhile Aditya Marketing & Manufacturing Private Limited)  
 Arbela Trading and Services Private Limited  
 Usinara Trading and Services Private Limited  
 BTRL Limited (erstwhile Birla Tyre Radials Limited)

##### B. One entity is an associate of the other entity (or an associate of a group of which the other entity is a member)

Manav Investment and Trading Company Limited & its subsidiaries

#### B. The following transactions were carried out with the related parties in the ordinary course of business:

| Nature of Transaction/ Relationship | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>Interest Income:</b>             |                             |                             |
| Subsidiary                          | 14.00                       | 14.31                       |
| <b>Management service income:</b>   |                             |                             |
| Subsidiary                          | 2.39                        | 1.82                        |
| <b>Rent Received:</b>               |                             |                             |
| Subsidiary                          | 0.14                        | 0.16                        |
| Others                              | 0.01                        | 0.00                        |
| <b>Reimbursement of Expenses:</b>   |                             |                             |
| Subsidiary                          | -                           | 0.10                        |
| <b>Loan Repayment</b>               |                             |                             |
| Subsidiary                          | -                           | 7.60                        |
| <b>Impairment Provision</b>         |                             |                             |
| Subsidiary                          | 15.22                       | -                           |
| <b>Provident Fund Contribution</b>  |                             |                             |
| Post Retirement Benefit Plan        | 0.66                        | 0.64                        |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

(Amount in ₹ crores, except otherwise stated)

**46 Related party disclosures (cont'd)**

| Nature of Transaction/ Relationship                                        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Gratuity Claimed</b>                                                    |                             |                             |
| Post Retirement Benefit Plan                                               | 4.73                        | 7.09                        |
| <b>Gratuity Contribution</b>                                               |                             |                             |
| Post Retirement Benefit Plan                                               | 3.62                        | -                           |
| <b>Superannuation Contribution</b>                                         |                             |                             |
| Post Retirement Benefit Plan                                               | -                           | 0.00                        |
| <b>Receipt from Superannuation Fund</b>                                    |                             |                             |
| Post Retirement Benefit Plan                                               | 0.08                        | 1.31                        |
| <b>Upkeep, Rent, Electricity, Generator facility</b>                       |                             |                             |
| Others                                                                     | 0.37                        | 0.37                        |
| <b>Tour &amp; Travel Services</b>                                          |                             |                             |
| Others                                                                     | 6.50                        | 1.04                        |
| <b>Receipt of ICD</b>                                                      |                             |                             |
| Manav Investment and Trading Company Limited                               | -                           | 60.00                       |
| <b>Repayment of ICD</b>                                                    |                             |                             |
| Manav Investment and Trading Company Limited                               | -                           | 60.00                       |
| <b>Issue of 5% Non-Convertible Cumulative Redeemable Preference Shares</b> |                             |                             |
| Manav Investment and Trading Company Limited                               | -                           | 90.00                       |
| <b>Interest Expense</b>                                                    |                             |                             |
| Others                                                                     | -                           | 0.81                        |
| <b>Preference Dividend Accrued</b>                                         |                             |                             |
| Others                                                                     | 4.50                        | 1.31                        |
| <b>Expenditure-Other Services</b>                                          |                             |                             |
| Others                                                                     | 5.46                        | 1.67                        |

**(B) Outstanding balances**

| Particulars                                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------------|------------------------|------------------------|
| <b>Payable/ (Receivable)</b>                           |                        |                        |
| Others                                                 | 0.13                   | 0.07                   |
| Post retirement benefit plan                           | (1.27)                 | 0.60                   |
| <b>Loan Receivable- Unsecured, repayable on demand</b> |                        |                        |
| Subsidiary                                             | 136.07                 | 133.25                 |
| Joint Venture                                          | -                      | 0.85                   |
| <b>Interest Payable</b>                                |                        |                        |
| Others                                                 | 1.26                   | 1.26                   |
| <b>Interest Receivable</b>                             |                        |                        |
| Subsidiary                                             | 44.24                  | 30.28                  |
| Joint Venture                                          | -                      | 0.62                   |
| <b>Dividend Payable</b>                                |                        |                        |
| Others                                                 | 5.81                   | 1.31                   |

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 46 Related party disclosures (cont'd)

| Particulars                                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------|------------------------|------------------------|
| <b>Investment in Shares</b>                     |                        |                        |
| Subsidiary [net of impairment loss]             | 291.00                 | 306.22                 |
| <b>Advance Receivable</b>                       |                        |                        |
| Joint Venture                                   | -                      | 0.32                   |
| <b>Redeemable Preference Shares Outstanding</b> |                        |                        |
| Others                                          | 34.90                  | 32.61                  |

### (C) Compensation of KMP of the Company

- (i) The following transactions were carried out with the KMP in the ordinary course of business.

During the year, the Company recognised an amount of ₹ 9.99 crore (31 March 2023: ₹ 9.48 crores) as remuneration to key managerial personnel. The details of such remuneration is as below:

| Particulars                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------|------------------------|------------------------|
| Remuneration                           | 9.84                   | 9.30                   |
| Post employment benefits               | 0.15                   | 0.18                   |
| <b>Total employee benefits expense</b> | <b>9.99</b>            | <b>9.48</b>            |
| Sitting fees to Director               | 0.83                   | 1.16                   |
| Reimbursement of Expenses              | 0.18                   | 0.04                   |

- (ii) Outstanding balances

| Particulars  | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--------------|-------------------------------------|-------------------------------------|
| Remuneration | 0.43                                | 0.35                                |
|              | <b>0.43</b>                         | <b>0.35</b>                         |

#### Notes:

- (a) Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given and investment made are mentioned investments in subsidiary and joint venture (refer note 6) and non current loans (refer note 8).

\* Amount is below the rounding off norm adopted by the Company

### 47 Ratios disclosed as per requirement of Schedule III to the Act

| Particulars                                                                                                                                                                                        | As at<br>31 March<br>2024 | As at<br>31 March<br>2023 | %<br>Variance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------|
| (a) <b>Current ratio (times)</b><br>[Current assets/ Current liabilities]                                                                                                                          | 1.12                      | 0.95                      | 17.10%        |
| (b) <b>Debt-equity ratio (times)</b><br>[Total debt/ Shareholder's equity]                                                                                                                         | 6.44                      | 2.67                      | 141.27%       |
| <b>Explanation for variation:</b>                                                                                                                                                                  |                           |                           |               |
| Erosion of shareholder's fund due to loss incurred for exceptional items and derecognition of deferred tax asset on account of future uncertainty and also new borrowings availed during the year. |                           |                           |               |
| (c) <b>Debt service coverage ratio (times)</b><br>[Earning available for Debt Service/ Debt service]                                                                                               | 0.14                      | 1.29                      | -88.82%       |

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024**

(Amount in ₹ crores, except otherwise stated)

**47 Ratios disclosed as per requirement of Schedule III to the Act (cont'd)**

| Particulars                                                                                                                                                                                                                                                                 | As at<br>31 March<br>2024 | As at<br>31 March<br>2023 | %<br>Variance |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|---------------|
| [Earning available for Debt Service = Net profit after taxes + Exceptional items + Non-cash operating expenses (depreciation) + Finance costs + Other adjustments (loss on sale of PPE) Debt service = Interest payments + long-term principal repayments + lease payments] |                           |                           |               |
| <b>Explanation for variation:</b>                                                                                                                                                                                                                                           |                           |                           |               |
| Additional loss incurred for exceptional items and derecognition of deferred tax asset along with prepayment of debentures during the year.                                                                                                                                 |                           |                           |               |
| <b>(d) Return on equity ratio (%)</b><br>Profit for the year/ Average shareholder's equity                                                                                                                                                                                  | (0.69)                    | (0.18)                    | 281.66%       |
| <b>Explanation for variation:</b>                                                                                                                                                                                                                                           |                           |                           |               |
| Variation due to increase of losses on account of recognition of exceptional loss and derecognition of deferred tax asset.                                                                                                                                                  |                           |                           |               |
| <b>(e) Inventory turnover ratio (times)</b><br>Sales for the year/ Average Inventory<br>[Average Inventory = (Opening balance + Closing balance) / 2]                                                                                                                       | 17.83                     | 21.84                     | -18.34%       |
| <b>(f) Return on capital employed</b><br>Earning before interest and taxes/ Capital employed<br>[Capital Employed = Total equity + borrowings (including accrued interest)]                                                                                                 | 0.10                      | 0.05                      | 107.43%       |
| <b>Explanation for variation:</b>                                                                                                                                                                                                                                           |                           |                           |               |
| Variation due to increase in losses for recognition of exceptional loss and derecognition of deferred tax asset.                                                                                                                                                            |                           |                           |               |
| <b>(g) Trade receivables turnover ratio (times)</b><br>Revenue from operations/ Average trade receivable<br>[Average trade receivables = (Opening balance + Closing balance) / 2]                                                                                           | 9.34                      | 10.42                     | -10.37%       |
| <b>(h) Trade payables turnover ratio</b><br>Purchase of raw materials and stock-in-trade/ Average trade payables<br>[Average trade payables = (Opening balance + Closing balance) / 2]                                                                                      | 5.44                      | 5.56                      | -2.21%        |
| <b>(i) Net capital turnover ratio (times)</b><br>Sale of Products/ Working capital<br>[Working capital is calculated as current assets (-) current liabilities]                                                                                                             | 34.46                     | (162.69)                  | -121.18%      |
| <b>Explanation for variation:</b>                                                                                                                                                                                                                                           |                           |                           |               |
| Reduction in negative working capital                                                                                                                                                                                                                                       |                           |                           |               |
| <b>(j) Net profit ratio</b><br>Profit for the year/ Revenue from operations                                                                                                                                                                                                 | -8.87%                    | -3.27%                    | 171.16%       |
| <b>Explanation for variation:</b>                                                                                                                                                                                                                                           |                           |                           |               |
| Variation due to reduction in profits for recognition of exceptional loss and derecognition of deferred tax asset.                                                                                                                                                          |                           |                           |               |

**Note:**

- Explanations have been furnished for change in ratio by more than 25% as compared to the preceeding year as stipulated in Schedule III to the Act.
- During the current and previous year, the Company has not earned income on the investments held on account of losses incurred by the respective Investee Company. Accordingly, ratio for Return on Investments has not been presented.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024

(Amount in ₹ crores, except otherwise stated)

### 48 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding have been initiated or pending against the Company for holding any Benami property.
  - (ii) The Company does not have any charge or satisfaction of charge, which is yet to be registered with ROC beyond the statutory period.
  - (iii) The Company has not traded or invested in crypto-currency or virtual currency during the financial year.
  - (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
    - a. 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
    - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - a. 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
    - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).
  - (vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
  - (ix) The Company has no transactions with any struck off companies during the current financial year.
- 49 The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Company. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment ('the Ministry') has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.
- 50 Figures for the previous year have been regrouped/ reclassified wherever necessary to confirm to current period's classification.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/  
N500013

Manoj Kumar Gupta  
Partner  
Membership No.: 083906

For and on behalf of the Board of Directors  
Kesoram Industries Limited

Manjushree Khaitan  
Chairman  
DIN: 00055898

Kashi Prasad Khandelwal  
Independent Director  
DIN: 00748523

Mangala Radhakrishna Prabhu  
Independent Director  
DIN: 06450659

P Radhakrishnan  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

Sudip Banerjee  
Independent Director  
DIN: 05245757

Satish Narain Jajoo  
Independent Director  
DIN: 07524333

Lee Seow Chuan  
Independent Director  
DIN: 02696217

Gautam Ganguli  
Company Secretary

Jikyeong Kang  
Non-Independent Director  
DIN: 08045661

Rohit Shah  
Chief Financial Officer

Place: Kolkata  
Date: 22 April 2024

# CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To The Members of KESORAM INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of Kesoram Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and its joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on Separate Financial Statements and on the other financial information of the subsidiary and joint venture the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its joint venture, as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 and its joint venture 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in **paragraph 15** of the Other Matter(s) section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on Separate Financial Statements of the subsidiary and joint venture, 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.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recoverability of deferred tax assets recognized on brought forward tax losses including unabsorbed depreciation.</b></p> <ul style="list-style-type: none"> <li>Refer to Company's significant material accounting policies in <b>note 2</b> and the deferred tax related disclosure in <b>notes 10 and 34</b> of the Consolidated Financial Statements.</li> <li>The Company has recognized deferred tax assets on unutilized business loss (including unabsorbed depreciation) (together hereinafter referred to as "tax losses") as at March 31, 2024 amounting to ₹ <b>351.86 crores</b>.</li> <li>The deferred tax assets have been recognized based on the Company's assessment of ability to utilize the same, which is based on forecast of business operations including the assessment of ability of utilization of the said deferred tax assets by the transferee company in the event of successful completion of proposed demerger transaction of cement division, to UltraTech Cement Limited ("UltraTech") which is subject to regulatory approvals as stated in <b>note 43</b> to the Consolidated financial statements.</li> <li>The assessment of meeting the recognition criteria as well as recoverability of the deferred tax assets within the time frame allowed under the Income Tax Act, 1961, requires significant management judgement as it involves use of assumptions and estimates that are inherently subjective and depend on various factors including future market and economic conditions. Any change in aforesaid assumptions could have a material impact on the carrying value of the deferred tax.</li> </ul> <p>Owing to the materiality of the balances, complexities and judgements involved as described above, we have identified the recoverability of deferred tax assets recognized on brought forward tax losses as a key audit matter for the current year audit.</p> | <p><b>Our audit procedures in relation to recoverability of deferred tax assets included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>Evaluated of the design and tested operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets relating to unabsorbed tax losses.</li> <li>Assessed the reasonableness of the period of projections used in the deferred tax asset recoverability assessment considering that the Company/ Group operates in a highly competitive industry which is subject to disruptions through changing technology.</li> <li>Compared the Company projections of future taxable profit to the approved business plans.</li> <li>Tested whether projections prepared were consistent with our understanding and knowledge of current business and the general economic environment in which the Company operates and whether the tax losses can be utilized within the forecast recoupment period, including by the transferee company upon successful completion of proposed scheme of demerger of cement division of the Company.</li> <li>Tested the assumptions used in the aforesaid future projections relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on actual historical results, other relevant existing conditions external data and market conditions.</li> <li>Tested the arithmetical accuracy of projections including those related to sensitivity analysis performed by the management.</li> </ul> <p>Assessed the appropriateness and adequacy of disclosures made by the management in <b>notes 10 and 34</b> to the Consolidated Financial Statements in accordance with requirements of the accounting standards.</p> |

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The accompanying Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and joint venture.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. 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 Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidate Financial Statements in place and the operating effectiveness of such controls.;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the Consolidate Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its joint venture, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of Separate 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 the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
12. 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.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements 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**
15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 559.17 Crores as at 31 March 2024, total revenues of ₹ 246.40 and net cash outflows

amounting to ₹ 0.45 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss (including other comprehensive loss) of Nil for the year ended 31 March 2024, as considered in the Consolidated Financial Statements, in respect of one joint venture, whose financial statements has not been audited by us. 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 the subsidiary and joint venture, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint venture, are based solely on the reports of the other auditors.

Our opinion above on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in **paragraph 15**, on separate financial statements of the subsidiary and joint venture, we report that the Holding Company, one subsidiary and one joint venture incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one joint venture incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such joint venture.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditor as mentioned in **paragraph 15** above, of companies included in the Consolidated Financial Statements for the year ended 31 March 2024 and covered under the Act we report that:

A) Following are the adverse remarks reported by us and the other auditors in the Order reports of the companies included in the Consolidated Financial Statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

| S. No. | Name                       | CIN                   | Holding Company/ subsidiary/ Associate/ Joint Venture | Clause number of the CARO report which is qualified or adverse |
|--------|----------------------------|-----------------------|-------------------------------------------------------|----------------------------------------------------------------|
| 1.     | Kesoram Industries Limited | L17119WB1919PLC003429 | Holding Company                                       | (xvii)                                                         |
| 2.     | Cygnnet Industries Limited | U74900WB2015PLC206720 | Subsidiary Company                                    | (i) (c), (xvii)                                                |

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary and joint venture incorporated in India whose financial statements have been audited under 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 purpose of our audit of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in **paragraph 18(h)(vi)** below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The Consolidated Financial Statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and the reports of the statutory auditors of its subsidiary and joint venture, covered under the Act, none of the directors of the Group companies and its joint venture companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) The adverse remark relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in **paragraph 18(b)** above on reporting under section 143(3)(b) of the Act and paragraph **18(h)(vi)** below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- g) With respect to the adequacy of the internal financial controls with reference to Separate Financial Statements of the Holding Company, and its subsidiary and joint venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiary and joint venture incorporated in India whose financial statements have been audited under the Act:
- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture as detailed in **note 36** to the Consolidated Financial Statements;
- ii) The Holding Company, its subsidiary and

joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

- iii) The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary and joint venture during the year ended 31 March 2024:

| Name of the Company        | Status          | Amount (Rs. In crores) | Due date       | Date of payment |
|----------------------------|-----------------|------------------------|----------------|-----------------|
| Kesoram Industries Limited | Holding Company | 0.02                   | Multiple dates | Not yet paid    |

- iv) a. The respective managements of the Holding Company and its subsidiary and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief as disclosed in **note 47** to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary and joint venture to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiary and joint venture incorporated in India whose financial statements have been audited under the Act have represented

to us and the other auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief as disclosed in the **note 47** to the accompanying Consolidated Financial Statements, no funds have been received by the Holding Company or its subsidiary and joint venture from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary and joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiary and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v) The Holding Company, its subsidiary and joint venture have not declared or paid any dividend during the year ended 31 March 2024.

- vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiary of the Holding Company which is incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary, in respect of financial year commencing on or after 1 April 2023, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with.

| Nature of exception noted                                                                                                                                                                                                                            | Details of Exception                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software for holding company | <b>For Holding Company:</b> <ol style="list-style-type: none"> <li>i) The audit trail feature for master data changes for accounting software (Ramco) used for maintenance of accounting records was not enabled at the application level.</li> <li>ii) The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of records by the Company.</li> </ol> |

For **Walker Chandiok & Co LLP**  
*Chartered Accountants*  
 (Firm's Registration No: 001076N/ N500013)

**Manoj Kumar Gupta**  
*Partner*  
 Membership No.: 083906  
 UDIN: 24083906BKFLVF7098

Place: Kolkata  
 Date: 22 April, 2024

## Walker Chandiok & Co LLP

### Kesoram Industries Limited

**Annexure 1 referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Kesoram Industries Limited on the Consolidated Financial Statements for the year ended 31 March 2024**

As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date of companies included in the Consolidated Financial Statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Following are the companies included in the Consolidated Financial Statements for the year ended 31 March 2024:

| S No | Name                          | CIN                   | Subsidiary/ Associate/ Joint Venture |
|------|-------------------------------|-----------------------|--------------------------------------|
| 1.   | Kesoram Industries Limited    | L17119WB1919PLC003429 | Holding Company                      |
| 2.   | Cygnet Industries Limited     | U74900WB2015PLC206720 | Subsidiary                           |
| 3.   | Gondkhari Coal Mining Limited | U10100DL2009PLC191466 | Joint Venture                        |

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**Independent Auditor’s Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

1. In conjunction with our audit of the Consolidated Financial Statements of Kesoram Industries Limited (‘the Holding Company’) and its subsidiary (the Holding Company and its subsidiary together referred to as ‘the Group’) and its joint venture as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary company and its joint venture company, which are companies covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary company and its joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated 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 the Company’s business, including adherence to the 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.

### **Auditor’s Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary company and its joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statement, and the Guidance Note issued by the 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 Consolidated Financial Statements were established and

maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary company and its joint venture company as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company’s internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to Consolidated Financial Statements include 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 Consolidated 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**

7. 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 controls 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**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to Consolidated Financial Statements of the subsidiary company and joint venture company, the Holding Company, its subsidiary company and its joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls 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 Matters**

9. We did not audit the internal financial controls with reference to Consolidated Financial Statement in so far as it relates to one subsidiary company, which is a company covered under the Act, whose Consolidated Financial Statements reflect total assets of ₹ 559.17 crores and net assets of ₹ 68.54 crores as at 31 March 2024, total revenues of ₹ 246.40 crores and net cash outflows in amounting to ₹ 0.45 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statement also include the Group's share of net loss (including other comprehensive loss) of ₹ Nil for the year ended 31 March 2024, in respect of one joint venture company, which is a company covered under the Act, whose internal financial controls with reference to Consolidated Financial Statements have not been audited by us. The internal financial controls with reference to Consolidated Financial Statements in so far as it relates to such subsidiary company and joint venture company have been audited by other auditors whose reports has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements for the Holding Company, its subsidiary company and its joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**For Walker Chandiok & Co LLP**

*Chartered Accountants*

(Firm's Registration No: 001076N/N500013)

**Manoj Kumar Gupta**

*Partner*

Membership No: 083906

UDIN: 24083906BKFLVF7098

Place: Kolkata

Date: 22 April, 2024

## Consolidated Balance Sheet as at 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                                                                | Notes | 31 March, 2024  | 31 March, 2023  |
|--------------------------------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>ASSETS</b>                                                                              |       |                 |                 |
| <b>(1) Non-current assets</b>                                                              |       |                 |                 |
| (a) Property, plant and equipment                                                          | 3     | 1,659.91        | 1,675.40        |
| (b) Right-of-use Assets                                                                    | 4     | 64.81           | 55.50           |
| (c) Capital work-in-progress                                                               | 5     | 34.13           | 65.46           |
| (d) Other intangible assets                                                                | 5A    | 3.62            | 5.17            |
| (e) Investments in joint venture                                                           | 6     | -               | -               |
| (f) Financial assets                                                                       |       |                 |                 |
| (i) Investments in others                                                                  | 7     | 80.35           | 82.23           |
| (ii) Loans                                                                                 | 8     | -               | -               |
| (iii) Other financial assets                                                               | 9     | 21.02           | 22.00           |
| (g) Income-tax asset                                                                       |       | 5.02            | 6.00            |
| (h) Deferred tax assets (net)                                                              | 10    | 351.86          | 461.68          |
| (i) Other non-current assets                                                               | 11    | 11.82           | 7.08            |
| <b>Total non-current assets</b>                                                            |       | <b>2,232.54</b> | <b>2,380.52</b> |
| <b>(2) Current assets</b>                                                                  |       |                 |                 |
| (a) Inventories                                                                            | 12    | 286.59          | 232.08          |
| (b) Financial assets                                                                       |       |                 |                 |
| (i) Trade receivables                                                                      | 13    | 468.10          | 372.13          |
| (ii) Cash and cash equivalents                                                             | 14    | 94.45           | 53.69           |
| (iii) Bank balances other than cash and cash equivalents                                   | 15    | 89.55           | 56.28           |
| (iv) Loans                                                                                 | 8     | 0.03            | 63.47           |
| (v) Other financial assets                                                                 | 9     | 70.06           | 91.12           |
| (c) Other current assets                                                                   | 11    | 128.08          | 125.71          |
| (d) Current tax asset                                                                      |       | 6.72            | -               |
| <b>Total current assets</b>                                                                |       | <b>1,143.58</b> | <b>994.48</b>   |
| <b>(3) Assets held for Sale</b>                                                            | 33    | -               | <b>60.00</b>    |
| <b>Total assets</b>                                                                        |       | <b>3,376.12</b> | <b>3,435.00</b> |
| <b>EQUITY AND LIABILITIES</b>                                                              |       |                 |                 |
| <b>Equity</b>                                                                              |       |                 |                 |
| (a) Equity share capital                                                                   | 16    | 310.66          | 310.66          |
| (b) Other equity                                                                           | 17    | (215.84)        | 162.53          |
| <b>Total equity</b>                                                                        |       | <b>94.82</b>    | <b>473.19</b>   |
| <b>Liabilities</b>                                                                         |       |                 |                 |
| <b>(1) Non-current liabilities</b>                                                         |       |                 |                 |
| (a) Financial liabilities                                                                  |       |                 |                 |
| (i) Borrowings                                                                             | 18    | 2,110.52        | 1,810.48        |
| (ii) Lease Liability                                                                       | 39    | 0.75            | 1.89            |
| (iii) Other financial liabilities                                                          | 19    | 80.93           | 82.39           |
| (b) Provisions                                                                             | 20    | 31.12           | 29.12           |
| (c) Other Non-current liabilities                                                          | 21    | -               | 0.18            |
| <b>Total non-current liabilities</b>                                                       |       | <b>2,223.32</b> | <b>1,924.06</b> |
| <b>(2) Current liabilities</b>                                                             |       |                 |                 |
| (a) Financial liabilities                                                                  |       |                 |                 |
| (i) Borrowings                                                                             | 18    | 156.78          | 123.58          |
| (ii) Lease Liability                                                                       | 39    | 2.20            | 2.07            |
| (iii) Trade payables                                                                       | 22    |                 |                 |
| (a) Total outstanding dues of micro enterprises and small enterprises                      |       | 20.19           | 14.10           |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 602.66          | 531.08          |
| (iv) Other financial liabilities                                                           | 19    | 136.29          | 117.47          |
| (b) Other current liabilities                                                              | 21    | 128.19          | 232.94          |
| (c) Provisions                                                                             | 20    | 11.47           | 16.31           |
| (d) Current tax liabilities                                                                |       | 0.20            | 0.20            |
| <b>Total current liabilities</b>                                                           |       | <b>1,057.98</b> | <b>1,037.75</b> |
| <b>Total liabilities</b>                                                                   |       | <b>3,281.30</b> | <b>2,961.81</b> |
| <b>Total equity and liabilities</b>                                                        |       | <b>3,376.12</b> | <b>3,435.00</b> |

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors  
Kesoram Industries Limited

Manoj Kumar Gupta  
Partner  
Membership No.: 083906

Manjushree Khaitan  
Chairman  
DIN: 00055898

P Radhakrishnan  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

Kashi Prasad Khandelwal  
Independent Director  
DIN: 00748523

Sudip Banerjee  
Independent Director  
DIN: 05245757

Lee Seow Chuan  
Independent Director  
DIN: 02696217

Jikyeong Kang  
Non-Independent Director  
DIN: 08045661

Place: Kolkata  
Date: 22 April 2024

Mangala Radhakrishna Prabhu  
Independent Director  
DIN: 06450659

Satish Narain Jajoo  
Independent Director  
DIN: 07524333

Gautam Ganguli  
Company Secretary

Rohit Shah  
Chief Financial Officer

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars |                                                                                       | Notes | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------|---------------------------------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| I           | Revenue from operations                                                               | 23    | 3,986.88                    | 3,778.05                    |
| II          | Other income                                                                          | 24    | 49.06                       | 70.26                       |
| III         | <b>Total Income (I+II)</b>                                                            |       | <b>4,035.94</b>             | <b>3,848.31</b>             |
| IV          | <b>Expenses:</b>                                                                      |       |                             |                             |
|             | Cost of materials consumed                                                            | 25    | 519.68                      | 485.84                      |
|             | Changes in inventories of finished goods, work-in-progress and stock-in-trade         | 26    | (26.78)                     | (55.71)                     |
|             | Employee benefits expense                                                             | 27    | 227.40                      | 219.40                      |
|             | Finance costs                                                                         | 28    | 488.50                      | 450.03                      |
|             | Depreciation and amortisation expense                                                 | 29    | 136.89                      | 102.52                      |
|             | Power and fuel                                                                        | 30    | 1,436.30                    | 1,463.72                    |
|             | Packing and carriage                                                                  | 31    | 1,148.70                    | 1,033.21                    |
|             | Other expenses                                                                        | 32    | 329.86                      | 361.03                      |
|             | <b>Total Expenses (IV)</b>                                                            |       | <b>4,260.55</b>             | <b>4,060.04</b>             |
| V           | <b>Loss before exceptional items and tax (III-IV)</b>                                 |       | <b>(224.61)</b>             | <b>(211.73)</b>             |
| VI          | <b>Exceptional Items</b>                                                              | 33    | (49.62)                     | (173.07)                    |
| VII         | <b>Loss before tax (V+VI)</b>                                                         |       | <b>(274.23)</b>             | <b>(384.80)</b>             |
| VIII        | <b>Tax expense:</b>                                                                   |       |                             |                             |
|             | Current tax                                                                           |       | -                           | -                           |
|             | Deferred tax charge/ (credit)                                                         |       | 109.86                      | (190.53)                    |
|             | <b>Total tax expense (VIII)</b>                                                       |       | <b>109.86</b>               | <b>(190.53)</b>             |
| IX          | <b>Loss for the year (VII-VIII)</b>                                                   |       | <b>(384.09)</b>             | <b>(194.27)</b>             |
| X           | <b>Other Comprehensive Income</b>                                                     |       |                             |                             |
|             | <b>Items that will not be reclassified to Profit or Loss:</b>                         |       |                             |                             |
|             | (a) Remeasurement of post-employment benefit plans                                    |       | 7.03                        | (2.68)                      |
|             | (b) Fair value changes of investments in equity shares/ gain on sale of equity shares |       | (1.35)                      | 8.40                        |
|             | Less: Income-tax relating to items that will not be reclassified to profit or loss    |       | (0.04)                      | 1.30                        |
|             | <b>Other comprehensive income for the year (X)</b>                                    |       | <b>5.72</b>                 | <b>4.42</b>                 |
| XI          | <b>Total comprehensive loss for the year (IX+X)</b>                                   |       | <b>(378.37)</b>             | <b>(189.85)</b>             |
| XII         | <b>Earnings per share</b>                                                             |       |                             |                             |
|             | Basic (₹)                                                                             |       | (12.36)                     | (6.83)                      |
|             | Diluted (₹)                                                                           |       | (12.36)                     | (6.83)                      |

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements.

This is the Statement of Consolidated Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors

**Kesoram Industries Limited**

**Manoj Kumar Gupta**

Partner

Membership No.: 083906

**Manjushree Khaitan**

Chairman

DIN: 00055898

**P Radhakrishnan**

Whole-time Director and Chief Executive Officer

DIN: 08284551

**Kashi Prasad Khandelwal**

Independent Director

DIN: 00748523

**Sudip Banerjee**

Independent Director

DIN: 05245757

**Lee Seow Chuan**

Independent Director

DIN: 02696217

**Jikyeong Kang**

Non-Independent Director

DIN: 08045661

**Mangala Radhakrishna Prabhu**

Independent Director

DIN: 06450659

**Satish Narain Jajoo**

Independent Director

DIN: 07524333

**Gautam Ganguli**

Company Secretary

**Rohit Shah**

Chief Financial Officer

Place: Kolkata

Date: 22 April 2024

## Consolidated Statement of Cash Flows for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>A. Cash Flow From Operating Activities</b>                                |                             |                             |
| Net Loss before tax & after exceptional items                                | (274.23)                    | (384.80)                    |
| Adjustments for:                                                             |                             |                             |
| Depreciation and amortisation expense                                        | 136.89                      | 102.52                      |
| Advances/ Deposits/ Bad Debts written off                                    | 0.01                        | 0.81                        |
| Provision for bad and doubtful debts written back                            | (2.11)                      | (1.31)                      |
| Inventory provision written off                                              | 0.80                        | -                           |
| Capital work-in-progress written off                                         | 0.02                        | 0.38                        |
| Provision for doubtful advances                                              | (0.01)                      | 0.35                        |
| Unamortised cost written off on debenture repayment (refer note 33)          | 49.62                       | -                           |
| Finance cost                                                                 | 488.50                      | 450.03                      |
| Tax asset written off                                                        | 0.57                        | -                           |
| Loss on assets held for sale (refer note 33)                                 | -                           | 173.07                      |
| Profit on sale of property, plant and equipment                              | (1.15)                      | (0.33)                      |
| Profit on lease modification / cancellation (net)                            | -                           | (0.51)                      |
| Liabilities no longer required written back                                  | (10.19)                     | (47.80)                     |
| Interest income                                                              | (20.62)                     | (13.06)                     |
| Dividend income from non-current investment (other than trade)               | (0.02)                      | (0.02)                      |
| <b>Operating profit before working capital changes and other adjustments</b> | <b>368.08</b>               | <b>279.33</b>               |
| <b>Changes in Working Capital:</b>                                           |                             |                             |
| <b>Decrease in liabilities:</b>                                              |                             |                             |
| Trade payables, financial and other liabilities/ provisions                  | (17.01)                     | (2.17)                      |
| <b>Increase in assets:</b>                                                   |                             |                             |
| Trade receivable, financial and other assets                                 | (84.91)                     | (96.37)                     |
| Inventories                                                                  | (55.33)                     | (51.65)                     |
| <b>Cash Generated from Operations</b>                                        | <b>210.83</b>               | <b>129.14</b>               |
| Income-tax                                                                   | (5.22)                      | 1.69                        |
| <b>Net cash generated from operating activities - Total</b>                  | <b>205.61</b>               | <b>130.83</b>               |
| <b>B. Cash flow from investing activities:</b>                               |                             |                             |
| Purchase of property, plant and equipment/ capital advance given             | (94.03)                     | (72.66)                     |
| Proceeds from sale of property, plant and equipment                          | 28.61                       | 7.78                        |
| Advance received for assets held for sale                                    | -                           | 31.00                       |
| Loan to body corporate                                                       | (6.25)                      | (23.25)                     |
| Repayment of Loan by body corporate                                          | 57.83                       | 80.91                       |
| Proceeds from sale of non current investments                                | 0.52                        | -                           |
| Interest received                                                            | 31.14                       | 25.81                       |
| Deposit made with bank                                                       | (34.24)                     | (0.87)                      |
| Dividend income from non-current investment (other than trade)               | 0.02                        | 0.02                        |
| <b>Net cash generated/ (used) from investing activities - Total</b>          | <b>(16.40)</b>              | <b>48.74</b>                |
| <b>C. Cash flow from Financing Activities</b>                                |                             |                             |
| Proceeds from issue of equity shares                                         | -                           | 0.23                        |
| Finance cost paid                                                            | (564.73)                    | (272.47)                    |
| Payment of Lease obligations                                                 | (1.14)                      | (5.91)                      |
| Proceeds from                                                                |                             |                             |

**Consolidated Statement of Cash Flows** for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| - Non-current borrowings                                  | 1,930.12                    | 217.91                      |
| - Current borrowings                                      | 152.00                      | 120.25                      |
| Repayment of                                              |                             |                             |
| - Non-current borrowings                                  | (1,584.47)                  | (204.98)                    |
| - Current borrowings                                      | (80.23)                     | (102.87)                    |
| <b>Net cash used in financing activities - Total</b>      | <b>(148.45)</b>             | <b>(247.84)</b>             |
| Net (decrease)/ increase in cash and cash equivalents     | <b>40.76</b>                | <b>(68.27)</b>              |
| Cash and cash equivalents at the beginning of the period  | 53.69                       | 121.96                      |
| <b>Cash and cash equivalents at the end of the period</b> | <b>94.45</b>                | <b>53.69</b>                |

**Changes in liabilities arising from financing activities:**

| Particulars                                                                    | As at March<br>31, 2023 | Cashflows     | Non Cash<br>changes | As at March<br>31, 2024 |
|--------------------------------------------------------------------------------|-------------------------|---------------|---------------------|-------------------------|
| Non-current borrowing (including current maturities of Non-current borrowings) | 1,917.71                | 345.65        | (53.32)             | 2,210.04                |
| Current borrowing                                                              | 16.35                   | 71.77         | (30.86)             | 57.26                   |
|                                                                                | <b>1,934.06</b>         | <b>417.42</b> | <b>(84.18)</b>      | <b>2,267.30</b>         |

| Particulars                                                                    | As at March<br>31, 2022 | Cashflows    | Non Cash<br>changes | As at March<br>31, 2023 |
|--------------------------------------------------------------------------------|-------------------------|--------------|---------------------|-------------------------|
| Non-current borrowing (including current maturities of Non-current borrowings) | 1,890.85                | 12.93        | 13.93               | 1,917.71                |
| Current borrowing                                                              | 3.00                    | 17.38        | (4.03)              | 16.35                   |
|                                                                                | <b>1,893.85</b>         | <b>30.31</b> | <b>9.90</b>         | <b>1,934.06</b>         |

| Particulars                                 | Year ended<br>31 March 2024 | Year ended<br>31 March 2024 |
|---------------------------------------------|-----------------------------|-----------------------------|
| <b>Cash and Cash Equivalents comprise:</b>  |                             |                             |
| Cash on hand                                | 0.06                        | 0.06                        |
| Balances with banks on current account      | 93.70                       | 52.50                       |
| Balances with banks on Cash Credit Accounts | 0.69                        | 1.13                        |
|                                             | <b>94.45</b>                | <b>53.69</b>                |

- a. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statements of Cash Flows'

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements.

This is the Statement of Cash Flows referred to in our report of even date.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors  
**Kesoram Industries Limited**

**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

**Kashi Prasad Khandelwal**  
Independent Director  
DIN: 00748523

**Sudip Banerjee**  
Independent Director  
DIN: 05245757

**Lee Seow Chuan**  
Independent Director  
DIN: 02696217

**Jikyeong Kang**  
Non-Independent Director  
DIN: 08045661

Place: Kolkata  
Date: 22 April 2024

**Mangala Radhakrishna Prabhu**  
Independent Director  
DIN: 06450659

**Satish Narain Jajoo**  
Independent Director  
DIN: 07524333

**Gautam Ganguli**  
Company Secretary

**Rohit Shah**  
Chief Financial Officer

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### A. Equity share capital (\*)

As on 31 March, 2024

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|
| 310.66                                                   | -                                                          | 310.66                                                            | -                                                       | 310.66                                             |

As on 31 March, 2023

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|
| 244.41                                                   | -                                                          | 244.41                                                            | 66.25                                                   | 310.66                                             |

\*Refer note 16(a)

### B. Other equity

| Particulars                                                                   | Reserves and surplus |                                              |                                        |                                        |                            |                 |        | Equity component of compound financial instruments | Share application money pending allotment | FVOCI - equity instruments | Total other equity |
|-------------------------------------------------------------------------------|----------------------|----------------------------------------------|----------------------------------------|----------------------------------------|----------------------------|-----------------|--------|----------------------------------------------------|-------------------------------------------|----------------------------|--------------------|
|                                                                               | Securities premium   | Capital reserve - Development grant/ subsidy | Capital reserve - Amalgamation reserve | Capital reserve - business combination | Capital redemption reserve | General reserve | Others | Retained earnings                                  |                                           |                            |                    |
| Balance at 1 April, 2022                                                      | 1,230.99             | 0.15                                         | 2.91                                   | 41.51                                  | 3.59                       | 224.00          | 7.31   | (1,300.13)                                         | 1.06                                      | 54.80                      | 266.19             |
| Changes in accounting policy or prior period item                             | -                    | -                                            | -                                      | -                                      | -                          | -               | -      | -                                                  | -                                         | -                          | -                  |
| Restated balance at the beginning of the current reporting period             | 1,230.99             | 0.15                                         | 2.91                                   | 41.51                                  | 3.59                       | 224.00          | 7.31   | (1,300.13)                                         | 1.06                                      | 54.80                      | 266.19             |
| Loss for the year                                                             | -                    | -                                            | -                                      | -                                      | -                          | -               | -      | (194.27)                                           | -                                         | -                          | (194.27)           |
| Other comprehensive income/(expense) [net of tax]                             | -                    | -                                            | -                                      | -                                      | -                          | -               | -      | (2.20)                                             | -                                         | 6.62                       | 4.42               |
| Total comprehensive income for the year                                       | -                    | -                                            | -                                      | -                                      | -                          | -               | -      | (196.47)                                           | -                                         | 6.62                       | (189.85)           |
| Issue of equity shares                                                        | 28.69                | -                                            | -                                      | -                                      | -                          | -               | -      | -                                                  | 1.06                                      | -                          | 27.63              |
| Shares forfeited                                                              | -                    | -                                            | -                                      | -                                      | -                          | -               | 0.66   | -                                                  | -                                         | -                          | 0.66               |
| Gain on fair value of Non-Convertible Cumulative Redeemable Preference Shares | -                    | -                                            | -                                      | -                                      | -                          | -               | -      | -                                                  | -                                         | -                          | 57.89              |
| Balance as at 31 March, 2023                                                  | 1,259.68             | 0.15                                         | 2.91                                   | 41.51                                  | 3.59                       | 224.00          | 7.97   | (1,496.60)                                         | -                                         | 61.42                      | 162.53             |

# Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2024

(Amount in ₹ crores, except otherwise stated)

| Particulars                                                                   | Reserves and surplus |                                             |                                        |                                        |                            |                 |             | Equity component of compound financial instruments | Share application money pending allotment | FVOCI - equity instruments | Total other equity |
|-------------------------------------------------------------------------------|----------------------|---------------------------------------------|----------------------------------------|----------------------------------------|----------------------------|-----------------|-------------|----------------------------------------------------|-------------------------------------------|----------------------------|--------------------|
|                                                                               | Securities premium   | Capital reserve - Development grant/subsidy | Capital reserve - Amalgamation reserve | Capital reserve - business combination | Capital redemption reserve | General reserve | Others      | Retained earnings                                  |                                           |                            |                    |
| Changes in accounting policy or prior period item                             | -                    | -                                           | -                                      | -                                      | -                          | -               | -           | -                                                  | -                                         | -                          | -                  |
| Restated balance at the beginning of the current reporting period             | 1,259.68             | 0.15                                        | 2.91                                   | 41.51                                  | 3.59                       | 224.00          | 7.97        | (1,496.60)                                         | -                                         | 61.42                      | 162.53             |
| Loss for the year                                                             | -                    | -                                           | -                                      | -                                      | -                          | -               | -           | (384.09)                                           | -                                         | -                          | (384.09)           |
| Other comprehensive income/(expense) [net of tax]                             | -                    | -                                           | -                                      | -                                      | -                          | -               | -           | 7.07                                               | -                                         | (1.35)                     | 5.72               |
| <b>Total comprehensive income for the year</b>                                | -                    | -                                           | -                                      | -                                      | -                          | -               | -           | (377.02)                                           | -                                         | (1.35)                     | (378.37)           |
| Issue of equity shares                                                        | 16                   | -                                           | -                                      | -                                      | -                          | -               | -           | -                                                  | -                                         | -                          | -                  |
| Shares forfeited                                                              | 16                   | -                                           | -                                      | -                                      | -                          | -               | -           | -                                                  | -                                         | -                          | -                  |
| Gain on fair value of Non-Convertible Cumulative Redeemable Preference Shares | 16                   | -                                           | -                                      | -                                      | -                          | -               | -           | -                                                  | -                                         | -                          | -                  |
| <b>Balance as at 31<sup>st</sup> March 2024</b>                               | <b>1,259.68</b>      | <b>0.15</b>                                 | <b>2.91</b>                            | <b>41.51</b>                           | <b>3.59</b>                | <b>224.00</b>   | <b>7.97</b> | <b>(1,873.61)</b>                                  | <b>57.89</b>                              | <b>60.07</b>               | <b>(215.84)</b>    |

The accompanying summary of significant accounting policies and other explanatory information forms an integral part of these Consolidated Financial Statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors

**Kesoram Industries Limited**

**Manoj Kumar Gupta**  
Partner  
Membership No.: 083906

**Manjushree Khaitan**  
Chairman  
DIN: 00055898

**Kashi Prasad Khandelwal**  
Independent Director  
DIN: 00748523

**Mangala Radhakrishna Prabhu**  
Independent Director  
DIN: 06450659

**P Radhakrishnan**  
Whole-time Director and Chief Executive Officer  
DIN: 08284551

**Sudip Banerjee**  
Independent Director  
DIN: 05245757

**Satish Narain Jajoo**  
Independent Director  
DIN: 07524333

**Lee Seow Chuan**  
Independent Director  
DIN: 02696217

**Jikyong Kang**  
Non-Independent Director  
DIN: 08045661

**Rohit Shah**  
Chief Financial Officer

Place: Kolkata  
Date: 22 April 2024

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 1. Group Information

The Consolidated financial statements comprises of the financial statements of Kesoram Industries Limited (the Holding Group) and its subsidiary (collectively referred to as 'the Group') and its joint venture. The Parent Company is engaged in the business of manufacture and sale of Cement and it markets its product under the brand name "Birla Shakti" having its registered office at Kolkata, West Bengal. The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements".

The financial statements as at 31 March 2024 present the financial position of the Group.

The financial statements for the year ended 31 March 2024 were approved by the Board of Directors of the holding company and authorised for issue on 22 April 2024.

### 2. Summary of material accounting policies

#### 2.01 Basis of preparation

##### (a) Compliance with Ind AS

These consolidated financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

##### (b) Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS, except for the following:

- certain financial assets and liabilities, which are measured at its fair values;
- assets held for sale – – measured at the lower of its carrying amount and fair value less costs on disposal of assets and its value in use and
- defined benefit plans – plan assets measured at fair value.

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.

##### (c) Functional and Presentation Currency

- (i) The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Company operates.
- (ii) All other figures have been rounded off in decimals to the nearest in ₹ crores, unless otherwise stated.

##### (d) Classification of Assets and Liabilities into Current/ Non-Current

The Group has ascertained its operating cycle as twelve months for the purpose of Current/ NonCurrent classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

# Engagement of Dealers beyond sales



# Beyond Work



## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.01 Basis of preparation (cont'd)

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

### 2.02 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entity controlled by the Group i.e. its subsidiary. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangement that are consolidated using the equity method of consolidation, as applicable.

Control is achieved when the Group is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiary and joint arrangement acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries and joint arrangements to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

### 2.03 Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The holding company reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

### 2.04 Property, plant and equipment and capital work in progress

Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation/ settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.16 below] incurred during construction/installation period relating to items or projects in progress.

Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Class of assets        | Estimated useful life (years) |
|------------------------|-------------------------------|
| Buildings              | 3-60 years                    |
| Plant and Equipment    | 1-40 years                    |
| Furniture and Fixtures | 1-16 years                    |
| Office Equipment       | 1-20 years                    |
| Vehicles               | 8-10 years                    |
| Railway Siding         | 15 years                      |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.04 Property, plant and equipment and capital work in progress (cont'd)

The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not considered more than 5% of the original cost of the asset. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

### 2.05 Intangible assets and amortisation

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/system integration services. The costs are capitalised in the year in which the relevant intangible asset is implemented for use.

| Class of assets | Estimated useful life (years) |
|-----------------|-------------------------------|
| Software        | 3 Years                       |

### 2.06 Impairment of Non-Financial Assets

Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.07 Lease

#### Group as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

#### Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

#### Recognition and initial measurement of right of use assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

#### Subsequent measurement of right of use assets

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

#### Lease liabilities

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.07 Leases (cont'd)

of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

### 2.08 Inventories

Inventories consists of raw materials, work-in-progress, finished goods and stores and spares which are valued as follows:

#### Raw Material & Stores & Spares:

Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

#### Work-in-progress & Finished Goods:

These are stated at lower of cost and net realisable value. Cost of Finished goods, WIP and trial run inventories includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of Stock-in Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost of inventories is computed on weighted average basis. Provision is made for obsolete/ slow moving/defective stocks, wherever necessary.

### 2.09 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### (i) Financial assets

##### Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

##### Initial recognition and measurement

All financial assets are recognized initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.09 Financial Instruments (cont'd)

flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect 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 on the principal amount outstanding.

#### Financial assets measured at fair value

The Group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

#### Impairment of financial assets

The Group assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Group recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### De-recognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### (ii) Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities, debts and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

#### Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.09 Financial Instruments (cont'd)

#### Financial liabilities at FVTPL

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "finance cost" line item (note 31) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings.

#### Financial liabilities at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.09 Financial Instruments (cont'd)

realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### 2.10 Employee Benefits

#### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

#### Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

### 2.11 Provision and Contingent Liabilities

**Provisions:** Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Provision for mines restoration and related environmental costs:

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

#### Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.11 Provision and Contingent Liabilities (cont'd)

will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### 2.12 Non-current assets (or disposal groups) held for sale

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 their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised 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 recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### 2.13 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

### 2.14 Cash and bank balances

#### - Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.14 Cash and bank balances (cont'd)

#### - Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

### 2.15 Revenue Recognition

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

#### Sales of goods

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

#### Significant financing component -

Generally, the Group receives short term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

#### Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

A contract liability is recognised until the benefit is provided.

### 2.16 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### 2.17 Foreign currency transactions and translations

#### Functional and presentation currency

The financial statements of the Group are presented in Indian rupees (INR), which is the functional currency of the Group and the presentation currency for the financial statements.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

### 2.17 Foreign currency transactions and translations (cont'd)

#### Transactions and balances

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

### 2.18 Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

### 2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors has been identified as the chief operating decision maker. Refer note 42 for segment information presented. The Group accounts for intersegment sales and transfers at cost.

### 2.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 2.21 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies, measurement of lease liability and Right to Use Asset.

### 2.22 New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards, and are effective 1 April 2023. The rule predominantly amends Ind AS 1, Presentation of Financial statements, Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications. As per the management's assessment, these amendments did not have any material impact on the amounts recognised in the prior periods.

## Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 3 Property, plant and equipment

| Particulars            | Gross block           |                              |              | Accumulated depreciation       |                            |                          |                        | Net Block       |                                 |                           |
|------------------------|-----------------------|------------------------------|--------------|--------------------------------|----------------------------|--------------------------|------------------------|-----------------|---------------------------------|---------------------------|
|                        | As at<br>1 April 2023 | Additions<br>during the Year | Transfer out | Deletion<br>during the<br>Year | As at<br>31 March,<br>2024 | As at<br>1 April<br>2023 | Charge for<br>the year | Transfer<br>out | Deletions<br>during the<br>year | As at<br>31 March<br>2024 |
| Freehold land          | 515.28                | -                            | -            | 0.04                           | 515.24                     | -                        | -                      | -               | -                               | 515.24                    |
| Freehold buildings     | 400.65                | 3.93                         | -            | -                              | 404.58                     | 95.81                    | 13.46                  | -               | -                               | 109.27                    |
| Plant and equipment    | 1,385.44              | 102.78                       | -            | -                              | 1,488.22                   | 550.61                   | 109.21                 | -               | -                               | 659.82                    |
| Furniture and fittings | 9.36                  | 0.35                         | -            | -                              | 9.71                       | 6.11                     | 0.67                   | -               | -                               | 6.78                      |
| Office equipment       | 7.33                  | 1.02                         | -            | 0.06                           | 8.27                       | 5.29                     | 1.41                   | -               | 0.06                            | 6.64                      |
| Vehicles               | 16.83                 | 2.82                         | -            | 0.40                           | 19.25                      | 10.50                    | 1.77                   | -               | 0.33                            | 11.94                     |
| Railway siding         | 19.74                 | 1.87                         | -            | -                              | 21.61                      | 11.01                    | 1.62                   | -               | -                               | 12.63                     |
| Bearer Plants          | 0.10                  | -                            | -            | -                              | 0.10                       | -                        | -                      | -               | -                               | -                         |
| Total                  | 2,354.73              | 112.77                       | -            | 0.50                           | 2,466.98                   | 679.33                   | 128.15                 | -               | 0.39                            | 807.09                    |
|                        |                       |                              |              |                                |                            |                          |                        |                 |                                 | 1,659.91                  |

| Particulars            | Gross block        |                           |                              |                          | As at 31 March, 2023 | Accumulated depreciation |                     |                              |                           | Net Block           |                     |
|------------------------|--------------------|---------------------------|------------------------------|--------------------------|----------------------|--------------------------|---------------------|------------------------------|---------------------------|---------------------|---------------------|
|                        | As at 1 April 2022 | Additions during the Year | Transfer out (refer note 33) | Deletion during the Year |                      | As at 1 April 2022       | Charge for the year | Transfer out (refer note 33) | Deletions during the year | As at 31 March 2023 | As at 31 March 2023 |
| Freehold land          | 745.14             | -                         | 229.86                       | -                        | 515.28               | -                        | -                   | -                            | -                         | -                   | 515.28              |
| Freehold buildings     | 411.92             | 3.02                      | 5.29                         | 9.00                     | 400.65               | 88.80                    | 14.14               | 5.29                         | 1.84                      | 95.81               | 304.84              |
| Plant and equipment    | 1,367.08           | 27.17                     | 1.04                         | 7.77                     | 1,385.44             | 484.86                   | 74.57               | 1.04                         | 7.78                      | 550.61              | 834.83              |
| Furniture and fittings | 9.73               | 0.07                      | 0.01                         | 0.43                     | 9.36                 | 5.77                     | 0.75                | 0.01                         | 0.40                      | 6.11                | 3.25                |
| Office Equipment       | 7.87               | 0.92                      | 0.05                         | 1.41                     | 7.33                 | 5.53                     | 1.12                | 0.05                         | 1.31                      | 5.29                | 2.05                |
| Vehicles               | 14.12              | 2.81                      | -                            | 0.10                     | 16.83                | 9.06                     | 1.50                | -                            | 0.06                      | 10.50               | 6.33                |
| Railway Siding         | 17.47              | 2.27                      | -                            | -                        | 19.74                | 9.36                     | 1.65                | -                            | -                         | 11.01               | 8.73                |
| Bearer Plants          | 0.10               | -                         | -                            | -                        | 0.10                 | -                        | -                   | -                            | -                         | -                   | 0.10                |
| Total                  | 2,573.43           | 36.25                     | 236.25                       | 18.71                    | 2,354.73             | 603.38                   | 93.73               | 6.39                         | 11.39                     | 679.33              | 1,675.40            |

#### Notes:

- Refer note 18 for property, plant and equipment pledged as security.
- Contractual obligations: Refer note 37 for disclosure of contractual commitments towards acquisition of property, plant and equipment.

## Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 4 Right-of-use Assets

| Particulars         | Gross block           |                                 |                                | Amortisation              |                        |                                | Net Block                         |
|---------------------|-----------------------|---------------------------------|--------------------------------|---------------------------|------------------------|--------------------------------|-----------------------------------|
|                     | As at<br>1 April 2023 | Additions<br>during the<br>Year | Deletion<br>during the<br>Year | As at<br>31 March<br>2024 | Charge for<br>the year | Deletion<br>during the<br>Year | Balance as<br>at 31 March<br>2024 |
| Leasehold land      | 59.11                 | 15.79                           | 1.51                           | 73.39                     | 5.48                   | 0.11                           | 56.10                             |
| Building            | 10.89                 | 1.37                            | -                              | 12.26                     | 0.97                   | -                              | 8.39                              |
| Vehicle             | 0.84                  | -                               | -                              | 0.84                      | -                      | -                              | 0.32                              |
| Plant and equipment | -                     | -                               | -                              | -                         | -                      | -                              | -                                 |
| <b>Total</b>        | <b>70.84</b>          | <b>17.16</b>                    | <b>1.51</b>                    | <b>86.49</b>              | <b>6.45</b>            | <b>0.11</b>                    | <b>21.68</b>                      |

| Particulars         | Gross block           |                                 |                                | Amortisation              |                           |                                | Net Block                      |
|---------------------|-----------------------|---------------------------------|--------------------------------|---------------------------|---------------------------|--------------------------------|--------------------------------|
|                     | As at<br>1 April 2022 | Additions<br>during the<br>Year | Deletion<br>during the<br>Year | As at<br>31 March<br>2023 | Charge<br>for the<br>year | Deletion<br>during<br>the Year | Balance as at<br>31 March 2023 |
| Leasehold Land      | 36.58                 | 27.02                           | 4.49                           | 59.11                     | 3.74                      | 0.78                           | 47.19                          |
| Building            | 8.45                  | 2.92                            | 0.48                           | 10.89                     | 0.60                      | 3.62                           | 7.99                           |
| Vehicle             | 4.59                  | -                               | 3.75                           | 0.84                      | 2.15                      | 5.20                           | 0.32                           |
| Plant and equipment | 24.07                 | -                               | 24.07                          | -                         | 2.30                      | 23.86                          | -                              |
| <b>Total</b>        | <b>73.69</b>          | <b>29.94</b>                    | <b>32.79</b>                   | <b>70.84</b>              | <b>8.79</b>               | <b>33.46</b>                   | <b>55.50</b>                   |

Note: All lease agreements are duly executed in the name of the Group

### 5: Capital work-in-progress (CWIP) along with ageing

| Particulars                                | As on 31 March 2024 | As on 31 March 2023 |
|--------------------------------------------|---------------------|---------------------|
| Balance as at the beginning of the period  | 65.46               | 48.95               |
| Addition for the period                    | 88.81               | 77.55               |
| Capitalised during the period              | (119.32)            | (60.66)             |
| Charged off                                | (0.02)              | (0.38)              |
| Transfer to Capital Spare                  | (0.80)              | -                   |
| <b>Balance as at the end of the period</b> | <b>34.13</b>        | <b>65.46</b>        |

Notes:

#### (a) CWIP ageing schedule:

| Particulars                                        | Less than 1 year | 1-2 years   | 2-3 years   | More than 3 years | Total        |
|----------------------------------------------------|------------------|-------------|-------------|-------------------|--------------|
| <b>As on 31 March 2024</b>                         |                  |             |             |                   |              |
| - Projects in progress                             | 7.99             | 17.20       | 2.34        | 0.01              | 27.54        |
| - Projects temporarily suspended [refer note 5(c)] | -                | -           | -           | 6.59              | 6.59         |
| <b>As on 31 March 2023</b>                         |                  |             |             |                   |              |
| - Projects in progress                             | 44.63            | 4.92        | 2.61        | 7.59              | 59.75        |
| - Projects temporarily suspended [refer note 5(c)] | -                | -           | 0.34        | 5.37              | 5.71         |
|                                                    | <b>44.63</b>     | <b>4.92</b> | <b>2.95</b> | <b>12.96</b>      | <b>65.46</b> |

## Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 5 Capital work-in-progress ('CWIP') along with ageing (cont'd)

(b) Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

| Particulars                        | To be completed In |             |           |                   | Total        |
|------------------------------------|--------------------|-------------|-----------|-------------------|--------------|
|                                    | Less than 1 year   | 1-2 years   | 2-3 years | More than 3 years |              |
| <b>As on 31 March 2024</b>         |                    |             |           |                   |              |
| - Carbon Black Feeding System      | 4.45               | -           | -         | -                 | <b>4.45</b>  |
| - AFR Feeding System With Shredder | 15.90              | -           | -         | -                 | <b>15.90</b> |
| - TP 2 – Casting Head Lip          | 0.10               | -           | -         | -                 | <b>0.10</b>  |
| - Others                           | 0.39               | -           | -         | -                 | <b>0.39</b>  |
|                                    | <b>20.84</b>       | -           | -         | -                 | <b>20.84</b> |
| <b>As on 31 March 2023</b>         |                    |             |           |                   |              |
| - Railway Sleepers                 | 1.52               | -           | -         | -                 | <b>1.52</b>  |
| - AFR Feeding System With Shredder | 9.58               | -           | -         | -                 | <b>9.58</b>  |
| - Injapally Village Shifting Exp.  | -                  | 3.72        | -         | -                 | <b>3.72</b>  |
| - Others                           | 3.27               | 0.07        | -         | -                 | <b>3.34</b>  |
|                                    | <b>14.37</b>       | <b>3.79</b> | -         | -                 | <b>18.16</b> |

### (c) Details of Projects temporarily suspended along with ageing schedule

| Particulars                      | To be completed In |             |             |                   | Total       |
|----------------------------------|--------------------|-------------|-------------|-------------------|-------------|
|                                  | Less than 1 year   | 1-2 years   | 2-3 years   | More than 3 years |             |
| <b>As on 31 March 2024</b>       |                    |             |             |                   |             |
| Railway Track Shifting           | -                  | -           | -           | 0.60              | <b>0.60</b> |
| Upgradation of TP Line           | -                  | -           | 1.99        | -                 | <b>1.99</b> |
| Acid Absorption Crystallizer     | -                  | 0.88        | 3.02        | -                 | <b>3.90</b> |
| Others                           | 0.10               | -           | -           | -                 | <b>0.10</b> |
|                                  | <b>0.10</b>        | <b>0.88</b> | <b>5.01</b> | <b>0.60</b>       | <b>6.59</b> |
| <b>As on 31 March 2023</b>       |                    |             |             |                   |             |
| Railway Track Shifting           | -                  | -           | -           | 0.60              | <b>0.60</b> |
| Acid Absorption Crystallizer     | -                  | -           | -           | 0.88              | <b>0.88</b> |
| New electrical changeover system | -                  | -           | 0.16        | 1.88              | <b>2.04</b> |
| Upgradation of TP Line           | -                  | -           | -           | 1.99              | <b>1.99</b> |
| Others                           | -                  | -           | -           | 0.20              | <b>0.20</b> |
|                                  | -                  | -           | <b>0.16</b> | <b>5.55</b>       | <b>5.71</b> |

## Summary of consolidated significant accounting policies and other explanatory information for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 5A Other Intangible assets

| Particulars  | Gross block           |                                 |                                | Amortisation              |                           |                                | Net Block                          |
|--------------|-----------------------|---------------------------------|--------------------------------|---------------------------|---------------------------|--------------------------------|------------------------------------|
|              | As at<br>1 April 2023 | Additions<br>during the<br>Year | Deletion<br>during<br>the year | As at<br>31 March<br>2024 | Charge<br>for the<br>year | Deletion<br>during<br>the Year | Balance as<br>at 31 March,<br>2024 |
| Software     | 7.49                  | 0.75                            | -                              | 8.24                      | 2.30                      | -                              | 3.62                               |
| <b>Total</b> | <b>7.49</b>           | <b>0.75</b>                     | <b>-</b>                       | <b>8.24</b>               | <b>2.30</b>               | <b>-</b>                       | <b>3.62</b>                        |

| Particulars  | Gross block           |                                 |                                | Amortisation              |                           |                                | Net Block                          |
|--------------|-----------------------|---------------------------------|--------------------------------|---------------------------|---------------------------|--------------------------------|------------------------------------|
|              | As at<br>1 April 2022 | Additions<br>during the<br>Year | Deletion<br>during<br>the year | As at<br>31 March<br>2023 | Charge<br>for the<br>year | Deletion<br>during<br>the Year | Balance as<br>at 31 March,<br>2023 |
| Software     | 2.42                  | 5.07                            | -                              | 7.49                      | 1.00                      | -                              | 5.17                               |
| <b>Total</b> | <b>2.42</b>           | <b>5.07</b>                     | <b>-</b>                       | <b>7.49</b>               | <b>1.00</b>               | <b>-</b>                       | <b>5.17</b>                        |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 6 Equity accounted investments

#### Investment in equity instrument - unquoted

##### Joint venture:

- (i) The Group holds 45.46% of the total equity share capital and voting rights in Gondkhari Coal Mining Limited. The decisions in respect of activities which significantly affect the risks and rewards of these respective entities, however require an unanimous consent of all the shareholders. These entities have therefore been accounted for as joint ventures.

The summarised financial information in respect of the Group's immaterial joint venture that is accounted for using the equity method is as below:

| Particulars                                                                                                                                                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Carrying value of the Parent Company's interest in joint venture - 22,730 (31 March, 2023: 22,730) shares of Gondhkari Coal Mining Limited of ₹ 10 each, fully paid-up | -                      | -                      |
| Group's share of profit/ (loss) in joint venture                                                                                                                       | -                      | -                      |
| Group's share of other comprehensive income in joint venture                                                                                                           | -                      | -                      |
| <b>Group's share of total comprehensive income in joint venture</b>                                                                                                    | <b>-</b>               | <b>-</b>               |

- (ii) Share of unrecognised losses in respect of equity accounted joint venture amounted to ₹ 0.06 crore for the year ended 31 March 2024 (2022-23: ₹ 1.21 crore). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at 31 March 2024 is ₹ 1.85 crore (31 March 2023: ₹ 1.79 crore).

- (iii) The Group has fully impaired its equity accounted joint venture ₹ 0.02 crore (31 March 2023: ₹ 0.02 crore).

### 7 Investments in others

| Particulars                                                                                                                                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Investment in equity instruments - quoted</b>                                                                                                        |                        |                        |
| <i>(Investments carried at fair value through other comprehensive income)</i>                                                                           |                        |                        |
| 496,100 (31 March 2022: 496,100) shares of HGI Industries Limited [refer note (a), (b) & (c) below] of ₹ 10 each, fully paid-up                         | 0.00                   | 0.00                   |
| 4,996,986 (31 March 2022: 4,996,986) shares of Kesoram Textile Mills Limited [refer note (a) below] of ₹ 2 each, fully paid-up                          | 17.74                  | 27.10                  |
| 44,750 (31 March, 2022: 44,750) shares of Vidula Chemicals & Manufacturing Industries Ltd of ₹ 10 each, fully paid-up [refer note (a) & (c) below]      | -                      | -                      |
|                                                                                                                                                         | <b>17.74</b>           | <b>27.10</b>           |
| <b>Investment in equity instruments - unquoted</b>                                                                                                      |                        |                        |
| <i>(Investments carried at fair value through other comprehensive income)</i>                                                                           |                        |                        |
| 30,000 (31 March 2023: 30,000) shares of Birla Buildings Ltd. of ₹ 10 each, fully paid-up                                                               | 54.36                  | 49.87                  |
| 10,000 (31 March, 2023: 10,000) shares of Coromandel Stampings and Stones Ltd of ₹ 10 each, fully paid-up [refer note (b) & (c) below]                  | 0.00                   | 0.00                   |
| 143,000 (31 March, 2023: 143,000) shares of Kesoram Services Limited (erstwhile Kesoram Insurance Broking Services Limited) of ₹ 10 each, fully paid-up | 0.93                   | 1.00                   |
| Nil (31 March, 2023: 10,455) shares of Calcutta Stock Exchange Association Ltd of ₹ 1 each, fully paid-up [refer note (c) below]                        | -                      | -                      |
| 10 (31 March, 2023: 10) shares of Meghdoot Co-operative Housing Society Limited of ₹ 100 each, fully paid-up [refer note (b) & (c) below]               | 0.00                   | 0.00                   |
| 7,231 (31 March, 2023: 7,231) shares of Padmavati Investment Private Limited of ₹ 10 each, fully paid-up                                                | 6.93                   | 3.74                   |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 7 Investments in others (cont'd)

| Particulars                                                                                        | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 18,800 (31 March, 2023: 18,800) shares of Vasavadatta Services Limited of ₹ 10 each, fully paid-up | 0.39                   | 0.51                   |
|                                                                                                    | <b>62.61</b>           | <b>55.12</b>           |
| <b>Investments carried at amortised cost</b>                                                       |                        |                        |
| NSC savings certificate                                                                            | -                      | 0.01                   |
| <b>Total</b>                                                                                       | <b>80.35</b>           | <b>82.23</b>           |
| (i) The carrying value and market value of investments are as below:                               |                        |                        |
| <b>(a) Quoted</b>                                                                                  |                        |                        |
| Carrying value                                                                                     | 17.74                  | 27.10                  |
| <b>(b) Unquoted</b>                                                                                |                        |                        |
| Carrying value                                                                                     | 62.61                  | 55.13                  |

#### Note:

- Market value of certain investments listed on Calcutta Stock Exchange are not available. Accordingly, the fair values of these investments have been derived using level III inputs, available with the management.
- Cost of these equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Amount is below the rounding off norm adopted by the Group.

### 8 Loans

| Particulars                                                                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Non-current</b>                                                                 |                        |                        |
| <i>(Unsecured, carried at amortised cost, considered good unless otherwise stated)</i> |                        |                        |
| Loan to joint venture Group [refer note (i) below]                                     | -                      | 1.79                   |
| Less: Allowance for impairment loss                                                    | -                      | (1.79)                 |
|                                                                                        | -                      | -                      |
| Loan to others [refer note (ii) below]                                                 | -                      | 516.39                 |
| Less: Allowance for impairment loss                                                    | -                      | (516.39)               |
|                                                                                        | -                      | -                      |
|                                                                                        | -                      | -                      |
| <b>(b) Current</b>                                                                     |                        |                        |
| <i>(Unsecured, carried at amortised cost, considered good)</i>                         |                        |                        |
| Loan to employees                                                                      | 0.03                   | 0.45                   |
| Loan to others                                                                         | -                      | 63.02                  |
|                                                                                        | <b>0.03</b>            | <b>63.47</b>           |

#### Note:

- The loan to Gondkhari Coal Mining Limited, joint venture company, has been written off against provision for impairment considering the irrecoverability of the amount on prudent basis.
- This pertains to loan given to Birla Tyres Limited, a body corporate, which was repayable on demand and carried an interest rate of 5.93% p.a. During the current year, the Company has written off the loan balance on prudent basis, considering it irrecoverable since the body corporate has already been liquidated. Provision had been made against the loan balance in the books in the earlier years.
- Loans granted to Promoters, Directors, KMPs and other Related Parties:

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 8 Loans (cont'd)

| Type of Borrower                                                                                  | Amount of loan or advance in the nature of loan outstanding |                     | Percentage to the total loans and advances in the nature of loans |                     |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------|-------------------------------------------------------------------|---------------------|
|                                                                                                   | As at 31 March 2024                                         | As at 31 March 2023 | As at 31 March 2024                                               | As at 31 March 2023 |
| <b>-Related Parties</b>                                                                           |                                                             |                     |                                                                   |                     |
| (a) Loan to joint venture Group - without specifying any terms or period of repayment (*)         | -                                                           | -                   | -                                                                 | -                   |
| (b) Loan to body corporate controlled by KMP- without specifying any terms or period of repayment | -                                                           | 1.35                | 0.00%                                                             | 0.23%               |

Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

### 9 Other financial assets

| Particulars                                                | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------------------------------------|---------------------|---------------------|
| <b>(a) Non-current</b>                                     |                     |                     |
| Bank deposit with maturity for more than 12 months (*) (^) | 10.55               | 2.11                |
| Security deposits                                          | 10.11               | 19.89               |
| Interest accrued on deposits                               | 0.35                | -                   |
|                                                            | 0.01                |                     |
|                                                            | <b>21.02</b>        | <b>22.00</b>        |
| <b>(b) Current</b>                                         |                     |                     |
| Security deposits                                          | 18.97               | 6.05                |
| Deposit with original maturity for more than 12 months (^) | -                   | 7.47                |
| Advance to body corporate                                  | 10.63               | 10.63               |
| Less: Provision for doubtful advance                       | (10.63)             | (10.63)             |
| Interest accrued on deposits                               | 0.97                | 1.36                |
| Claims receivable (^ ^)                                    | 22.18               | 47.61               |
| Others                                                     | 27.94               | 28.63               |
|                                                            | <b>70.06</b>        | <b>91.12</b>        |

(\*) Held as lien by bank against bank guarantees

(^ ) ₹ 6.91 crore (31 March 2024), ₹ 4.10 crore (31 March 2023), represents the deposits pledged for DSRA for secured borrowings (Refer note 18). Balance held as lien by bank against bank guarantees.

(^ ^) Pursuant to Circular no. 14 of 2017 (dated 30 March 2017) of the Ministry of Railways, the Group had entered into a Long-term Tariff Contract (LTTC) with the South Central Zonal Railways for a period of 5 years. Since the Group has complied with the terms of the Contract, it has accrued a Freight rebate receivable till the previous year.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 10 Deferred tax assets (net)

| Particulars                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax liabilities</b>                  |                        |                        |
| Property, plant and equipment                    | 226.90                 | 243.23                 |
| Investments                                      | 15.43                  | 16.00                  |
| Amortisation of Debenture interest               | -                      | -                      |
| Other                                            | 19.26                  | 13.03                  |
| <b>Total deferred tax liability</b>              | <b>261.59</b>          | <b>272.26</b>          |
| <b>Deferred tax assets</b>                       |                        |                        |
| Unabsorbed depreciation (refer note below)       | 226.83                 | 217.07                 |
| Unabsorbed losses (refer note below)             | 351.61                 | 167.44                 |
| Amortisation of Debenture interest               | -                      | 19.82                  |
| Items allowable for tax purpose on payment basis | 9.38                   | 13.60                  |
| Provisions                                       | 10.59                  | 300.53                 |
| Others                                           | 15.04                  | 15.48                  |
| <b>Total deferred tax asset</b>                  | <b>613.45</b>          | <b>733.94</b>          |
| <b>Net deferred tax assets</b>                   | <b>351.86</b>          | <b>461.68</b>          |

**Note:** The Group has recognised net deferred tax asset on unabsorbed depreciation and unabsorbed losses considering that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

### 11 Other assets

| Particulars                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------|------------------------|------------------------|
| <b>(a) Non-Current</b>                         |                        |                        |
| Capital advances                               | 9.32                   | 5.58                   |
| Prepaid expenses                               | 2.50                   | 1.50                   |
|                                                | <b>11.82</b>           | <b>7.08</b>            |
| <b>(b) Current</b>                             |                        |                        |
| Balance with statutory/ government authorities | 10.09                  | 14.38                  |
| Prepaid expenses                               | 18.20                  | 23.26                  |
| Advance to vendors                             | 129.37                 | 120.07                 |
| Less: Allowances for doubtful advances         | (32.80)                | (32.61)                |
| Receivable from gratuity fund (refer note 27)  | 2.09                   | -                      |
| Others                                         | 1.13                   | 0.61                   |
|                                                | <b>128.08</b>          | <b>125.71</b>          |

**Note:** No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person.

### 12 Inventories

| Particulars                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| Raw materials (#)              | 27.66                  | 35.87                  |
| Work-in-progress               | 85.20                  | 52.02                  |
| Finished goods (#)             | 52.56                  | 59.14                  |
| Stores and spare parts (#) (*) | 121.17                 | 85.05                  |
|                                | <b>286.59</b>          | <b>232.08</b>          |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 12 Inventories (cont'd)

| Particulars                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------|------------------------|------------------------|
| <b>(#) Included above, goods-in-transit:</b> |                        |                        |
| Raw materials                                | 0.08                   | 0.36                   |
| Finished goods                               | 8.75                   | 15.78                  |
| Stores and spare parts                       | 20.15                  | 13.05                  |
|                                              | <b>28.98</b>           | <b>29.19</b>           |

(\*) The inventories of stores and spare parts is net of provision of ₹ 1.19 crores (31 March 2023: ₹ 4.44 crores) towards slow moving, non-moving and obsolete stock.

### 13 Trade receivables

| Particulars                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------|------------------------|------------------------|
| Trade receivables                             |                        |                        |
| - secured, considered good (*)                | 32.31                  | 47.64                  |
| - unsecured, considered good                  | 437.51                 | 328.40                 |
| Less: Allowance for expected credit loss (**) | (1.72)                 | (3.91)                 |
| - credit impaired                             | 7.29                   | 7.41                   |
| Less: Allowance for credit impaired           | (7.29)                 | (7.41)                 |
|                                               | <b>468.10</b>          | <b>372.13</b>          |

(\*) Secured against security deposits collected from the customers

(\*\*) The amount of trade receivables for which the group has assessed credit risk on an individual basis amounts to ₹ 469.82 crores (31 March 2023: ₹ 376.04 crores) and the the amount of loss allowance recognized for such trade receivables amounts to ₹ 1.72 crores (31 March 2023: ₹ 3.91 crores)

#### Notes:

(a) Trade receivables ageing schedule is as follows:

| Particulars                   | 31 <sup>st</sup> March 2024                                 |                       |                      |             |             |                      |               |
|-------------------------------|-------------------------------------------------------------|-----------------------|----------------------|-------------|-------------|----------------------|---------------|
|                               | Outstanding for following periods from due date of Payments |                       |                      |             |             |                      |               |
|                               | Not Due                                                     | Less than<br>6 months | 6 months -<br>1 year | 1-2 years   | 2-3 years   | More than<br>3 years | Total         |
| <b>As at 31 March 2024:</b>   |                                                             |                       |                      |             |             |                      |               |
| Undisputed trade receivables  |                                                             |                       |                      |             |             |                      |               |
| - secured, considered good    | 25.39                                                       | 4.94                  | 0.86                 | 0.55        | 0.10        | -                    | 31.84         |
| - unsecured, considered good  | 405.24                                                      | 24.45                 | 2.56                 | 2.15        | 2.73        | 0.38                 | 437.51        |
| Disputed trade receivables    |                                                             |                       |                      |             |             |                      |               |
| - secured - considered good   | -                                                           | -                     | 0.01                 | 0.06        | -           | 0.40                 | 0.47          |
| - unsecured - credit impaired | -                                                           | -                     | 0.08                 | 0.81        | 1.03        | 5.37                 | 7.29          |
| <b>Total trade receivable</b> | <b>430.63</b>                                               | <b>29.39</b>          | <b>3.51</b>          | <b>3.57</b> | <b>3.86</b> | <b>6.15</b>          | <b>477.11</b> |
| Less: Allowance for Loss      | -                                                           | -                     | -                    | -           | -           | -                    | (9.01)        |
| <b>Net trade receivable</b>   | <b>430.63</b>                                               | <b>29.39</b>          | <b>3.51</b>          | <b>3.57</b> | <b>3.86</b> | <b>6.15</b>          | <b>468.10</b> |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 13 Trade receivables (cont'd)

| Particulars                   | 31 March 2023                                               |                    |                   |             |             |                   |               |
|-------------------------------|-------------------------------------------------------------|--------------------|-------------------|-------------|-------------|-------------------|---------------|
|                               | Outstanding for following periods from due date of Payments |                    |                   |             |             |                   |               |
|                               | Not Due                                                     | Less than 6 months | 6 months - 1 year | 1-2 years   | 2-3 years   | More than 3 years | Total         |
| <b>As at 31 March 2023:</b>   |                                                             |                    |                   |             |             |                   |               |
| Undisputed trade receivables  |                                                             |                    |                   |             |             |                   |               |
| - secured, considered good    | 31.54                                                       | 13.61              | 0.40              | 1.53        | -           | 0.02              | 47.10         |
| - unsecured, considered good  | 286.78                                                      | 37.81              | 1.75              | 1.48        | 0.42        | 0.16              | 328.40        |
| Disputed trade receivables    |                                                             |                    |                   |             |             |                   |               |
| - secured - considered good   | -                                                           | -                  | 0.09              | 0.03        | 0.01        | 0.41              | 0.54          |
| - unsecured - credit impaired | -                                                           | 0.15               | 0.71              | 0.99        | 1.76        | 3.80              | 7.41          |
| <b>Total trade receivable</b> | <b>318.32</b>                                               | <b>51.57</b>       | <b>2.95</b>       | <b>4.03</b> | <b>2.19</b> | <b>4.39</b>       | <b>383.45</b> |
| Less: Allowance for Loss      | -                                                           | -                  | -                 | -           | -           | -                 | (11.32)       |
| <b>Net trade receivable</b>   | <b>318.32</b>                                               | <b>51.57</b>       | <b>2.95</b>       | <b>4.03</b> | <b>2.19</b> | <b>4.39</b>       | <b>372.13</b> |

(b) No trade receivables are due from directors or other officers of the Group, either severally or jointly with any other person. Further no trade receivables are due from firms or private companies, respectively in which any director is a partner, a director or a member.

(c) There are no unbilled trade receivables, hence the same is not disclosed in the ageing schedules.

(d) The Group is making provision for outstanding trade receivables based on expected credit loss method however since the amount is not material the same has not been disclosed.

### 14 Cash and cash equivalents

| Particulars               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------|------------------------|------------------------|
| Cash on hand              | 0.06                   | 0.06                   |
| Balances with bank        |                        |                        |
| - In current accounts     | 93.70                  | 52.50                  |
| - In cash credit accounts | 0.69                   | 1.13                   |
|                           | <b>94.45</b>           | <b>53.69</b>           |

### 15 Bank balances other than cash and cash equivalents

| Particulars                                                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------------|------------------------|------------------------|
| Deposit with maturity for more than three months but less than twelve months (*) | 89.53                  | 56.25                  |
| On unpaid dividend accounts                                                      | 0.02                   | 0.03                   |
|                                                                                  | <b>89.55</b>           | <b>56.28</b>           |

| Particulars                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------|------------------------|------------------------|
| (*) Deposits more than three months includes:-    |                        |                        |
| - Deposits pledged with the sales tax authorities | -                      | -                      |
| - Held as lien by bank against bank guarantees    | 36.04                  | 55.17                  |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 16 Share capital Authorised share capital

| Particulars                                                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------|------------------------|------------------------|
| 600,000,000 Equity Shares of ₹ 10 each (31 March 2023: 600,000,000 shares]    | 600.00                 | 600.00                 |
| 60,000,000 Preference Shares of ₹ 100 each (31 March 2023: 60,000,000 shares) | 600.00                 | 600.00                 |
|                                                                               | <b>1,200.00</b>        | <b>1,200.00</b>        |

### Issued, subscribed and paid-up equity share capital

| Particulars                                                           | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------------------------------------|------------------------|------------------------|
| 310,663,663 Equity Shares of ₹ 10 each fully paid up                  | 310.66                 | 310.66                 |
| (31 March 2023: 310,663,663 equity Shares of ₹ 10 each fully paid-up) |                        |                        |
|                                                                       | <b>310.66</b>          | <b>310.66</b>          |

### (a) Movement in equity share capital

| Particulars                                                                   | 31 March, 2024      |               | 31 March, 2023      |               |
|-------------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                               | Number of<br>shares | Amount        | Number of<br>shares | Amount        |
| Opening balance                                                               | 31,06,63,663        | 310.66        | 24,44,16,630        | 244.41        |
| Conversion of optionally convertible preference shares [refer note (i) below] | -                   | -             | 6,61,19,874         | 66.12         |
| Fresh issue of equity shares [refer note (ii) below]                          | -                   | -             | -                   | -             |
| Fresh issue of partly paid up equity shares [refer note (ii) below]           | -                   | -             | 2,59,813            | 0.26          |
| Forefeiture of partly paid equity shares [refer note (ii) below]              | -                   | -             | (1,32,654)          | (0.13)        |
| <b>Closing balance</b>                                                        | <b>31,06,63,663</b> | <b>310.66</b> | <b>31,06,63,663</b> | <b>310.66</b> |

- During the previous year, the Board of Parent Company at its Meeting held on August 25, 2022, approved allotment of 66,119,874 fully paid-up Equity Shares of the Company having face value of ₹ 10 each upon conversion of 42,977,918 Zero Coupon Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of ₹ 100 each, at a pre-determined ratio to the holders of OCRPS who have opted for conversion as on August 24, 2022 (the record date fixed for the conversion). These Equity Shares have since been accorded both, listing and trading approval by the respective Stock Exchanges.
- The Parent Company, during the year ended 31 March 2022, had made a rights issue of 79,997,755 equity shares having face value of ₹ 10 each at a premium of ₹ 40 per share, for cash, aggregating to ₹ 399.99 crores. Allotment of 79,212,822 partly paid-up equity shares having face value ₹ 5 each and a premium of ₹ 20 per share, paid on application, was done during the financial year ended 31 March 2022 itself. Further in previous year ended 31 March 2023, 519,626 shares were allotted on payment of first and final call money of ₹ 25 each. However, on account of non-payment of the first and final call, despite several reminders, 265,307 partly paid-up shares, were finally forfeited. These proceeds have been fully utilised and there has been no deviation in use of proceeds from issue objectives as stated in the Rights Issue Offer Document.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 16 Share capital (cont'd)

#### (b) Terms and rights attached to shares

The Parent Company has one class of equity shares having a par value of ₹ 10 per share each. All shareholders for fully paid up equity shares are entitled to one vote per share and for partly paid up shares the voting rights considered are in proportion to the actual amount paid on those shares. The Group declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in the proportion to their shareholdings.

#### (c) Details of shareholders holding more than 5% shares in the Parent Company

| Name of the shareholder                               | 31 <sup>st</sup> March, 2024 |           | 31 <sup>st</sup> March, 2023 |           |
|-------------------------------------------------------|------------------------------|-----------|------------------------------|-----------|
|                                                       | Number of shares             | % holding | Number of shares             | % holding |
| Manav Investment & Trading Co. Ltd                    | 6,88,17,624                  | 22.15%    | 6,88,17,624                  | 22.15%    |
| Pilani Investments and Industries Corporation Limited | 4,63,48,750                  | 14.92%    | 4,63,48,750                  | 14.92%    |
| Mundhra Homes Pvt. Ltd                                | 2,92,48,176                  | 9.41%     | 2,83,27,032                  | 9.12%     |
|                                                       | <b>14,44,14,550</b>          |           | <b>14,34,93,406</b>          |           |

#### (d) Details of shareholdings by the Promoter/ Promoter Group

| Promoter/ Promoter Group Name                         | 31 March, 2024      |               | 31 March, 2023      |               | % Change during the year * |
|-------------------------------------------------------|---------------------|---------------|---------------------|---------------|----------------------------|
|                                                       | Number of shares    | % holding     | Number of shares    | % holding     |                            |
| <b>Promoter</b>                                       |                     |               |                     |               |                            |
| Manav Investment & Trading Co. Ltd                    | 6,88,17,624         | 22.15%        | 6,88,17,624         | 22.15%        | 0.00%                      |
| Pilani Investments and Industries Corporation Limited | 4,63,48,750         | 14.92%        | 4,63,48,750         | 14.92%        | 0.00%                      |
| Manjushree Khaitan (Chairperson)                      | 10,69,723           | 0.34%         | 10,69,723           | 0.34%         | 0.00%                      |
| <b>Promoter Group</b>                                 |                     |               |                     |               |                            |
| Century Textiles and Industries Ltd                   | 76,00,502           | 2.45%         | 76,00,502           | 2.45%         | 0.00%                      |
| Umang Commercial Group Pvt. Ltd                       | 36,37,913           | 1.17%         | 36,37,913           | 1.17%         | 0.00%                      |
| Padmavati Investment Pvt. Ltd.                        | 28,20,948           | 0.91%         | 28,20,948           | 0.91%         | 0.00%                      |
| Birla Institute of Technology and Science             | 15,15,806           | 0.49%         | 15,15,806           | 0.49%         | 0.00%                      |
| Birla Education Trust                                 | 9,54,171            | 0.31%         | 9,54,171            | 0.31%         | 0.00%                      |
| Prakash Educational Society                           | 9,10,922            | 0.29%         | 9,10,922            | 0.29%         | 0.00%                      |
| Late Basant Kumar Birla                               | 5,97,868            | 0.19%         | 5,97,868            | 0.19%         | 0.00%                      |
| Birla Educational Institution                         | 3,62,643            | 0.12%         | 3,62,643            | 0.12%         | 0.00%                      |
| Late Vidula Jalan (refer note below)                  | -                   | 0.00%         | 1,71,381            | 0.06%         | -100.00%                   |
| Rajashree Birla                                       | 4,827               | 0.00%         | 4,827               | 0.00%         | 0.00%                      |
| Vasavadutta Bajaj                                     | 8,541               | 0.00%         | 8,541               | 0.00%         | 0.00%                      |
| Kumar Mangalam Birla                                  | 445                 | 0.00%         | 445                 | 0.00%         | 0.00%                      |
|                                                       | <b>13,46,50,683</b> | <b>43.33%</b> | <b>13,48,22,064</b> | <b>43.39%</b> | <b>-0.13%</b>              |

Note: Vidula Jalan ceased to be a part of the Promoter Group after quarter ended December, 2023 post her demise on May 11, 2023. There is no shareholding in her name as on March 31, 2024.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 16 Share capital (cont'd)

| Promoter/ Promoter Group Name                         | 31 March, 2023      |               | 31 March, 2022      |               | % Change during the year * |
|-------------------------------------------------------|---------------------|---------------|---------------------|---------------|----------------------------|
|                                                       | Number of shares    | % holding     | Number of shares    | % holding     |                            |
| <b>Promoter</b>                                       |                     |               |                     |               |                            |
| Manav Investment & Trading Co. Ltd                    | 6,88,17,624         | 22.15%        | 5,43,19,456         | 22.26%        | 26.69%                     |
| Pilani Investments and Industries Corporation Limited | 4,63,48,750         | 14.92%        | 4,63,48,750         | 18.99%        | 0.00%                      |
| Manjushree Khaitan (Chairperson)                      | 10,69,723           | 0.34%         | 10,69,723           | 0.44%         | 0.00%                      |
| <b>Promoter Group</b>                                 |                     |               |                     |               |                            |
| Century Textiles and Industries Ltd                   | 76,00,502           | 2.45%         | 76,00,502           | 3.11%         | 0.00%                      |
| Umang Commercial Group Pvt. Ltd                       | 36,37,913           | 1.17%         | 36,37,913           | 1.49%         | 0.00%                      |
| Padmavati Investment Pvt. Ltd.                        | 28,20,948           | 0.91%         | 28,20,948           | 1.16%         | 0.00%                      |
| Birla Institute of Technology and Science             | 15,15,806           | 0.49%         | 15,15,806           | 0.62%         | 0.00%                      |
| Birla Education Trust                                 | 9,54,171            | 0.31%         | 9,54,171            | 0.39%         | 0.00%                      |
| Prakash Educational Society                           | 9,10,922            | 0.29%         | 9,10,922            | 0.37%         | 0.00%                      |
| Late Basant Kumar Birla                               | 5,97,868            | 0.19%         | 5,97,868            | 0.25%         | 0.00%                      |
| Birla Educational Institution                         | 3,62,643            | 0.12%         | 3,62,643            | 0.15%         | 0.00%                      |
| Vidula Jalan                                          | 1,71,381            | 0.06%         | 1,71,381            | 0.07%         | 0.00%                      |
| Rajashree Birla                                       | 4,827               | 0.00%         | 4,827               | 0.00%         | 0.00%                      |
| Vasavadutta Bajaj                                     | 8,541               | 0.00%         | 8,541               | 0.00%         | 0.00%                      |
| Kumar Mangalam Birla                                  | 445                 | 0.00%         | 445                 | 0.00%         | 0.00%                      |
|                                                       | <b>13,48,22,064</b> | <b>43.39%</b> | <b>12,03,23,896</b> | <b>49.30%</b> | <b>12.05%</b>              |

(\*) % change during the year has been computed on the basis of the number of shares at the beginning of the year.

### 17 Other Equity

| Particulars                                                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------|------------------------|------------------------|
| <b>Reserves and surplus</b>                                                |                        |                        |
| Securities premium                                                         | 1,259.68               | 1,230.99               |
| Capital reserve                                                            |                        |                        |
| (a) Development grant/ subsidy                                             | 0.15                   | 0.15                   |
| (b) Amalgamation reserve                                                   | 2.91                   | 2.91                   |
| (c) Capital reserve arising on business combination                        | 41.51                  | 41.51                  |
| Capital redemption reserve                                                 | 3.59                   | 3.59                   |
| General reserve                                                            | 224.00                 | 224.00                 |
| Retained earnings                                                          | (1,873.61)             | (1,496.59)             |
| Equity component of compound financial instruments                         | 57.89                  | 57.89                  |
| Others                                                                     | 7.97                   | 7.97                   |
| <b>Other comprehensive Income</b>                                          |                        |                        |
| Fair value through other comprehensive income (FVOCI) - equity instruments | 60.07                  | 61.42                  |
| <b>Total</b>                                                               | <b>(215.84)</b>        | <b>162.53</b>          |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 17 Other Equity (cont'd)

Notes:

#### (a) Securities premium

| Particulars                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------|------------------------|------------------------|
| Opening balance                             | 1,259.68               | 1,230.99               |
| Increase during the year [refer note 16(a)] | -                      | 28.69                  |
| <b>Closing balance</b>                      | <b>1,259.68</b>        | <b>1,259.68</b>        |

#### (b) Capital reserve

##### - Development grant/ subsidy

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 0.15                   | 0.15                   |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>0.15</b>            | <b>0.15</b>            |

##### - Amalgamation reserve

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 2.91                   | 2.91                   |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>2.91</b>            | <b>2.91</b>            |

##### - Capital reserve arising on business combination

| Particulars                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Opening balance                     | 41.51                  | 41.51                  |
| Increase/(decrease) during the year | -                      | -                      |
| <b>Closing balance</b>              | <b>41.51</b>           | <b>41.51</b>           |

#### (c) Capital redemption reserve

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 3.59                   | 3.59                   |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>3.59</b>            | <b>3.59</b>            |

#### (d) General reserve

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 224.00                 | 224.00                 |
| Increase/ (decrease) during the year | -                      | -                      |
| <b>Closing balance</b>               | <b>224.00</b>          | <b>224.00</b>          |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 17 Other Equity (cont'd)

#### (e) Other reserves

| Particulars                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------|------------------------|------------------------|
| Opening balance                         | 7.97                   | 7.31                   |
| Forfeiture of Shares [refer note 16(a)] | -                      | 0.66                   |
| <b>Closing balance</b>                  | <b>7.97</b>            | <b>7.97</b>            |

#### (f) Retained earning

| Particulars                                                                         | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------------------------------------------------------|------------------------|------------------------|
| Opening balance                                                                     | (1,496.59)             | (1,300.12)             |
| Net loss for the year                                                               | (384.09)               | (194.27)               |
| <b>Items of other comprehensive income recognised directly in retained earnings</b> |                        |                        |
| - Remeasurement of post-employment benefit obligation, net of tax                   | 7.07                   | (2.20)                 |
| <b>Closing balance</b>                                                              | <b>(1,873.61)</b>      | <b>(1,496.59)</b>      |

#### (g) Equity component of compound financial instruments

| Particulars                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Opening balance                      | 57.89                  | -                      |
| Increase/ (decrease) during the year |                        | 57.89                  |
| <b>Closing balance</b>               | <b>57.89</b>           | <b>57.89</b>           |

#### (h) Fair value through other comprehensive income (FVOCI)- equity instruments

| Particulars                                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------------------|------------------------|------------------------|
| Opening balance                                               | 61.42                  | 54.80                  |
| Change in fair value of FVOCI equity instruments net of taxes | (1.35)                 | 6.62                   |
| <b>Closing balance</b>                                        | <b>60.07</b>           | <b>61.42</b>           |

### Nature and purpose of other reserves

#### (i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

#### (ii) Capital reserve

(a) Certain grants of capital nature had been credited to Capital Reserve.

(b) The Group has recognised profit on account of amalgamation in capital reserve.

#### (iii) Capital redemption reserve

Capital redemption reserve was created on account of reinstatement of certain investments and spares at cost.

#### (iv) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 17 Other Equity (cont'd)

#### (v) Revaluation reserve

Revaluation reserve was created on account of revaluation of fixed assets carried out under previous GAAP.

#### (vi) Fair value through other comprehensive income (FVOCI)- equity instruments

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

#### (vii) Other reserves

Others primarily include:

- (a) Amounts appropriated out of profit or loss for doubtful debts and contingencies.
- (b) Share buyback reserve has been created as per the Companies Act, 1956.
- (c) Reserve which has arisen on forfeiture of shares.

#### (viii) Fair valuation of Non-Convertible Cumulative Redeemable Preference Shares

Deemed equity on fair value of Non-Convertible Cumulative Redeemable Preference Shares

### Financial Liabilities

### 18 Borrowings

| Particulars                                                                                                                                                                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Non-Current</b>                                                                                                                                                                       |                        |                        |
| <b>(Secured, carried at amortised cost)</b>                                                                                                                                                  |                        |                        |
| <b>Term Loan from bank</b>                                                                                                                                                                   |                        |                        |
| Indian rupee loan [Refer Note (a) below]                                                                                                                                                     | 41.48                  | 55.31                  |
| Indian rupee loan [Refer Note (c) below]                                                                                                                                                     | 174.21                 | 135.26                 |
| <b>Term Loan from others</b>                                                                                                                                                                 |                        |                        |
| Indian rupee loan from Financial Institutions (Refer note (a) below]                                                                                                                         | 1,871.45               | -                      |
| Vehicle Loan                                                                                                                                                                                 | 1.50                   | -                      |
| <b>Debentures</b>                                                                                                                                                                            |                        |                        |
| Nil (31 March 2023: 16,035) senior secured, listed and rated redeemable Non-Convertible Debentures, having face value of ₹ Nil each (31 March 2023: ₹ 9,59,464 each)] (Refer note (b) below] | -                      | 1,598.42               |
| <b>(Unsecured, carried at amortised cost)</b>                                                                                                                                                |                        |                        |
| 19,19,277 (31 March, 2023: 19,19,277) Zero % Optionally Convertible Redeemable Preference Shares [face value of ₹ 100 each]-[Refer Note (b) below]                                           | 5.85                   | 4.76                   |
| Public Deposit [Refer note (b) below]                                                                                                                                                        | 80.65                  | 91.35                  |
| 90,00,000 (31 March 2023: 90,00,000) 5% Cumulative Non-Convertible Cumulative Redeemable Preference Shares [face value of ₹ 100 each]-[Refer note (b) below]                                 | 34.90                  | 32.61                  |
|                                                                                                                                                                                              | <b>2,210.04</b>        | <b>1,917.71</b>        |
| Less: Current maturities of non-current borrowings                                                                                                                                           | (99.52)                | (107.23)               |
|                                                                                                                                                                                              | <b>2,110.52</b>        | <b>1,810.48</b>        |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 18 Borrowings (cont'd)

| Particulars                                       | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------------|------------------------|------------------------|
| <b>(b) Current</b>                                |                        |                        |
| <b>(Secured, carried at amortised cost)</b>       |                        |                        |
| Current maturities of Non Convertible Debentures  | -                      | 81.40                  |
| Current maturities of Other Long Term Loans       | 99.52                  | 25.83                  |
| Short Term Loans from Bank [Refer note (d) below] | 50.00                  | -                      |
| <b>(Unsecured, carried at amortised cost)</b>     |                        |                        |
| Loans from body corporate                         | 7.26                   | 16.35                  |
|                                                   | <b>156.78</b>          | <b>123.58</b>          |

#### NOTES:

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

| Bank              | 31<br>March,<br>2024 | 31<br>March,<br>2023 | Nature of Security                                   | Repayment terms                                                                                                                                         |
|-------------------|----------------------|----------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| IndusInd Bank Ltd | 19.75                | 31.61                | Second charge over current assets of the Subsidiary. | 48 equal monthly instalments after 1 year moratorium starting from December 2021. Rate of interest 9.25% p.a. linked to external benchmark [Repo rate]  |
| IndusInd Bank Ltd | 21.73                | 23.70                | Second charge over current assets of the Subsidiary. | 48 equal monthly instalments after 2 years moratorium starting from December 2023. Rate of interest 9.25% p.a. linked to external benchmark [Repo rate] |
|                   | <b>41.48</b>         | <b>55.31</b>         |                                                      |                                                                                                                                                         |

(b) Repayment terms and nature of securities given for borrowings from Others are as follows:

| Others                                        | 31<br>March,<br>2024 | 31<br>March,<br>2023 | Nature of Security                                                                                                                                                                                                                                                                                                                                                                     | Repayment terms                                                                                                         |
|-----------------------------------------------|----------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Non-Convertible Debenture                     | -                    | 1,598.42             | First pari passu charge on all fixed assets, moveable assets (non-current and current) and intangible assets of the Company. Additionally secured by pledge on equity shares of the Company held by the promoters ; Non Disposal Undertaking (NDU) on other security held by a promoter; guarantee by a promoter limited to the value of shares pledged and under NDU as stated above. | Fully repaid during the current year                                                                                    |
| Indian rupee loan from Financial Institutions | 1,821.97             | -                    | First pari passu charge on all fixed assets (present and future) and second charge on the current assets of the cement division with certain exclusions as specified in the loan documents.                                                                                                                                                                                            | Repayable over a period of 10 years starting from Q4 FY 2024-25. Rate of interest 11.25% to 11.50% p.a.                 |
| Indian rupee loan from Financial Institutions | 49.48                | -                    | First pari passu charge on the current assets and second charge on all fixed assets (present and future) of the cement division.                                                                                                                                                                                                                                                       | Repayable in 8 quarterly instalments over a period of 3 years starting from Q4 FY 2024-25. Rate of interest 11.50% p.a. |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 18 Borrowings (cont'd)

| Others                                                          | 31<br>March,<br>2024 | 31<br>March,<br>2023 | Nature of Security                | Repayment terms                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------|----------------------|----------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle Loan                                                    | 1.50                 | -                    | Secured by the vehicles purchased | Repayable in 47 monthly instalments carrying interest of 10.71% p.a.                                                                                                                                                                                                   |
| Zero Coupon Optionally Convertible Redeemable Preference Shares | 5.85                 | 4.76                 | NA                                | Redeemable in 5 equal instalments starting from 31 March 2028                                                                                                                                                                                                          |
| Public Deposit                                                  | 80.65                | 91.35                | NA                                | Accepted from public vide deposit scheme, approved by the Board of Directors on April 11, 2022 and shareholders dated June 17, 2022. It carries a rate of interest of 12.50% for members and 12.25% for others. Repayment at the end of 3 years from the date of issue |
| 5% Non-Convertible Cumulative Redeemable Preference Shares      | 34.90                | 32.61                | NA                                | The instrument together with arrear cumulative dividend will be redeemed upon expiry of ten years, or earlier, at the option of the Company, from the date of allotment i.e. December 15, 2022.                                                                        |
|                                                                 | <b>1,994.35</b>      | <b>1,727.14</b>      |                                   |                                                                                                                                                                                                                                                                        |

### (c) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

| Financial Institution                                                   | 31<br>March,<br>2024 | 31<br>March,<br>2023 | Nature of Security                                                                                                                                                                                                                        | Repayment terms                                                                     |
|-------------------------------------------------------------------------|----------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| West Bengal Infrastructure Development Finance Corporation Ltd (WBIDFC) | 123.61               | 135.26               | First and exclusive charge on all moveable and immoveable fixed assets of the Subsidiary except the Corporate office assets. Second pari passu charge on all current assets of the Subsidiary. For fulfilling the DSRA requirements Fixed | By way of ballooning repayment commencing from 31.03.2021 for a tenure of 10 years. |
| West Bengal Infrastructure Development Finance Corporation Ltd (WBIDFC) | 50.60                | -                    | Deposit for an amount equivalent to three months interest is maintained with WBIDFC.                                                                                                                                                      | By way of ballooning repayment commencing from 31.12.2023 for a tenure of 7 years.  |

### (d) Repayment terms and nature of securities given for short term borrowings

- Secured by way of hypothecation, first pari passu charge on the current assets and second charge on all fixed assets (present and future) of the cement division.
- The working capital demand loan is repayable on demand.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 18 Borrowings (cont'd)

- (e) The Group has submitted the quarterly returns or statements of current assets to the bank for the secured working capital loan which is reconciled with the books of account.
- (f) The Group has not defaulted in the repayment of borrowings during the current year.
- (g) As on March 31, 2024 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

### 19 Other financial liabilities

| Particulars                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------|------------------------|------------------------|
| <b>(a) Non-Current</b>         |                        |                        |
| Security deposits              | 80.93                  | 82.39                  |
|                                | <b>80.93</b>           | <b>82.39</b>           |
| <b>(b) Current</b>             |                        |                        |
| Liability for capital goods    | 4.80                   | 6.56                   |
| Retention and earnest deposits | 11.87                  | 11.18                  |
| Other payables                 | 25.70                  | 24.58                  |
| Security deposits              | 38.33                  | 22.94                  |
| Employee's benefits payable    | 40.92                  | 50.36                  |
| Unpaid dividends (*)           | 0.02                   | 0.02                   |
| Interest accrued on loans      | 14.65                  | 1.83                   |
|                                | <b>136.29</b>          | <b>117.47</b>          |

(\*) There is no liability due which is required to be transferred to Investor Education and Protection Fund under section 124 and 125 of the Companies Act, 2013 except for disputed cases for shares held in abeyance under section 126.

### 20 Provisions

| Particulars                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------------------|------------------------|------------------------|
| <b>(a) Non-Current</b>                      |                        |                        |
| <b>Provision for employee benefits:</b>     |                        |                        |
| Provision for leave encashment (unfunded) * | 16.96                  | 16.38                  |
| Decommissioning obligations **              | 14.16                  | 12.74                  |
| <b>Total non-current provisions</b>         | <b>31.12</b>           | <b>29.12</b>           |
| <b>(b) Current</b>                          |                        |                        |
| <b>Provision for employee benefits:</b>     |                        |                        |
| Provision for gratuity (Refer note 27) *    | (1.48)                 | 6.32                   |
| Provision for leave encashment (unfunded) * | 3.19                   | 3.19                   |
| Provision for disputed statutory dues *     | 4.96                   | 5.26                   |
| Others                                      | 4.80                   | 1.54                   |
| <b>Total current provisions</b>             | <b>11.47</b>           | <b>16.31</b>           |

\* The same is basis management's best estimates and may vary on actual basis.

\*\* Expected outflow of mines restoration obligations will be FY 2030 onwards.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 20 Provisions (cont'd)

- (i) Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets" specified under Section 133 of the Companies Act, 2013:

| Particulars                            | Mines restoration obligation | Provision for contingencies | Provision for disputed statutory dues |
|----------------------------------------|------------------------------|-----------------------------|---------------------------------------|
| <b>As at 1 April, 2022</b>             | <b>11.46</b>                 | <b>-</b>                    | <b>14.75</b>                          |
| Charged/ (credited) to profit or loss: | -                            | -                           | -                                     |
| Additional provision recognised        | -                            | -                           | -                                     |
| Unused amounts reversed                | -                            | -                           | (9.49)                                |
| Amounts used during the year           | -                            | -                           | -                                     |
| Unwinding of discount                  | 1.28                         | -                           | -                                     |
| <b>As at 31 March, 2023</b>            | <b>12.74</b>                 | <b>-</b>                    | <b>5.26</b>                           |
| <b>As at 1 April, 2023</b>             | <b>12.74</b>                 | <b>-</b>                    | <b>5.26</b>                           |
| Charged/ (credited) to profit or loss: | -                            | -                           | -                                     |
| Additional provision recognised        | -                            | -                           | -                                     |
| Unused amounts reversed                | -                            | -                           | (0.30)                                |
| Amounts used during the year           | -                            | -                           | -                                     |
| Unwinding of discount                  | 1.42                         | -                           | -                                     |
| <b>As at 31 March, 2024</b>            | <b>14.16</b>                 | <b>-</b>                    | <b>4.96</b>                           |

### 21 Other liabilities

| Particulars                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---------------------------------|------------------------|------------------------|
| <b>(a) Non-current</b>          |                        |                        |
| Advance received from employees | -                      | 0.18                   |
|                                 | -                      | <b>0.18</b>            |
| <b>(b) Current</b>              |                        |                        |
| Advance from customers          | 34.30                  | 84.00                  |
| Statutory dues                  | 88.07                  | 132.21                 |
| Advance received from employees | 0.53                   | 0.61                   |
| Other payables                  | 5.29                   | 16.12                  |
|                                 | <b>128.19</b>          | <b>232.94</b>          |

### 22 Trade payables

| Particulars                                                                                | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------------------------------------------------|------------------------|------------------------|
| (a) Total outstanding dues of micro enterprises and small enterprises (Refer note 38)      | <b>20.19</b>           | <b>14.10</b>           |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 602.28                 | 531.01                 |
| (c) Due to related parties (refer note 45)                                                 | 0.38                   | 0.07                   |
|                                                                                            | <b>602.66</b>          | <b>531.08</b>          |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 22 Trade payables (cont'd)

#### Notes:

(i) Trade payables ageing schedule is as follows: (\*)

| Particulars                 | As on 31 <sup>st</sup> March 2024 |              |             |                   |               |
|-----------------------------|-----------------------------------|--------------|-------------|-------------------|---------------|
|                             | < 1 year                          | 1-2 years    | 2-3 years   | More than 3 years | Total         |
| (i) MSME                    | 18.59                             | 0.02         | 1.58        | -                 | 20.19         |
| (ii) Other payables         | 561.84                            | 33.09        | 2.62        | 3.31              | 600.86        |
| (iii) Disputed dues - MSME  | -                                 | -            | -           | -                 | -             |
| (iv) Disputed dues - Others | -                                 | -            | -           | 1.80              | 1.80          |
| <b>Total</b>                | <b>580.43</b>                     | <b>33.11</b> | <b>4.20</b> | <b>5.11</b>       | <b>622.85</b> |

| Particulars                 | As on 31 <sup>st</sup> March 2023 |              |             |                   |               |
|-----------------------------|-----------------------------------|--------------|-------------|-------------------|---------------|
|                             | < 1 year                          | 1-2 years    | 2-3 years   | More than 3 years | Total         |
| (i) MSME                    | 7.33                              | 3.72         | 3.03        | 0.02              | 14.10         |
| (ii) Other payables         | 496.64                            | 24.40        | 5.62        | 2.62              | 529.28        |
| (iii) Disputed dues - MSME  | -                                 | -            | -           | -                 | -             |
| (iv) Disputed dues - Others | -                                 | -            | -           | 1.80              | 1.80          |
| <b>Total</b>                | <b>503.97</b>                     | <b>28.12</b> | <b>8.65</b> | <b>4.44</b>       | <b>545.18</b> |

(\*) Note: Ageing has been considered from the date of transaction.

### 23 Revenue from operations

| Particulars                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------|-----------------------------|-----------------------------|
| <b>Revenue from contracts with customers</b> |                             |                             |
| Sale of Products (#)                         | 3,982.42                    | 3,761.73                    |
| Other operating revenue                      | 4.46                        | 16.32                       |
|                                              | <b>3,986.88</b>             | <b>3,778.05</b>             |

(#) The entire revenue is being recorded at a point in time.

A. Revenue from contracts with customers disaggregated on the basis of geographical region and product lines is presented below:

#### Year ended 31 March, 2024:

| Particulars                            | India           | Outside India | Total           |
|----------------------------------------|-----------------|---------------|-----------------|
| Cement                                 | 3,736.10        | -             | 3,736.10        |
| Rayon, Transparent Paper and chemicals | 242.85          | 3.47          | 246.32          |
|                                        | <b>3,978.95</b> | <b>3.47</b>   | <b>3,982.42</b> |

#### Year ended 31 March, 2023:

| Particulars                            | India           | Outside India | Total           |
|----------------------------------------|-----------------|---------------|-----------------|
| Cement                                 | 3,517.45        | -             | 3,517.45        |
| Rayon, Transparent Paper and chemicals | 243.01          | 1.27          | 244.28          |
|                                        | <b>3,760.46</b> | <b>1.27</b>   | <b>3,761.73</b> |

B. Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:

| Particulars                                        | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------|------------------------|------------------------|
| Revenue as per Contract price                      | 4,414.71               | 4,095.37               |
| Less: Discounts and incentives                     | 432.29                 | 333.64                 |
| <b>Revenue as per statement of profit and loss</b> | <b>3,982.42</b>        | <b>3,761.73</b>        |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 23 Revenue from operations (cont'd)

c. The Group has recognised the following revenue-related contract liabilities and receivables from contract with customers:

#### (i) Contract liabilities

| Particulars                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------|------------------------|------------------------|
| Contract liabilities - Advance from customers | 34.30                  | 52.00                  |
|                                               | <b>34.30</b>           | <b>52.00</b>           |

The movement in Contract Liabilities are as follows:

| Particulars                                                                             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------------------------------------|------------------------|------------------------|
| As at the beginning of the reporting period                                             | 52.00                  | 63.67                  |
| Add: Additions during the year, excluding amounts recognised as revenue during the year | 33.29                  | 57.80                  |
| Less: Revenue recognised in the current year which was included in Contract Liabilities | (50.99)                | (69.47)                |
| <b>As at the end of the reporting period</b>                                            | <b>34.30</b>           | <b>52.00</b>           |

Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were not satisfied in a prior year.

| Particulars                                                                                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Revenue recognised that was included in the contract liability balance at the beginning of the year: |                        |                        |
| Contract liabilities – Deferred revenue                                                              | -                      | 26.69                  |
| Contract liabilities - Advance from customers                                                        | 50.99                  | 42.78                  |
|                                                                                                      | <b>50.99</b>           | <b>69.47</b>           |

#### (ii) Contract assets

| Particulars                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------|------------------------|------------------------|
| Trade Receivables- Gross                     | 477.11                 | 383.45                 |
| Less: Expected credit loss & credit impaired | (9.01)                 | (11.32)                |
|                                              | <b>468.10</b>          | <b>372.13</b>          |

### 24 Other Income

| Particulars                                                     | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest income:                                                |                             |                             |
| - On fixed deposits                                             | 19.53                       | 15.05                       |
| - On income tax refund                                          | 1.09                        | 0.19                        |
| Less: Provision for doubtful Interest Income [refer note 8(ii)] | -                           | (2.18)                      |
| Dividend income                                                 | 0.02                        | 0.02                        |
| Liabilities no longer required written back                     | 10.19                       | 47.80                       |
| Provision for doubtful debts written back                       | 2.61                        | 1.99                        |
| Gain on property, plant and equipments sold/ discarded          | 1.15                        | 0.33                        |
| Other miscellaneous income                                      | 14.47                       | 7.06                        |
|                                                                 | <b>49.06</b>                | <b>70.26</b>                |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 25 Cost of materials consumed

| Particulars                                             | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Raw material consumed</b>                            |                             |                             |
| Inventories as at the beginning of the reporting period | 35.87                       | 25.47                       |
| Add: Purchases                                          | 326.87                      | 333.21                      |
| Less: Inventories as at the end of the reporting period | (27.66)                     | (35.87)                     |
| Add: Limestone raising cost                             | 184.60                      | 163.03                      |
|                                                         | <b>519.68</b>               | <b>485.84</b>               |

### 26 Changes in stock of finished goods, work-in-progress and stock in trade

| Particulars                              | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------|-----------------------------|-----------------------------|
| Inventories at the beginning of the year |                             |                             |
| - Work-in-progress                       | 52.02                       | 17.50                       |
| - Finished Goods                         | 40.07                       | 38.13                       |
| - Stock in trade                         | 19.07                       | -                           |
| Less: Inventories at the end of the year |                             |                             |
| - Work-in-progress                       | 85.20                       | 52.02                       |
| - Finished Goods                         | 52.56                       | 40.07                       |
| - Stock in trade                         | -                           | 19.07                       |
| Less: Transferred to Capital Projects    | 0.18                        | 0.18                        |
|                                          | <b>(26.78)</b>              | <b>(55.71)</b>              |

### 27 Employee benefits expense

| Particulars                                         | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus                           | 195.46                      | 192.36                      |
| Contribution to provident fund                      | 15.14                       | 11.66                       |
| Contribution to superannuation fund                 | -                           | (0.01)                      |
| Gratuity                                            | 5.03                        | 3.21                        |
| Contribution under Employees State Insurance Scheme | 0.22                        | 0.28                        |
| Staff welfare expenses                              | 11.55                       | 11.90                       |
|                                                     | <b>227.40</b>               | <b>219.40</b>               |

#### i) Compensated absences

Compensated absences cover the Group's liability for sick and earned leave.

#### (ii) Defined benefit plan

##### a) Gratuity

The Group operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service.

##### b) Provident fund

Provident fund for certain eligible employees is managed by the Group through the "B. K. Birla Group of Companies Provident Fund Institution" 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

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 27 Employee benefit expense (cont'd)

employees at the time of their separation from the Group or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Group 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 Group 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 as at 31 March 2024 and 31 March 2023 respectively.

The Group also pays provident fund contributions to publically administered local fund as per the local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

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 2023 | 201.26                      | 233.92                    | 32.66      |
| as at 31 March 2024 | 210.36                      | 225.18                    | 14.83      |

The plan assets have been primarily invested in government securities.

| Particulars                                        | As at 31 March 2024 | As at 31 March 2023 |
|----------------------------------------------------|---------------------|---------------------|
| Discount Rate (per annum)                          | 8.15%               | 8.15%               |
| Expected Rate of Return on Plan Assets (per annum) | 8.15%               | 8.15%               |

### (iii) Balance sheet recognition

#### a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| Particulars                                                                     | Present value of obligation | Fair value of plan assets | Net amount    |
|---------------------------------------------------------------------------------|-----------------------------|---------------------------|---------------|
| <b>1 April, 2022</b>                                                            | <b>90.83</b>                | <b>91.41</b>              | <b>(0.58)</b> |
| Current service cost                                                            | 4.49                        | -                         | 4.49          |
| Interest expense/ (income)                                                      | 5.82                        | (6.67)                    | (0.85)        |
| <b>Total amount recognised in profit or loss</b>                                | <b>10.31</b>                | <b>(6.67)</b>             | <b>3.64</b>   |
| <i>Remeasurement</i>                                                            |                             |                           |               |
| Return on plan assets, excluding amounts included in interest expense/ (income) | -                           | (4.20)                    | 4.20          |
| Actuarial (gain)/ loss from change in demographic assumptions                   | -                           | -                         | -             |
| Actuarial (gain)/ loss from change in financial assumptions                     | (1.87)                      | -                         | (1.87)        |
| Actuarial (gain)/ loss from unexpected experience                               | 0.35                        | -                         | 0.35          |
| <b>Total amount recognised in other comprehensive income</b>                    | <b>(1.52)</b>               | <b>(4.20)</b>             | <b>2.68</b>   |
| Employer contributions/ premium paid                                            | -                           | (0.58)                    | 0.58          |
| Benefit payments                                                                | 22.23                       | 22.23                     | -             |
| Settlement Cost                                                                 | -                           | -                         | -             |
| Disposal/ Transfer of Asset                                                     | -                           | -                         | -             |
| <b>31 March, 2023</b>                                                           | <b>77.39</b>                | <b>71.07</b>              | <b>6.32</b>   |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 27 Employee benefit expense (cont'd)

| Particulars                                                                    | Present value | Fair value of plan | Net amount    |
|--------------------------------------------------------------------------------|---------------|--------------------|---------------|
| <b>1 April, 2023</b>                                                           | 77.39         | 71.07              | 6.32          |
| Current service cost                                                           | 4.80          | -                  | 4.80          |
| Interest expense/ (income)                                                     | 5.21          | (4.98)             | 0.23          |
| <b>Total amount recognised in profit or loss</b>                               | <b>10.00</b>  | <b>(4.98)</b>      | <b>5.03</b>   |
| <i>Remeasurement</i>                                                           |               |                    |               |
| Return on plan assets, excluding amounts included in interest expense/(income) | -             | 12.10              | (12.10)       |
| Actuarial (gain)/ loss from change in demographic assumptions                  | -             | -                  | -             |
| Actuarial (gain)/ loss from change in financial assumptions                    | 1.94          | -                  | 1.94          |
| Actuarial (gain)/ loss from unexpected experience                              | 3.13          | -                  | 3.13          |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>5.07</b>   | <b>12.10</b>       | <b>(7.03)</b> |
| Employer contributions/ premium paid                                           | -             | 7.90               | (7.90)        |
| Benefit payments                                                               | 6.11          | 6.11               | -             |
| Settlement Cost                                                                | -             | -                  | -             |
| Acquisition adjustment                                                         | -             | -                  | -             |
| <b>31 March, 2024</b>                                                          | <b>86.36</b>  | <b>89.94</b>       | <b>(3.58)</b> |

#### (iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

| Particulars        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------|-----------------------------|-----------------------------|
| Discount rate      | 7.00%                       | 7.30%                       |
| Salary growth rate | 5.00%                       | 5.00%                       |
| Attrition rate     | 1.00%                       | 1.00%                       |
| Mortality rate     | IALM 2012-2015<br>ULTIMATE  | IALM 2012-2014<br>ULTIMATE  |

#### (v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                                  | Impact on defined benefit obligation |          |                |          |
|----------------------------------------------|--------------------------------------|----------|----------------|----------|
|                                              | 31 March, 2024                       |          | 31 March, 2023 |          |
|                                              | Increase                             | Decrease | Increase       | Decrease |
| Discount rate (-/+ 0.5%)                     | 83.05                                | 89.83    | 74.35          | 80.57    |
| % change compared to base due to sensitivity | -3.83%                               | 4.02%    | 16.27%         | 25.99%   |
| Salary growth rate (-/+ 0.5%)                | 89.87                                | 82.98    | 80.62          | 74.29    |
| % change compared to base due to sensitivity | 4.07%                                | -3.91%   | 26.07%         | 16.17%   |
| Attrition rate (-/+ 0.5%)                    | 86.34                                | 86.33    | 77.38          | 77.36    |
| % change compared to base due to sensitivity | -0.02%                               | -0.03%   | 21.01%         | 20.98%   |
| Life expectancy/ mortality rate (-/+ 10%)    | 86.36                                | 86.30    | 77.40          | 77.33    |
| % change compared to base due to sensitivity | 0.00%                                | -0.07%   | 21.04%         | 20.93%   |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 27 Employee benefit expense (cont'd)

the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

#### (vi) Maturity profile of defined benefit obligation:

| Particulars               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| Within the next 12 months | 10.38                       | 8.95                        |
| Between 1 and 5 years     | 27.82                       | 23.67                       |
| Between 5 and 10 years    | 48.71                       | 44.30                       |
| 10 Years and above        | 75.99                       | 77.19                       |

#### (vii) The major categories of plans assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

#### (viii) Risk exposure

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

##### *Investment risk:*

The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies.

##### *Interest risk:*

A decrease in the interest rate on plan assets will increase the plan liability.

##### *Life expectancy:*

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

##### *Salary growth risk:*

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

#### (ix) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 12 years (31 March 2023 – 12 years) for the Parent Company & for the Subsidiary is 9 years (31 March 2023 – 10 years).

### 28 Finance cost

| Particulars                                                                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest expenses                                                            |                             |                             |
| - Interest cost on financial liabilities measured at amortized cost          | 477.19                      | 438.69                      |
| - Increase in the carrying amount of provisions/ decommissioning liabilities | 1.35                        | 1.21                        |
| Interest on lease liabilities                                                | 0.19                        | 0.59                        |
| Other borrowing costs                                                        | 9.78                        | 10.14                       |
| Less: Interest capitalised in capital work-in-progress                       | (0.01)                      | (0.60)                      |
|                                                                              | <b>488.50</b>               | <b>450.03</b>               |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 28 Finance cost (cont'd)

The capitalisation rate used by the wholly owned subsidiary to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowing during the year, in this case is 10.50%, (31 March 2023: 10.50%)

### 29 Depreciation and amortisation expense

| Particulars                                       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation on tangible assets                   | 128.14                      | 93.73                       |
| Amortisation of right-of-use assets & intangibles | 8.75                        | 8.79                        |
|                                                   | <b>136.89</b>               | <b>102.52</b>               |

### 30 Power and fuel

| Particulars                   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Consumption of power and fuel | 1,436.30                    | 1,463.72                    |
|                               | <b>1,436.30</b>             | <b>1,463.72</b>             |

### 31 Packing and carriage

| Particulars                 | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Cost of packing and freight | 1,148.70                    | 1,033.21                    |
|                             | <b>1,148.70</b>             | <b>1,033.21</b>             |

### 32 Other expenses

| Particulars                                            | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Consumption of stores and spare parts                  | 51.49                       | 68.45                       |
| Rent                                                   | 26.60                       | 17.68                       |
| Repairs and Maintenance                                |                             |                             |
| Building                                               | 6.16                        | 6.75                        |
| Plant and Machinery                                    | 58.43                       | 77.66                       |
| Others                                                 | 3.28                        | 4.03                        |
| Insurance                                              | 8.18                        | 9.10                        |
| Rates and taxes                                        | 4.55                        | 6.34                        |
| Brokerage and discounts                                | 27.47                       | 32.39                       |
| Commission to selling agents                           | 6.29                        | 7.30                        |
| Sales promotion                                        | 45.77                       | 41.22                       |
| Directors' fees                                        | 0.89                        | 1.21                        |
| Debts/ advances/ deposits written off                  | 0.12                        | 0.81                        |
| Legal and professional expenses [refer note (b) below] | 38.40                       | 42.12                       |
| Provision for doubtful advances                        | 0.49                        | 1.03                        |
| Payments to auditors [refer note (a) below]            | 2.94                        | 4.09                        |
| Security services                                      | 8.17                        | 6.98                        |
| Miscellaneous expenses                                 | 40.63                       | 33.87                       |
|                                                        | <b>329.86</b>               | <b>361.03</b>               |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 32 Other expenses (cont'd)

| Particulars                                                                    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| (a) Details of auditors' remuneration and out-of-pocket expenses are as below: |                             |                             |
| Audit Fees (including Limited Reviews)                                         | 2.63                        | 2.36                        |
| Tax Audit Fees                                                                 | 0.16                        | 0.34                        |
| Fees for issuing various certificates                                          | 0.09                        | 1.33                        |
| Reimbursement of expenses                                                      | 0.06                        | 0.06                        |
| <b>Total</b>                                                                   | <b>2.94</b>                 | <b>4.09</b>                 |
| (b) Legal & Professional expenses include                                      |                             |                             |
| (i) Payment to cost auditor                                                    | 0.08                        | 0.08                        |

### 33 Exceptional Items

| Particulars                                                            | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Impairment loss on assets held for sale [refer note (a) below]         | -                           | (173.07)                    |
| Loss on repayment of Non-Convertible Debentures [refer note (b) below] | (49.62)                     | -                           |
|                                                                        | <b>(49.62)</b>              | <b>(173.07)</b>             |

- (a) During the previous year, the Parent Company has disposed off the factory land comprised in its Hindustan Heavy Chemicals ("HHC") unit that has been under suspension of work post requisite approvals. This was in accordance with the requirements of the debenture trust deed entered between the parent company and Vistra ITCL ('Debenture Trustee'), dated 10 March 2021, to sell of its non-core assets.

In view of the foregoing and as per the principles of Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations', the said land was classified in these financial statements as 'Assets held for sale' as on 31 March 2023 amounting to ₹ 60 crores and its value has been measured at the lower of its carrying value and fair value less costs to sell, which has resulted in a loss of ₹ 173.07 crores. The loss on such remeasurement was recognised and presented as an 'Exceptional item' in the Statement of Profit and Loss in the previous year ended March 31, 2023. During the current year the sale deed was executed and on receipt of full consideration, the asset disposal adjustment was made in the books of account.

| Particulars                                  | Year ended 31 March 2023 |
|----------------------------------------------|--------------------------|
| Gross carrying amount of asset held for sale | 233.07                   |
| Less: Allowance for impairment loss          | (173.07)                 |
| <b>Net carrying value</b>                    | <b>60.00</b>             |

- (b) During the current year, the Parent Company has repaid the entire 16,035 numbers of secured Listed Non-Convertible Debentures (NCDs) having a book value of ₹ 1,683.86 Crore on the date of redemption by availing new secured term loans from Financial Institutions bearing lower interest rates.

On repayment of the above mentioned NCDs before its scheduled final maturity date, the unamortised issue expenses and upfront interest amounting to ₹ 49.62 Crore has been charged off and presented as an 'Exceptional item' in the Statement of Profit and Loss.

### 34 Income tax

This note provides an analysis of the Group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 34 Income tax (cont'd)

#### (a) Income tax expense

| Particulars                                      | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| <i>Current tax</i>                               | -                           | -                           |
| Current tax on profits for the year              | -                           | -                           |
| Adjustments for current tax of prior periods     | -                           | -                           |
| <b>Total current tax expense</b>                 | -                           | -                           |
| <i>Deferred tax</i>                              |                             |                             |
| Decrease (increase) in deferred tax assets       | 120.48                      | (166.65)                    |
| (Decrease) increase in deferred tax liabilities  | (10.66)                     | (22.58)                     |
| <b>Total deferred tax expense/ (benefit) (*)</b> | <b>109.82</b>               | <b>(189.23)</b>             |
| <b>Total tax expense</b>                         | <b>109.82</b>               | <b>(189.23)</b>             |

#### NOTES:

(\*) Deferred tax expense (credit) amounting to ₹ 109.82 crores (31 March 2023: ₹ 189.23 crores), includes deferred tax loss ₹ 109.86 crores (31 March 2023: credit ₹ 190.53 crores) routed through Statement of Profit & Loss and deferred tax credit of ₹ 0.04 (31 March 2023: expense ₹ 1.30 crores) crores routed through OCI.

| Particulars              | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------|------------------------|------------------------|
| Deferred tax assets      | 613.45                 | 733.94                 |
| Deferred tax liabilities | (261.59)               | (272.26)               |
| <b>Closing Balance</b>   | <b>351.86</b>          | <b>461.68</b>          |

#### (b) Movement of deferred tax assets

##### A) Parent Company

| Particulars                                         | As at April<br>01, 2023 | Recognised<br>in Statement<br>of Profit and<br>Loss | Recognised<br>in Other<br>Comprehensive<br>Income | As at March<br>31, 2024 | Not<br>Recognised<br>due to<br>Uncertainty |
|-----------------------------------------------------|-------------------------|-----------------------------------------------------|---------------------------------------------------|-------------------------|--------------------------------------------|
| <b>A. Deferred tax assets</b>                       |                         |                                                     |                                                   |                         |                                            |
| Unabsorbed depreciation                             | 217.07                  | 9.76                                                | -                                                 | 226.83                  | 1.87                                       |
| Unabsorbed losses                                   | 117.01                  | 183.73                                              | -                                                 | 300.74                  | 177.48                                     |
| Amortisation of debenture interest                  | 19.82                   | (19.82)                                             | -                                                 | -                       | -                                          |
| Provision for doubtful debts                        | 11.29                   | (0.70)                                              | -                                                 | 10.59                   | -                                          |
| Provision for doubtful advances                     | 0.45                    | (0.45)                                              | -                                                 | 0.00                    | -                                          |
| Other provisions                                    | 288.78                  | (288.78)                                            | -                                                 | -                       | 2.68                                       |
| Items allowable for tax purpose on payment basis    | 13.60                   | (4.22)                                              | -                                                 | 9.38                    | -                                          |
| Others                                              | 12.83                   | (0.18)                                              | -                                                 | 12.65                   | -                                          |
|                                                     | <b>680.85</b>           | <b>(120.66)</b>                                     | -                                                 | <b>560.19</b>           | <b>182.02</b>                              |
| <b>B. Deferred tax liabilities</b>                  |                         |                                                     |                                                   |                         |                                            |
| Property, plant and equipment                       | 191.12                  | (17.08)                                             | -                                                 | 174.04                  | -                                          |
| Investments                                         | 16.00                   | (0.53)                                              | (0.04)                                            | 15.43                   | -                                          |
| Others                                              | 12.05                   | 6.81                                                | -                                                 | 18.86                   | -                                          |
|                                                     | <b>219.17</b>           | <b>(10.80)</b>                                      | <b>(0.04)</b>                                     | <b>208.33</b>           | -                                          |
| <b>Net deferred tax assets/ (liabilities) (A-B)</b> | <b>461.68</b>           | <b>(109.86)</b>                                     | <b>(0.04)</b>                                     | <b>351.86</b>           | <b>182.02</b>                              |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 34 Income tax (cont'd)

| Particulars                                         | As at April 01, 2022 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2023 | Not Recognised due to Uncertainty |
|-----------------------------------------------------|----------------------|--------------------------------------------|------------------------------------------|----------------------|-----------------------------------|
| <b>A. Deferred tax assets</b>                       |                      |                                            |                                          |                      |                                   |
| Unabsorbed depreciation                             | 217.32               | (0.25)                                     | -                                        | 217.07               | -                                 |
| Unabsorbed losses                                   | 126.54               | (9.53)                                     | -                                        | 117.01               | -                                 |
| Amortisation of debenture interest                  | -                    | 19.82                                      |                                          | 19.82                | -                                 |
| Provision for doubtful debts                        | 11.67                | (0.38)                                     | -                                        | 11.29                | -                                 |
| Provision for doubtful advances                     | 1.80                 | (1.35)                                     | -                                        | 0.45                 | -                                 |
| Other Provisions                                    | 133.87               | 154.91                                     | -                                        | 288.78               | -                                 |
| Items allowable for tax purpose on payment basis    | 20.40                | (7.28)                                     | 0.48                                     | 13.60                | -                                 |
| Others                                              | 3.28                 | 9.55                                       |                                          | 12.83                | -                                 |
|                                                     | <b>514.88</b>        | <b>165.49</b>                              | <b>0.48</b>                              | <b>680.85</b>        | -                                 |
| <b>B. Deferred tax liabilities</b>                  |                      |                                            |                                          |                      |                                   |
| Property, plant and equipment                       | 201.70               | (10.58)                                    | -                                        | 191.12               | -                                 |
| Investments                                         | 14.22                | -                                          | 1.78                                     | 16.00                | -                                 |
| Amortisation of Debenture interest                  | 17.41                | (17.41)                                    | -                                        | -                    | -                                 |
| Others                                              | 9.09                 | 2.96                                       | -                                        | 12.05                | -                                 |
|                                                     | <b>242.42</b>        | <b>(25.03)</b>                             | <b>1.78</b>                              | <b>219.17</b>        | -                                 |
| <b>Net deferred tax assets/ (liabilities) (A-B)</b> | <b>272.46</b>        | <b>190.52</b>                              | <b>(1.30)</b>                            | <b>461.68</b>        | -                                 |

### B) Subsidiary Company

| Particulars                                         | As at April 01, 2023 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2024 | Not Recognised due to Uncertainty |
|-----------------------------------------------------|----------------------|--------------------------------------------|------------------------------------------|----------------------|-----------------------------------|
| <b>A. Deferred tax assets</b>                       |                      |                                            |                                          |                      |                                   |
| Unabsorbed depreciation                             | -                    | -                                          | -                                        | -                    | 80.73                             |
| Unabsorbed losses                                   | 50.45                | 0.43                                       | -                                        | 50.88                | 156.00                            |
| Others                                              | 2.65                 | (0.26)                                     | -                                        | 2.39                 | -                                 |
|                                                     | <b>53.10</b>         | <b>0.17</b>                                | -                                        | <b>53.27</b>         | <b>236.73</b>                     |
| <b>B. Deferred tax liabilities</b>                  |                      |                                            |                                          |                      |                                   |
| Property, plant and equipment                       | 52.11                | 0.75                                       | -                                        | 52.86                | -                                 |
| Others                                              | 0.99                 | (0.58)                                     | -                                        | 0.41                 | -                                 |
|                                                     | <b>53.10</b>         | <b>0.17</b>                                | -                                        | <b>53.27</b>         | -                                 |
| <b>Net deferred tax assets/ (liabilities) (A-B)</b> | -                    | -                                          | -                                        | -                    | <b>236.73</b>                     |

| Particulars                   | As at April 01, 2022 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2023 | Not Recognised due to Uncertainty |
|-------------------------------|----------------------|--------------------------------------------|------------------------------------------|----------------------|-----------------------------------|
| <b>A. Deferred tax assets</b> |                      |                                            |                                          |                      |                                   |
| Unabsorbed depreciation       | -                    | -                                          | -                                        | -                    | 21.60                             |
| Unabsorbed losses             | 49.58                | 0.87                                       | -                                        | 50.45                | 54.24                             |
| Others                        | 2.86                 | (0.21)                                     | -                                        | 2.65                 | -                                 |
|                               | <b>52.44</b>         | <b>0.66</b>                                | -                                        | <b>53.10</b>         | <b>75.84</b>                      |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 34 Income tax (cont'd)

| Particulars                                         | As at April 01, 2022 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | As at March 31, 2023 | Not Recognised due to Uncertainty |
|-----------------------------------------------------|----------------------|--------------------------------------------|------------------------------------------|----------------------|-----------------------------------|
| <b>B. Deferred tax liabilities</b>                  |                      |                                            |                                          |                      |                                   |
| Property, plant and equipment                       | 51.83                | 0.28                                       | -                                        | 52.11                | -                                 |
| Others                                              | 0.61                 | 0.38                                       | -                                        | 0.99                 | -                                 |
|                                                     | 52.44                | 0.66                                       | -                                        | 53.10                | -                                 |
| <b>Net deferred tax assets/ (liabilities) (A-B)</b> | -                    | 0.00                                       | -                                        | 0.00                 | 75.84                             |

### (c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

#### (A) Parent Company

| Particulars                                               | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------------------------------|---------------------|---------------------|
| Loss before tax                                           | (221.81)            | (306.20)            |
| <b>Expected income tax @25.168 % (2022-23 : 25.168 %)</b> | <b>(55.83)</b>      | <b>(77.06)</b>      |
| Unabsorbed depreciation                                   | 1.87                | -                   |
| Impairment of Investment                                  | 159.95              | (156.12)            |
| Loss on Valuation of Property, Plant and Equipments       | -                   | 43.56               |
| Others                                                    | 3.87                | (0.91)              |
| <b>Total income tax expense/ (credit)</b>                 | <b>109.86</b>       | <b>(190.53)</b>     |

#### (B) Subsidiary Company

| Particulars                                                                             | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|
| Loss before tax                                                                         | (67.61)             | (78.62)             |
| <b>Expected income tax @ 29.12 % (2022-23 : 29.12 %)</b>                                | <b>(19.69)</b>      | <b>(22.89)</b>      |
| Tax losses for which no deferred tax was recognised                                     | 16.70               | 22.09               |
| Tax on Permanent Difference                                                             | 0.09                | 0.62                |
| Deferred tax liability on items routed through OCI included in unrecognised asset above | 2.90                | 0.18                |
| <b>Total</b>                                                                            | <b>-</b>            | <b>-</b>            |

(a) Unabsorbed depreciation does not have any expiry period.

(b) From financial year 2020-21 (AY 2021-22) and onwards, the parent company has opted the new tax regime as per the provisions of Section 115BAA of the Income Tax Act, 1961. Accordingly, reinstated brought forward business losses/ unabsorbed depreciation has been considered while computing deferred tax assets. However, the wholly owned Subsidiary has continued in the old tax regime.

(c) Deferred tax assets in respect of Subsidiary Company has been recognised to the extent of Deferred tax liabilities.

### 35 Earnings per equity share (EPS)

| Particulars                                                          |            | Year ended 31 March 2024 | Year ended 31 March 2023 |
|----------------------------------------------------------------------|------------|--------------------------|--------------------------|
| <b>(i) Basic -</b>                                                   |            |                          |                          |
| Number of equity shares at the beginning of the year                 |            | 31,06,63,663             | 24,40,24,163             |
| Number of equity shares at the end of the year                       |            | 31,06,63,663             | 31,06,63,663             |
| Weighted average number of equity shares outstanding during the year | <b>(A)</b> | 31,06,63,663             | 28,42,29,778             |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 35 Earnings per equity share (EPS) (cont'd)

| Particulars                                                          |       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| Nominal value of each equity Share (₹)                               |       | 10                          | 10                          |
| Loss for the year (₹)                                                | (B)   | (384.09)                    | (194.27)                    |
| Earnings per share (Basic) (₹)                                       | (B/A) | (12.36)                     | (6.83)                      |
| <b>(ii) Diluted</b>                                                  |       |                             |                             |
| Weighted average number of equity shares outstanding during the year | (C)   | 31,06,63,663                | 28,42,29,778                |
| Earnings per share (Diluted) (₹)                                     | (B/C) | (12.36)                     | (6.83)                      |

### 36 Contingent liabilities

| Particulars                                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Claims against the Group not acknowledged as debts:</b> |                        |                        |
| (i) Rates, Taxes, Duties etc. demanded by various Authorities  | 120.97                 | 163.58                 |
| (ii) Others                                                    | 0.02                   | 0.02                   |
| <b>(b) Income Tax matters</b>                                  | -                      | 2.22                   |
| <b>(c) Guarantees given</b>                                    |                        |                        |
| (i) to excise authorities                                      | 0.06                   | 0.06                   |
| <b>(d) Other Legal matters</b>                                 | 125.63                 | 125.63                 |
|                                                                | <b>246.69</b>          | <b>291.51</b>          |

#### Note:

- In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.
- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- The amounts disclosed above represent the best possible estimates arrived at on the basis of available information and do not include any penalty payable.
- During the previous year, the Parent Company received an arbitration award pertaining to a legal dispute with Mintech Global Private Limited which was challenged by both the parties and the matter which is sub judice is being adjudicated upon before the High Court at Kolkata. Based on the facts of the matter, supported by independent legal opinion obtained, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Parent Company in this respect of the aforementioned litigation and accordingly, no provision has been made in these Consolidated Financial Statement.

### 37 Capital and other commitments

| Particulars                                                                                                                                               | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Capital Commitments</b>                                                                                                                            |                        |                        |
| Estimated value of contracts in capital account remaining to be executed [net of advances [net of advances ₹ 4.83 crores (31 March 2023: ₹ 5.58 crores)]] | 30.89                  | 14.72                  |
|                                                                                                                                                           | <b>30.89</b>           | <b>14.72</b>           |

38 The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006. ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| Particulars                                                                                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 20.19                  | 14.10                  |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 38. Disclosures on MSMED (cont'd)

| Particulars                                                                                                                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end                                                   | 1.14                   | 2.93                   |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                      | -                      |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                      | -                      |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made                                               | -                      | -                      |
| Further interest remaining due and payable for earlier years                                                                                   | -                      | -                      |

#### Note:

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group

### 39. Leases

(a) The following is the break-up of current and non-current lease liabilities as at 31 March 2024:

| Particulars                  | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| Current lease liability*     | 2.20          | 2.07          |
| Non-current lease liability* | 0.75          | 1.89          |
|                              | <b>2.95</b>   | <b>3.96</b>   |

\* Primarily consists of leased plant and machinery and warehouses.

(b) The following is the movement in lease liabilities during the year ended 31 March 2024:

| Particulars                               | 31 March 2024 | 31 March 2023 |
|-------------------------------------------|---------------|---------------|
| Balance as at the beginning of the year   | 3.96          | 7.35          |
| Additions during the year                 | 1.45          | 2.92          |
| Finance cost accrued during the period    | 0.19          | 0.59          |
| Deletions                                 | 1.51          | 0.99          |
| Payment of lease liabilities and interest | 1.14          | 5.91          |
| Balance as at the end of the year         | <b>2.95</b>   | <b>3.96</b>   |

(c) Expense pertaining to leases which has been identified as short-term amounts to ₹ 22.38 crores (31 March 2023: ₹ 17.59 crores)

(d) Expense pertaining to leases which has been identified as low value amounts to ₹ 0.16 crores (31 March 2023: ₹ 0.09 crores)

(e) Contractual maturities of lease liabilities as at the end of the year, on an undiscounted basis:

| Particulars          | 31 March 2024 | 31 March 2023 |
|----------------------|---------------|---------------|
| Less than one year   | 2.32          | 2.23          |
| One to five years    | 0.88          | 1.30          |
| More than five years | -             | 8.61          |

### 40. Capital management

#### (a) Risk management

The capital structure of the Group consists of debt and equity attributable to equity shareholders of the Group which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 40. Capital management (cont'd)

The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

### 41. Financial instruments - fair values and risk management

The sources of risks that the Group is exposed to and their management is given below:

| Risk                        | Exposure Arising From                                              | Measurement                                    | Management                                      |
|-----------------------------|--------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------|
| <b>i) Market Risk</b>       |                                                                    |                                                |                                                 |
| A) Foreign Currency Risk    | Committed commercial transaction                                   | Cash Flow Forecasting Sensitivity Analysis     | (a) Forward foreign exchange contracts          |
|                             | Financial asset and Liabilities not denominated in local currency  |                                                | (b) Foreign currency options                    |
| B) Interest Rate Risk       | Long Term Borrowings at variable rates                             | Sensitivity Analysis, Interest rate movements  | Interest Rate swaps, Coupon only swaps          |
| C) Commodity Risk           | Movement in prices of commodities mainly Thermal Coal and Pet Coke | Sensitivity Analysis, Commodity price tracking | Commodity Fixed Prices                          |
| <b>ii) Credit Risk</b>      | Trade receivables, Investments, Loans and Bank balances            | Ageing analysis, Credit Rating                 | (a) Credit limit & credit worthiness monitoring |
|                             |                                                                    |                                                | (b) Criteria based approval process             |
| <b>iii) Liquidity Risks</b> | Borrowings and Other Liabilities                                   | Rolling cash flow forecasts                    | Adequate borrowing facilities                   |

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

### Financial instruments by category

| Particulars                        | 31 March, 2024 |              |                 | Total Carrying Value | Total Fair Value |
|------------------------------------|----------------|--------------|-----------------|----------------------|------------------|
|                                    | FVPL           | FVOCI        | Amortised cost  |                      |                  |
| <b>Financial assets</b>            |                |              |                 |                      |                  |
| Cash and cash equivalents          | -              | -            | 94.45           | 94.45                | 94.45            |
| Other bank balances                | -              | -            | 89.55           | 89.55                | 89.55            |
| Trade receivables                  | -              | -            | 468.10          | 468.10               | 468.10           |
| Loans                              | -              | -            | 0.03            | 0.03                 | 0.03             |
| Investments                        | -              | 80.35        | -               | 80.35                | 80.35            |
| Other financial assets             | -              | -            | 91.08           | 91.08                | 91.08            |
| <b>Total financial assets</b>      | -              | <b>80.35</b> | <b>743.21</b>   | <b>823.56</b>        | <b>823.56</b>    |
| <b>Financial liabilities</b>       |                |              |                 |                      |                  |
| Borrowings                         | -              | -            | 2,267.30        | 2,267.30             | 2,267.30         |
| Trade and other payables           | -              | -            | 622.85          | 622.85               | 622.85           |
| Lease Liability                    | -              | -            | 2.95            | 2.95                 | 2.95             |
| Other financial liabilities        | -              | -            | 217.22          | 217.22               | 217.22           |
| <b>Total financial liabilities</b> | -              | -            | <b>3,110.32</b> | <b>3,110.32</b>      | <b>3,110.32</b>  |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 41. Financial instruments - fair values and risk management (cont'd)

| Particulars                        | 31 March, 2023 |              |                 | Total Carrying Value | Total Fair Value |
|------------------------------------|----------------|--------------|-----------------|----------------------|------------------|
|                                    | FVPL           | FVOCI        | Amortised cost  |                      |                  |
| <b>Financial assets</b>            |                |              |                 |                      |                  |
| Cash and cash equivalents          | -              | -            | 53.69           | 53.69                | 53.69            |
| Other bank balances                | -              | -            | 56.28           | 56.28                | 56.28            |
| Trade receivables                  | -              | -            | 372.13          | 372.13               | 372.13           |
| Loans                              | -              | -            | 63.47           | 63.47                | 63.47            |
| Investments                        | -              | 82.22        | 0.01            | 82.23                | 82.23            |
| Other financial assets             | -              | -            | 113.12          | 113.12               | 113.12           |
| <b>Total financial assets</b>      | -              | <b>82.22</b> | <b>658.70</b>   | <b>740.92</b>        | <b>740.92</b>    |
| <b>Financial liabilities</b>       |                |              |                 |                      |                  |
| Borrowings                         | -              | -            | 1,934.06        | 1,934.06             | 1,934.06         |
| Trade and other payables           | -              | -            | 545.18          | 545.18               | 545.18           |
| Lease Liability                    | -              | -            | 3.96            | 3.96                 | 3.96             |
| Other financial liabilities        | -              | -            | 199.86          | 199.86               | 199.86           |
| <b>Total financial liabilities</b> | -              | -            | <b>2,683.06</b> | <b>2,683.06</b>      | <b>2,683.06</b>  |

#### A Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Group's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

| Particulars                   | 31 March, 2024 |         |              |              |
|-------------------------------|----------------|---------|--------------|--------------|
|                               | Level 1        | Level 2 | Level 3      | Total        |
| <b>Financial assets:</b>      |                |         |              |              |
| Investments                   | -              | -       | 80.35        | 80.35        |
|                               | -              | -       | <b>80.35</b> | <b>80.35</b> |
| <b>Financial liabilities:</b> |                |         |              |              |
| Borrowings                    | -              | -       | -            | -            |
|                               | -              | -       | -            | -            |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 41. Financial instruments - fair values and risk management (cont'd)

| Particulars                   | 31 March, 2023 |         |         |       |
|-------------------------------|----------------|---------|---------|-------|
|                               | Level 1        | Level 2 | Level 3 | Total |
| <b>Financial assets:</b>      |                |         |         |       |
| Investments                   | -              | -       | 82.23   | 82.23 |
|                               | -              | -       | 82.23   | 82.23 |
| <b>Financial liabilities:</b> |                |         |         |       |
| Borrowings                    | -              | -       | -       | -     |
|                               | -              | -       | -       | -     |

#### B Valuation technique used to determine fair value

- The Group does not have any exposure in derivatives.
- Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Group has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.
- The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- Market values in cases of some quoted and unquoted investments are not available, hence the fair value has been considered as market values in such cases

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.
- achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

#### C Risk management

##### (i) Credit risk

The Group takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum exposure to credit risk of the Group has been listed below:

| Particulars            | 31 March, 2024 | 31 March, 2023 |
|------------------------|----------------|----------------|
| Trade receivables      | 468.10         | 372.13         |
| Loan                   | 0.03           | 63.47          |
| Other financial assets | 91.08          | 113.12         |
| <b>Total</b>           | <b>559.21</b>  | <b>548.72</b>  |

Other financial assets as stated above are due from the parties under normal course of the business and as such the Group believes exposure to credit risk to be minimal.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 41. Financial instruments - fair values and risk management (cont'd)

#### (a) Trade and other receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits as per the internal credit policy. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Group's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31 March 2024.

The Group is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

| Particulars                                       | 31 March, 2024 | 31 March, 2023 |
|---------------------------------------------------|----------------|----------------|
| Opening balance                                   | 11.32          | 11.01          |
| Charge in statement of profit and loss            | 0.50           | -              |
| Charge/ (Release) to statement of profit and loss | -              | -              |
| Utilised/ (reversal) during the year              | (2.81)         | 0.31           |
| Balance at the end of the year                    | 9.01           | 11.32          |

#### (ii) Liquidity risk

Liquidity risk refers to that risk where the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

#### (a) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities<br>31 March, 2024 | Less than 1 year | 3 - 5 years     | More than 5 years | Total           |
|-------------------------------------------------------------------|------------------|-----------------|-------------------|-----------------|
| <b>Non-derivatives</b>                                            |                  |                 |                   |                 |
| Borrowings (including interest obligations)                       | 319.96           | 1,787.95        | 1,264.82          | 3,372.73        |
| Lease Liability                                                   | 2.32             | 0.88            | -                 | 3.21            |
| Other financial liabilities                                       | 136.29           | -               | 80.93             | 217.22          |
| Trade payables                                                    | 622.85           | -               | -                 | 622.85          |
| <b>Total non-derivative financial liabilities</b>                 | <b>1,081.42</b>  | <b>1,788.83</b> | <b>1,345.75</b>   | <b>4,216.00</b> |

| Contractual maturities of financial liabilities<br>31 March, 2023 | Less than 1 year | 3 - 5 years | More than 5 years | Total    |
|-------------------------------------------------------------------|------------------|-------------|-------------------|----------|
| <b>Non-derivatives</b>                                            |                  |             |                   |          |
| Borrowings (including interest obligations)                       | 375.73           | 2,228.52    | 170.35            | 2,774.60 |
| Lease Liability                                                   | 2.23             | 1.30        | 8.61              | 12.15    |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 41. Financial instruments - fair values and risk management (cont'd)

| Contractual maturities of financial liabilities<br>31 March, 2023 | Less than 1 year | 3 - 5 years     | More than 5 years | Total           |
|-------------------------------------------------------------------|------------------|-----------------|-------------------|-----------------|
| Other financial liabilities                                       | 117.47           | -               | 82.39             | 199.86          |
| Trade payables                                                    | 545.18           | -               | -                 | 545.18          |
| <b>Total non-derivative financial liabilities</b>                 | <b>1,040.60</b>  | <b>2,229.83</b> | <b>261.35</b>     | <b>3,531.79</b> |

#### (iii) Market risk

##### (a) Foreign currency risk

The Group deals with foreign currency receivables etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

##### Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

##### As at 31 March, 2024

| Particulars                                  | USD (in Crores)            |                          | EUR (in Crores)            |                          | DKK (in Crores)            |                          |
|----------------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                                              | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency |
| <b>Financial assets</b>                      |                            |                          |                            |                          |                            |                          |
| Trade receivables                            | 0.01                       | 1.00                     | -                          | -                        | -                          | -                        |
| Advance to Vendors                           | -                          | -                        | -                          | -                        | -                          | -                        |
| <b>Financial liabilities</b>                 |                            |                          |                            |                          |                            |                          |
| Trade payables                               | -                          | -                        | -                          | -                        | -                          | -                        |
| Borrowings                                   | -                          | -                        | -                          | -                        | -                          | -                        |
| <b>Net exposure to foreign currency risk</b> | <b>0.01</b>                | <b>1.00</b>              | <b>-</b>                   | <b>-</b>                 | <b>-</b>                   | <b>-</b>                 |

##### As at 31 March, 2023

| Particulars                                  | USD (in Crores)            |                          | EUR (in Crores)            |                          | DKK (in Crores)            |                          |
|----------------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
|                                              | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency |
| <b>Financial assets</b>                      |                            |                          |                            |                          |                            |                          |
| Trade receivables                            | -                          | -                        | -                          | -                        | -                          | -                        |
| Advance to Vendors                           | 0.05                       | 3.79                     | 0.01                       | 0.50                     | 0.02                       | 0.22                     |
| <b>Financial liabilities</b>                 |                            |                          |                            |                          |                            |                          |
| Trade payables                               | -                          | -                        | -                          | -                        | -                          | -                        |
| Borrowings                                   | -                          | -                        | -                          | -                        | -                          | -                        |
| <b>Net exposure to foreign currency risk</b> | <b>0.05</b>                | <b>3.79</b>              | <b>0.01</b>                | <b>0.50</b>              | <b>0.02</b>                | <b>0.22</b>              |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 41. Financial instruments - fair values and risk management (cont'd)

#### (a) Foreign currency risk (cont'd)

##### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars                                     | Impact on profit before tax/ equity |                |
|-------------------------------------------------|-------------------------------------|----------------|
|                                                 | 31 March, 2024                      | 31 March, 2023 |
| <b>USD sensitivity</b>                          |                                     |                |
| INR/USD appreciates by 5% (31 March 2022 - 5%)@ | (0.05)                              | (0.19)         |
| INR/USD depreciates by 5% (31 March 2022 - 5%)@ | 0.05                                | 0.19           |
| <b>EUR sensitivity</b>                          |                                     |                |
| INR/EUR appreciates by 5% (31 March 2022 - 5%)@ | -                                   | (0.03)         |
| INR/EUR depreciates by 5% (31 March 2022 - 5%)@ | -                                   | 0.03           |
| <b>DKK sensitivity</b>                          |                                     |                |
| INR/DKK appreciates by 5% (31 March 2022 - 5%)@ | -                                   | (0.03)         |
| INR/DKK depreciates by 5% (31 March 2022 - 5%)@ | -                                   | 0.03           |
| <b>GBP sensitivity</b>                          |                                     |                |
| INR/EUR appreciates by 5% (31 March 2021 - 5%)@ | -                                   | (0.01)         |
| INR/EUR depreciates by 5% (31 March 2021 - 5%)@ | -                                   | 0.01           |

@ Holding all other variables constant

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31 March 2024 and 31 March 2023, the Group's borrowings at variable rate were mainly denominated in INR.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (a) Interest rate risk exposure

##### On Financial Liabilities:

The exposure of the Group's financial liabilities to interest rate risk is as follows:

| Particulars              | 31 March, 2024  | 31 March, 2023  |
|--------------------------|-----------------|-----------------|
| Fixed rate borrowings    | 122.90          | 1,862.40        |
| Variable rate borrowings | 2,087.14        | 55.31           |
| <b>Total borrowings*</b> | <b>2,210.04</b> | <b>1,917.71</b> |

\* Borrowings excluding accrued interest

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 41. Financial instruments - fair values and risk management (cont'd)

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

| Particulars                                                    | Impact on profit before tax/ equity |                |
|----------------------------------------------------------------|-------------------------------------|----------------|
|                                                                | 31 March, 2024                      | 31 March, 2023 |
| Interest expense rates – increase by 50 basis points (50 bps)# | (10.44)                             | (0.28)         |
| Interest expense rates – decrease by 50 basis points (50 bps)# | 10.44                               | 0.28           |

# Holding all other variables constant

#### (iii) Price risk

##### (a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. In general, these investments are not held for trading purposes.

The exposure from investments held by the Group to price risk is as follows:

| Particulars          | 31 March, 2024 | 31 March, 2023 |
|----------------------|----------------|----------------|
| Investment in others | 17.74          | 27.10          |

##### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Group's equity

| Particulars               | Impact on equity |                |
|---------------------------|------------------|----------------|
|                           | 31 March, 2024   | 31 March, 2023 |
| Share price - Increase 5% | 0.89             | 1.36           |
| Share price - Decrease 5% | (0.89)           | (1.36)         |

### 42. Segment Reporting

The Group's organizational structure and governance processes are designed to support effective management of Cement and Rayon, TP and chemicals, the two business segments of the Group, with equal focus on all. The two Segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors which is the Chief Operating Decision Maker (CODM).

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs/ income, non – operating expenses and exceptional items are not allocated to individual segment.

Segment assets/ liabilities comprise assets/ liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, right of use assets, capital work-in-progress, intangibles, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

The reporting segments of the Group are as below:

**Cement:** This covers the sale of cement. The Group operates its cement business under the name, 'Birla Shakti Cement'.

**Rayon, TP and chemicals:** This covers sale of viscose rayon, transparent paper and filament yarn. The Group operates this business under the name, 'Kesoram Rayon'.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 42. Segment Reporting (cont'd)

Summary of the segmental information for the year ended and as of 31 March, 2024 is as follows:

| Particulars                                                                               | Cement          | Rayon, TP and chemicals | Total           |
|-------------------------------------------------------------------------------------------|-----------------|-------------------------|-----------------|
| <b>Segment Revenue</b>                                                                    |                 |                         |                 |
| Revenue                                                                                   | 3,740.48        | 246.40                  | 3,986.88        |
|                                                                                           | <b>3,740.48</b> | <b>246.40</b>           | <b>3,986.88</b> |
| Segment Results [Profit/ (Loss) before interest and tax and exceptional items]            | 288.27          | (24.38)                 | 263.89          |
| Finance cost                                                                              |                 |                         | (488.50)        |
| Exceptional items (refer note 33)                                                         |                 |                         | (49.62)         |
| <b>Profit/ (Loss) Before Tax</b>                                                          |                 |                         | <b>(274.23)</b> |
| Segment Assets                                                                            | 2,816.93        | 559.19                  | 3,376.12        |
| Segment Liabilities                                                                       | 2,970.98        | 310.32                  | 3,281.30        |
| Segment Capital Expenditure                                                               | 91.53           | 2.51                    | 94.03           |
| Segment Depreciation and amortisation                                                     | 115.28          | 21.61                   | 136.89          |
| Non cash expenditure other than depreciation and amortisation included in segment expense |                 |                         | (11.48)         |

Summary of the segmental information for the year ended and as of 31<sup>st</sup> March, 2023 is as follows:

| Particulars                                                                               | Cement          | Rayon, TP and chemicals | Total           |
|-------------------------------------------------------------------------------------------|-----------------|-------------------------|-----------------|
| <b>Segment Revenue</b>                                                                    |                 |                         |                 |
| Revenue                                                                                   | 3,533.75        | 244.30                  | 3,778.05        |
|                                                                                           | <b>3,533.75</b> | <b>244.30</b>           | <b>3,778.05</b> |
| Segment Results [Profit/ (Loss) before interest and tax and exceptional items]            | 273.41          | (35.11)                 | 238.30          |
| Finance cost                                                                              |                 |                         | (450.03)        |
| Exceptional items (refer note 33)                                                         |                 |                         | (173.07)        |
| <b>Profit/ (Loss) Before Tax</b>                                                          |                 |                         | <b>(384.80)</b> |
| Segment Assets                                                                            | 2,825.30        | 609.69                  | 3,434.99        |
| Segment Liabilities                                                                       | 2,646.87        | 314.94                  | 2,961.81        |
| Segment Capital Expenditure                                                               | 70.68           | 1.97                    | 72.66           |
| Segment Depreciation and amortisation                                                     | 81.57           | 20.95                   | 102.52          |
| Non cash expenditure other than depreciation and amortisation included in segment expense |                 |                         | (48.08)         |

### Geographical information

(a) Revenue from external customers:

| Particulars                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------------|-----------------------------|-----------------------------|
| India (i.e. entity's country of domicile) | 3,983.41                    | 3,776.78                    |
| Others                                    | 3.47                        | 1.27                        |
|                                           | <b>3,986.88</b>             | <b>3,778.05</b>             |

# Beyond Work



# Engineers and Technician Meet



## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

- 43 (a) The Board of Directors ("the Board") of the Parent Company at its meeting held on, November 30, 2023 has approved a Scheme of Arrangement ("the Proposed Scheme") under Sections 230-232 of the Companies Act, 2013 between Kesoram Industries Limited ("Company") and UltraTech Cement Limited ("the Resulting Company") with the appointed date being April 1, 2024. The Proposed Scheme involves demerger of the cement business from the Parent Company and is subject to the shareholders and various regulatory approvals. Pending such approvals, no effect of the Proposed Scheme has been considered in the books of account.
- (b) During the previous year, the Board of Directors ("the Board") of the Parent Company had approved a Scheme of Arrangement ("the Proposed Scheme") under Sections 230-232 of the Companies Act, 2013 between Kesoram Industries Limited ("Company") and Cygnet Industries Limited ("wholly-owned subsidiary" or "Cygnet") with the appointed date being 1 April, 2022. However, the scheme was withdrawn during the current financial year.
- 44 As per Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with reference to use of accounting software by the Group for maintaining its books of accounts, the Group, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, the audit trail has been preserved by the Group as per the statutory requirements for record retention. Furthermore, the management has ensured control over maintenance and monitoring of audit trail and its features are designed and operating effectively, except for the following :
- (i) The audit trail feature in the accounting software used for maintenance of master records i.e Vendor Master, Customer Master, Freight Master etc. of the Group did not operate throughout the year.
  - (ii) The audit trail feature was not enabled at the database level for the accounting software to log any direct data changes.

However, the Parent Company has access to the database through a system support agency who maintain the checks and trail of any request received from the company for updating the database. The Parent Company is in the process of activation of audit trail features at the database level. In case of Subsidiary, the audit trail has been maintained in compliance with the statutory requirements.

### 45 Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

#### A. List of Related Parties and relationship

##### I) Joint Venture

Gondkhari Coal Mining Limited

##### II) Post Retirement Benefit Plan

B.K. Birla Group of Companies Provident Fund Institution.

Birla Industries Provident Fund Institution.

KICM Gratuity Fund

Kesoram Superannuation Fund

##### III) Key Management Personnel/ Directors

Smt. Manjushree Khaitan [Chairman]

Mr. P Radhakrishnan [Whole Time Director & CEO]

Mr. Rohit Shah [Chief Financial Officer]

Mr. Gautam Ganguli [Company Secretary]

Mrs. Mangala Radhakrishna Prabhu [Independent Director]

Mr. Satish Narain Jajoo [Independent Director]

Mr. Lee Seow Chuan [Independent Director]

Ms. Jikyeong Kang [Non-Independent Director]

Mr. Kashi Prasad Khandelwal [Independent Director]

Mr. Sudip Banerjee [Independent Director]

Mr. Raj Kumar Burman [Chief Financial Officer-Subsidiary]

Mrs. Ankita Agarwal [Company Secretary-Subsidiary]

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 45. Related party disclosures (cont'd)

#### IV) Others

##### A. Entity controlled or jointly controlled by the Key Management Personnel:

MSK Travels and Tours Limited  
Umang Commercial Pvt Ltd (erstwhile Aditya Marketing & Manufacturing Private Limited)  
Arbela Trading and Services Private Limited  
Usinara Trading and Services Private Limited  
BTRL Limited (erstwhile Birla Tyre Radials Limited)

##### B. One entity is an associate of the other entity (or an associate of a group of which the other entity is a member)

Manav Investment & Trading Co Ltd & its subsidiaries

##### B. The following transactions were carried out with the related parties in the ordinary course of business:

| Nature of Transaction/ Relationship                  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Rent Received:</b>                                |                             |                             |
| Others                                               | 0.01                        | 0.00                        |
| <b>Provident Fund Contribution</b>                   |                             |                             |
| Post Retirement Benefit Plan                         | 14.89                       | 11.35                       |
| <b>Gratuity Claimed</b>                              |                             |                             |
| Post Retirement Benefit Plan                         | 4.73                        | 23.62                       |
| <b>Gratuity Contribution</b>                         |                             |                             |
| Post Retirement Benefit Plan                         | 3.62                        | (0.14)                      |
| <b>Superannuation Contribution</b>                   |                             |                             |
| Post Retirement Benefit Plan                         | -                           | 0.00                        |
| <b>Receipt from Superannuation Fund</b>              |                             |                             |
| Post Retirement Benefit Plan                         | 0.08                        | 1.31                        |
| <b>Upkeep, Rent, Electricity, Generator facility</b> |                             |                             |
| Others                                               | 0.37                        | 0.37                        |
| <b>Tour &amp; Travel Services</b>                    |                             |                             |
| Others                                               | 6.66                        | 1.08                        |
| <b>Receipt of ICD</b>                                |                             |                             |
| Manav Investment and Trading Company Limited         | -                           | 60.00                       |
| <b>Repayment of ICD</b>                              |                             |                             |
| Manav Investment and Trading Company Limited         | -                           | 60.00                       |
| Others                                               | 1.11                        | -                           |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 45. Related party disclosures (cont'd)

| Nature of Transaction/ Relationship                                        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Issue of 5% Non-Convertible Cumulative Redeemable Preference Shares</b> |                             |                             |
| Manav Investment and Trading Company Limited                               | -                           | 90.00                       |
| <b>Interest Expense</b>                                                    |                             |                             |
| Others                                                                     | -                           | 0.81                        |
| <b>Dividend</b>                                                            |                             |                             |
| Others                                                                     | 4.50                        | 1.31                        |
| <b>Interest Income</b>                                                     |                             |                             |
| Others                                                                     | 0.07                        | 0.12                        |
| <b>Interest Received</b>                                                   |                             |                             |
| Others                                                                     | 0.07                        | -                           |
| <b>Expenditure-Other Services</b>                                          |                             |                             |
| Others                                                                     | 5.46                        | 1.67                        |

### (B) Outstanding balances

| Particulars                                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--------------------------------------------------------|------------------------|------------------------|
| <b>Payable:</b>                                        |                        |                        |
| Others                                                 | 0.38                   | 0.07                   |
| Post retirement benefit plan                           | (0.03)                 | 0.60                   |
| <b>Loan Receivable- Unsecured, repayable on demand</b> |                        |                        |
| Joint Venture **                                       | -                      | 6.17                   |
| <b>Interest Payable</b>                                |                        |                        |
| Others                                                 | 1.26                   | 1.26                   |
| <b>Interest Receivable</b>                             |                        |                        |
| Joint Venture                                          | -                      | 0.62                   |
| <b>Dividend Payable</b>                                |                        |                        |
| Others                                                 | 5.81                   | 1.31                   |
| <b>Advance Receivable</b>                              |                        |                        |
| Joint Venture                                          | -                      | 0.32                   |
| <b>Redeemable Preference Shares Outstanding</b>        |                        |                        |
| Others                                                 | 34.90                  | 32.61                  |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 45. Related party disclosures (cont'd)

#### (C) Compensation of KMP of the Group

- (i) The following transactions were carried out with the KMP in the ordinary course of business.

During the year, the Parent Company recognised an amount of ₹ 9.99 crore (31 March 2023: ₹ 9.48 crores ) as remuneration to key managerial personnel. The details of such remuneration is as below:

| Particulars                            | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------|------------------------|------------------------|
| Remuneration                           | 9.84                   | 9.30                   |
| Post employment benefits               | 0.15                   | 0.18                   |
| <b>Total employee benefits expense</b> | <b>9.99</b>            | <b>9.48</b>            |

| Particulars               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---------------------------|-----------------------------|-----------------------------|
| Sitting fees to Director  | 0.88                        | 1.20                        |
| Reimbursement of Expenses | 0.18                        | 0.04                        |

- (ii) Outstanding balances

| Particulars  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------|-----------------------------|-----------------------------|
| Remuneration | 0.43                        | 0.35                        |
|              | <b>0.43</b>                 | <b>0.35</b>                 |

\* Amount is below the rounding off norm adopted by the Group

### 46 Statement of net assets, and profit or loss attributable to owners and non-controlling interest

| Name of the entity         | 2023-24      |                                   |                     |                                            |                            |                                                   |                            |                                                   |
|----------------------------|--------------|-----------------------------------|---------------------|--------------------------------------------|----------------------------|---------------------------------------------------|----------------------------|---------------------------------------------------|
|                            | Net Assets   | As a % of consolidated net assets | Net Profit / (Loss) | As a % of consolidated net Profit / (Loss) | Other comprehensive income | As a % of consolidated other comprehensive income | Total comprehensive income | As a % of consolidated total comprehensive income |
| <b>Holding Group</b>       | 317.35       | 334.70%                           | (331.67)            | 86.35%                                     | 0.79                       | 13.81%                                            | (330.88)                   | 87.45%                                            |
| Kesoram Industries Limited |              |                                   |                     |                                            |                            |                                                   |                            |                                                   |
| <b>Subsidiary</b>          | 68.46        | 72.20%                            | (67.61)             | 17.60%                                     | 4.93                       | 86.19%                                            | (62.68)                    | 16.57%                                            |
| Cygnnet Industries Limited |              |                                   |                     |                                            |                            |                                                   |                            |                                                   |
| Total Eliminations         | (291.00)     | -306.91%                          | 15.19               | -3.95%                                     | -                          | 0.00%                                             | 15.19                      | -4.01%                                            |
| <b>Total</b>               | <b>94.82</b> | <b>100.00%</b>                    | <b>(384.09)</b>     | <b>100.00%</b>                             | <b>5.72</b>                | <b>100.00%</b>                                    | <b>(378.37)</b>            | <b>100.00%</b>                                    |

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in ₹ crores, except otherwise stated)

### 46 Statement of net assets, and profit or loss attributable to owners and non-controlling interest (cont'd)

| Name of the entity         | 2022-23       |                                   |                     |                                            |                            |                                                   |                            |                                                   |
|----------------------------|---------------|-----------------------------------|---------------------|--------------------------------------------|----------------------------|---------------------------------------------------|----------------------------|---------------------------------------------------|
|                            | Net Assets    | As a % of consolidated net assets | Net Profit / (Loss) | As a % of consolidated net Profit / (Loss) | Other comprehensive income | As a % of consolidated other comprehensive income | Total comprehensive income | As a % of consolidated total comprehensive income |
| <b>Holding Group</b>       | 648.23        | 136.99%                           | (115.67)            | 59.54%                                     | 5.19                       | 117.42%                                           | (110.48)                   | 58.19%                                            |
| Kesoram Industries Limited |               |                                   |                     |                                            |                            |                                                   |                            |                                                   |
| <b>Subsidiary</b>          | 131.17        | 27.72%                            | (78.62)             | 40.46%                                     | (0.77)                     | -17.42%                                           | (79.39)                    | 41.82%                                            |
| Cygnat Industries Limited  |               |                                   |                     |                                            |                            |                                                   |                            |                                                   |
| Total Eliminations         | (306.22)      | -64.71%                           | 0.02                | -0.01%                                     | -                          | 0.00%                                             | 0.02                       | -0.01%                                            |
| <b>Total</b>               | <b>473.19</b> | <b>100.00%</b>                    | <b>(194.27)</b>     | <b>100.00%</b>                             | <b>4.42</b>                | <b>100.00%</b>                                    | <b>(189.85)</b>            | <b>100.00%</b>                                    |

### 47 Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding have been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any charge or satisfaction of charge, which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group has not traded or invested in crypto-currency or virtual currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a. 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
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).
- (vii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Group has no transactions with any struck off companies during the current financial year.

## Summary of material accounting policies and notes to the Consolidated Financial Statements for the year ended 31 March, 2024

- 48 The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Group. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment ('the Ministry') has released draft rules for the Code on November 13, 2020. The Group will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.
- 49 Figures for the previous year have been regrouped/ reclassified wherever necessary to confirm to current period's classification.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors

**Kesoram Industries Limited**

**Manoj Kumar Gupta**

Partner

Membership No.: 083906

**Manjushree Khaitan**

Chairman

DIN: 00055898

**P Radhakrishnan**

Whole-time Director and Chief Executive Officer

DIN: 08284551

**Kashi Prasad Khandelwal**

Independent Director

DIN: 00748523

**Sudip Banerjee**

Independent Director

DIN: 05245757

**Lee Seow Chuan**

Independent Director

DIN: 02696217

**Jikyeong Kang**

Non-Independent Director

DIN: 08045661

Place: Kolkata

Date: 22 April 2024

**Mangala Radhakrishna Prabhu**

Independent Director

DIN: 06450659

**Satish Narain Jajoo**

Independent Director

DIN: 07524333

**Gautam Ganguli**

Company Secretary

**Rohit Shah**

Chief Financial Officer



## KESORAM INDUSTRIES LIMITED

CIN: L17119WB1919PLC003429  
Registered Office: 8<sup>th</sup> Floor, Birla Building, 9/1, R. N. Mukherjee Road, Kolkata – 700 001  
Ph.: +91-33-22435453/ 22429454/ 22135121  
Website: www.kesocorp.com; E-mail: corporate@kesoram.com, shareddepartment@kesoram.com



### ATTENDANCE SLIP

#### 105<sup>th</sup> ANNUAL GENERAL MEETING ON 9<sup>th</sup> JULY, 2024

|                                              |   |
|----------------------------------------------|---|
| 1. Name of the Member(s)                     | : |
| 2. Registered Address                        | : |
| 3. E-mail ID                                 | : |
| 4. Registered Folio/<br>DP ID & Client ID No | : |
| 5. No. of Equity Share(s) held               | : |

I/ We hereby record my/our presence at the 105<sup>th</sup> Annual General Meeting of the Company held on Tuesday, the 9<sup>th</sup> July, 2024 at 11.30 A.M. at Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017

Member's/ Proxy's name in Block Letters

Member's/ Proxy's Signature

**Note:** Please complete the Name, Address and Folio/ DP ID & Client ID No., sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

| ELECTRONIC VOTING PARTICULARS  |         |          |
|--------------------------------|---------|----------|
| EVEN (E - Voting Event Number) | User ID | Password |
|                                |         |          |

**Note:** Please read carefully the instructions printed under the Note No. 14 to the Notice of 105<sup>th</sup> Annual General Meeting dated 22<sup>nd</sup> April, 2024. The e-Voting period starts from 9:00 A.M. on 5<sup>th</sup> July, 2024 and ends at 5:00 P.M. on 8<sup>th</sup> July, 2024. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.

..... Please cut here and bring the above attendance slip to the Meeting Hall .....

## KESORAM INDUSTRIES LIMITED



CIN: L17119WB1919PLC003429  
Registered Office: 8<sup>th</sup> Floor, Birla Building, 9/1, R. N. Mukherjee Road, Kolkata – 700 001  
Ph.: +91-33-22435453/ 22429454/ 22135121  
Website: www.kesocorp.com; E-mail: corporate@kesoram.com, shareddepartment@kesoram.com



### PROXY FORM (FORM No. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

#### 105<sup>th</sup> ANNUAL GENERAL MEETING ON 9<sup>th</sup> JULY, 2024

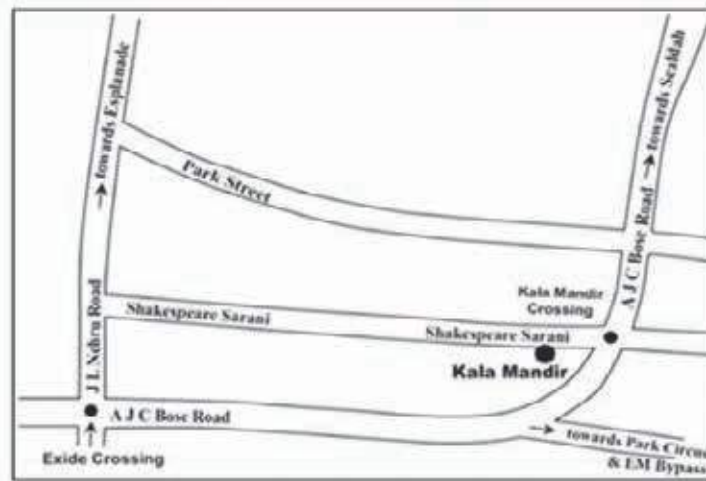
|                                              |   |
|----------------------------------------------|---|
| 1. Name of the Member(s)                     | : |
| 2. Registered Address                        | : |
| 3. E-mail ID                                 | : |
| 4. Registered Folio/<br>DP ID & Client ID No | : |
| 5. No. of Equity Share(s) held               | : |

I/ We, being the member(s) of.....shares of the above named Company, 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 :.....Or failing him/ her |

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 105<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 9<sup>th</sup> day of July, 2024 at 11.30 A.M. at Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of such resolutions as indicated overleaf:

**Route Map of AGM Venue**  
**Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700017**



**Route Map**

| Resolution No. | Resolution Proposed                                                                                                                            | Please tick (✓) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1.             | Adoption of Annual Financial Statements and Reports of Directors & Auditors thereon for the year ended 31 <sup>st</sup> March, 2024            |                 |
| 2.             | To appoint a Director in place of Jikyeong Kang (DIN: 08045661), who retires by rotation and being eligible, offers herself for re-appointment |                 |
| 3.             | Ratification of Remuneration of Cost Auditor                                                                                                   |                 |
| 4.             | Appointment of Rashmi Bihani as an Independent Director                                                                                        |                 |

Signed this ..... day of ....., 2024  
 Folio / DP ID / Client ID ..... Signature of Shareholder(s) .....  
 Signature of Proxyholder(s) .....

Affix  
Revenue  
Stamp

- Notes :
1. This form of proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the Annual General Meeting dated 22<sup>nd</sup> April, 2024.
  3. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Paid up Share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the Paid up Share Capital of the Company, then such proxy shall not act as a proxy for any other person or Member.



KESORAM INDUSTRIES LTD.  
[kesocorp.com](http://kesocorp.com)