

KIL/SE/Reg. 34/2022-2023

Dated: May 18, 2022

BSE Ltd. First Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001	National Stock Exchange of India Ltd. "Exchange Plaza", Plot no. C/1, G. Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400051	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700001
(BSE Scrip Code - 502937) (BSE NCD Scrip Code - 973060)	(NSE Symbol - KESORAMIND)	(CSE Scrip code - 10000020)

**Sub: Notice of the 103<sup>rd</sup> Annual General Meeting and Annual Report 2021-22****Ref.: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

Please find enclosed herewith Notice of 103<sup>rd</sup> Annual General Meeting (AGM) and the Annual Report of the Company for the financial year 2021-22. The AGM is scheduled on Friday, June 17, 2022 at 11.30 a.m. through Physical and Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM'). The Notice of AGM along with Annual Report for the financial year 2021-22 is also available on the website of the Company [www.kesocorp.com](http://www.kesocorp.com).

The cut-off date for reckoning voting of the members is June 10, 2022. The remote e-voting will be available from Monday, June 13, 2022, (9:00 a.m. IST) and ends on Thursday, June 16, 2022 (5:00 p.m. IST).

Kindly note that soft copies of the Notice and Annual Report 2021-22 are being despatched by e-mail only to all members of the Company whose e-mail addresses are registered with either the Company or the Depositories.

This is for your information and record.

Yours faithfully,

For Kesoram Industries Limited

Gautam Ganguli  
Company Secretary & Compliance Officer

Encl: as above.





**103<sup>rd</sup>**  
**Annual Report**  
**& Accounts 2022**



IN FOND REMEMBRANCE  
OF OUR GUIDING LIGHT



BASANT KUMAR BIRLA  
(OUR PAST CHAIRMAN)

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A LEGEND FOREVER



**KESORAM**





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## CHAIRMAN'S MESSAGE

Your Company achieved its highest ever cement sales and generated record EBIDTA this year. There was pressure on the margins due to steep increase in energy costs in the second half. However, the cost impact was mitigated by improved volumes.

In the current year we will refinance our existing debt to reduce finance costs. We will also focus on alternate fuels and on reducing carbon footprint.

I thank our esteemed Directors on the Board, employees and all the other stakeholders for providing support throughout the year.

**MANJUSHREE KHAITAN**

**BOARD OF DIRECTORS  
&  
KEY MANAGERIAL PERSONNEL**

**Manjushree Khaitan, Chairman**

DIN: 00055898

**Kashi Prasad Khandelwal**

DIN: 00748523

**Sudip Banerjee**

DIN: 05245757

**Lee Seow Chuan**

DIN: 02696217

**Jikyeong Kang**

DIN: 08045661

**Mangala Radhakrishna Prabhu**

DIN: 06450659

**Satish Narain Jajoo**

DIN: 07524333

**P. Radhakrishnan**

*Whole-time Director & CEO*

DIN: 08284551

**Suresh Sharma**  
*Chief Financial Officer*

**Raghuram Nath**  
*Company Secretary*

## Registered Office

Birla Building

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.net](mailto:corporate@kesoram.net)

## Bankers

IndusInd Bank Ltd.

State Bank of India

## Auditors

Messrs. Deloitte Haskins & Sells

*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 State

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 Monday, 13<sup>th</sup> June, 2022

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## NOTICE

### TO THE MEMBERS

NOTICE is hereby given that the **One Hundred and Third Annual General Meeting (AGM)** of **KESORAM INDUSTRIES LIMITED** will be held at 11.30 A.M. on Friday, 17<sup>th</sup> day of June, 2022 at Kalakunj (within the Premises of Kalamandir), 48, Shakespeare Sarani, Kolkata - 700017 and also through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

#### General Business:

1. To consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 and the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 and the Report of Auditors thereon.
2. To appoint a Director in place of Manjushree Khaitan (DIN: 00055898), who retires by rotation and being eligible, offers herself for re-appointment.
3. **To appoint Auditors and to fix their remuneration**

**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 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, as may be amended from time to time, Messrs. Walker Chandiok & Co. LLP (Firm Registration Number: 001076N/ N500013), be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 103<sup>rd</sup> Annual General Meeting up to the conclusion of the 108<sup>th</sup> Annual General Meeting of the Company, on such remuneration plus taxes and actual out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors of the Company, from time to time."

#### Special Business:

4. **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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 this Meeting hereby confirms, ratifies a remuneration of ₹ 4.11 Lakhs and ₹ 4.97 Lakhs (excluding applicable Taxes and reimbursement of actual travelling and actual out of pocket expenses) payable to Mani & Co., Cost Accountants, for conducting the audit of the Company's cost accounting records for the Financial Years 2021-22 and 2022-23 respectively."

5. **Appointment of Satish Narain Jajoo as an Independent Director of the Company**

**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), Satish Narain Jajoo (DIN: 07524333) who was appointed as an Additional Director by the Board of Directors with effect from 12<sup>th</sup> August, 2021, in terms of Section 161 of the Act and as recommended by the Nomination and Remuneration Committee and Board of Directors and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence as provided under Section 149 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 consecutive years commencing from 17<sup>th</sup> June, 2022, whose period of office will not be liable to determination by retirement of directors by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized 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."

**6. Change of position of Director Dr. Jikyeong Kang from Independent Director to Non-Executive Non-Independent Director**

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

**“RESOLVED THAT** Dr. Jikyeong Kang (DIN: 08045661) who was appointed as an Independent Director of the Company from the conclusion of 99<sup>th</sup> Annual General Meeting by the Shareholders of the Company and who holds office up to the conclusion of 104<sup>th</sup> Annual General Meeting of the Company, in terms of Section 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014, Articles of Association and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer herself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Dr. Jikyeong Kang candidature for the office of the Non-Executive Director, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from April 11, 2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized 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.”

**7. 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**

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

**“RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the Company be and is hereby accorded to the re-appointment of Radhakrishnan Padmalochanan (DIN: 08284551) 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 and payment of remuneration to him for this period, upon the terms of remuneration set out herein below:

- (a) Basic Salary & Allowances: Not exceeding ₹ 5,29,00,000 (Rupees Five Crores and Twenty Nine Lakhs only) per annum as may be decided by the Board or any Committee thereof from time to time and as may be permissible under the provisions of Schedule V of the Companies Act, 2013.
- (b) Car with chauffeur for official use only and extension of communication facilities in the form of wi-fi and telephone including cell phone for official purposes will not be reckoned as remuneration.
- (c) No Fees payable for attending Meetings of the Board or any Committee thereof, where so appointed.
- (d) In the event of loss/inadequacy of profits during tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, under Schedule V of the Act.
- (e) Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration. Such expenditure will either be paid by the Company directly or reimbursed to him.

**RESOLVED FURTHER THAT** the appointment shall be terminable: (a) by efflux of time; or (b) by one party serving the other a three months’ written notice;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination and Remuneration Committee;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the Resolution, the Board be and is hereby authorised to do all other acts, deeds and things as are or may be expedient and necessary.”

**8. Acceptance of Deposits from Public and/or Members of the Company**

**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 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposits) Rules, 2014 and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, Ministry of Corporate Affairs (“MCA”), Reserve Bank of India or such other agencies / authorities read together with other applicable rules, regulations, guidelines, notifications and circulars issued by any other concerned statutory or regulatory

authority(ies) from time to time, as amended, and rules and regulations framed thereunder, to the extent applicable and subject to necessary approvals, permissions, sanctions and consents (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents) as may be required from any government and/or regulatory authorities and subject to provisions of all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include Fund Raising Committee of Directors (FRC) thereof to exercise its powers including powers conferred under this resolution), the approval of the Members of the Company be and is hereby accorded to the Board to invite / accept / renew from time to time unsecured Deposits from Members of the Company and/or Public to such extent that the deposits outstanding and the deposits to be accepted shall be upto the permissible limits as prescribed under the Act read with relevant provisions of the Companies (Acceptance of Deposits) Rules, 2014 and other regulations as applicable and amended from time to time;

**RESOLVED FURTHER THAT** the Board or its Committee if any, be and is hereby authorised to prepare a circular or a circular in form of an advertisement as prescribed under the Act read with rules made thereunder and to file or submit the same with the office of the Registrar of Companies / MCA duly signed by the majority of the Directors of the Company or Authorised Signatories as permitted therein for inviting and accepting the deposits from Members of the Company and/or Public and further authorised to issue the circular or circular in form of an advertisement in English and in vernacular newspaper having wide circulation in the State of West Bengal wherein the Registered Office of the Company is situated and a copy of the same be uploaded on the website of the Company;

**RESOLVED FURTHER THAT** in the event of any revision in the limits prescribed under the applicable provisions of the Act, and/or related rules thereto in connection with or for acceptance of deposits from Members of the Company and/or Public, this approval by Members shall be deemed to include any such revisions, as if it was originally approved by the Members;

**RESOLVED FURTHER THAT** the Board and or its Committee if any, be and is hereby authorised to take all necessary actions and to do and perform all such acts, deeds, matters and thing as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the deposits, time of issue, number and/ or value of deposits to be offered, tenor, interest rate, etc. as may be required or deemed necessary and to settle all questions, difficulties or doubts that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto and further authorised to appoint / engage any intermediaries, advisors, bankers, consultants, advocates and other agencies and finalise their fees / charges and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with them and make requisite filing with concerned regulatory / government authorities / depository(ies), and/or any other regulatory authorities and to take all others steps which may be incidental, consequential, relevant or ancillary in this connection;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers to any of its Committee or officer(s) or authorised signatory(ies) to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and further all actions taken by the Board or any other Director(s) or Officer(s) or any other authorised signatory of the Company with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

## 9. Enhancement of Borrowing Limits

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

**"RESOLVED THAT** in modification of the special resolution passed by members through postal ballot on 28<sup>th</sup> June, 2014 and pursuant to the provisions of in terms of Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Fund Raising Committee of the Board (FRC) constituted to exercise its powers, including the powers conferred by this Resolution) to borrow money through loans, advances, credit etc. for both domestic and foreign currency (including Deposits, Bonds, Debentures and other debt instruments but excluding temporary loans obtained from the Company's bankers in the ordinary course of business) from banks, financial institutions, strategic investors and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/ or for the purpose of any other requirements of the Company including refinancing of the existing debts, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate paid-up share capital of the Company and its free reserves,

(that is to say reserve not set apart for any specific purpose) provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 6500 Crores (Rupees Six Thousand Five Hundred Crores) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."

**10. Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company**

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

**"RESOLVED THAT** in modification of the special resolution passed by members through postal ballot on 28<sup>th</sup> June, 2014 and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Fund Raising Committee of the Board (FRC) constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/ banks/ insurance companies/ other investing agencies/ trustees for holders of debentures/ bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/ insurance companies/other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of the loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the agreements/arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of ₹ 6500 Crores (Rupees Six Thousand Five Hundred Crores) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid."

**Registered Office:**

9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
28<sup>th</sup> April, 2022

**By Order of the Board**

**Raghuram Nath**  
**Company Secretary**

**Notes:**

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a Member of the Company. The Instrument of Proxy 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.
2. The 103<sup>rd</sup> Annual General Meeting (the "AGM") of Kesoram Industries Limited (the "Company") will be held Physically as well as through VC or OAVM on Friday, the 17<sup>th</sup> June, 2022 at 11.30 A.M (IST).
3. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item Nos. 3 to 10 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 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 the Corporate Governance sections of this Annual Report.
4. The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The 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 basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC / OAVM form 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 Sections 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 scan copy of the 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 Nos. 4 to 10 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
8. The attendance of the Members attending 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, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
10. The Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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 <https://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. The 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 <https://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, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the 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 any 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 questions in advance with regard to the financial statements or any other matter to be placed at the 103<sup>rd</sup> AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at [shareddepartment@kesoram.net](mailto:shareddepartment@kesoram.net) on or before 5.00 p.m. (IST) on Monday, 13<sup>th</sup> June, 2022. Such questions by the Members shall be suitably replied by the Company.
- b. Members who would like to express their views / ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number at [shareddepartment@kesoram.net](mailto:shareddepartment@kesoram.net) or through a request letter reaches at company on or before 5.00 p.m. (IST) on Monday, 13<sup>th</sup> June, 2022. Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for 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 is providing the facility of casting votes through the electronic voting system from a place other than the venue of the Meeting ("remote e-Voting") under an arrangement with The National Securities Depository Limited ("NSDL") as specified more fully in the instructions provided in the Notice 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. Friday, 10<sup>th</sup> June, 2022, 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:

Members are requested to attend the AGM through Video Conferencing Facility, and vote through remote e-Voting (before and during the AGM).

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

The voting period begins from 9.00 A.M. (IST) on Monday, 13<sup>th</sup> June, 2022 and ends at 5.00 P.M. (IST) on Thursday, 16<sup>th</sup> June, 2022. During this period, Members of the Company, holding Shares either in physical form or in dematerialised form, as on the cut-off date ("record date") i.e. Friday, 10<sup>th</sup> June, 2022, 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 Individual Shareholders holding securities in demat mode is given below:**

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the Meeting.</li> <li>2. If the user is 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>3. 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 held 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 options available against company name or e-Voting service provider - 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> </ol>

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat account number and PAN No. from a link in <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; E-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (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. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting

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

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

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- 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 For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then User ID is 101456001***

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 Shareholders for voting

- 1 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - 2 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available 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, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 1800 1020 990 and 1800 22 44 30 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. **Instructions for Members for Attending the AGM through VC/OAVM are as under:**
    - a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/ OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
    - b. Members are encouraged to join the Meeting through Laptops for better experience.
    - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
    - d. Members may please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
    - e. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail ID, mobile number at [shareddepartment@kesoram.net](mailto:shareddepartment@kesoram.net). The same will be replied by the company suitably.
  18. 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.
  19. 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.
  20. 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.

21. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to 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.
22. **Procedure for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**
- Members who have not 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).
  - 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 as per provisions of the Act and the instructions of the Ministry of Corporate Affairs until and unless otherwise informed. Members intending to refresh / update their e-mail addresses should do so as soon as possible.
  - 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.
23. 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 Foliros into one Folio for their own convenience.
24. 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) or the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)**.
- 25.
- Pursuant to the Provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 29<sup>th</sup> September, 2020 on the website of the Company **[www.kesocorp.com](http://www.kesocorp.com)** and also on the website of the Ministry of Corporate Affairs.
  - 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.
  - Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.
26. Persons, who have acquired Shares and become Members of the Company after despatch of the Notice for 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 [shareddepartment@kesoram.net](mailto:shareddepartment@kesoram.net). 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**.
27. 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**.

28. Ms. Ritu Bajaj, (CP Registration No. 11933), Practising 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.
29. The Chairman / person shall, at the end of discussion on the Resolutions on which voting are to be held, allow e-Voting for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
30. 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 three 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 / person 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.
31. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company *www.kesocorp.com* and on the website of NSDL *www.evoting.nsdl.com* immediately after the declaration of result by the Chairman / person of the Meeting or the person authorised by him / her 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 9/1 R. N. Mukherjee Road, Kolkata – 700 001.
32. 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.
33. The register of Members shall remain closed from 11<sup>th</sup> June, 2022 to 17<sup>th</sup> June, 2022 (both days inclusive) for the purpose of AGM.
34. 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 2021-22.
35. 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

Messrs Deloitte Haskins & Sells, Chartered Accountants were appointed as the Statutory Auditors of the Company for a term of Five years till the conclusion of One Hundred Third Annual General Meeting (AGM) of the Company scheduled on June 17, 2022 and would retire at the conclusion of the said AGM. Accordingly, as per the requirements of the Act, Messrs. Walker Chandiook & Co. LLP (Firm Registration Number: 001076N/ N500013) are proposed to be appointed as the Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 103<sup>rd</sup> Annual General Meeting up to the conclusion of 108<sup>th</sup> Annual General Meeting of the Company. Messrs Walker Chandiook & Co. LLP, Chartered Accountants, has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Director / Key Managerial Personnel of the Company and their relative are concerned or interested, financially or otherwise in the Resolution set out at Item No. 3 of the notice.

The Board recommends the Resolution at Item No. 3 to be passed as an Ordinary Resolution.

### Item Number 4

Upon the recommendation of the Audit Committee, the Board has appointed Mani & Co., Cost Accountants, to audit the Company's cost accounting records for the Financial Year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2023 at a total remuneration of ₹ 4.11 lakhs and ₹ 4.97 lakhs respectively excluding taxes and reimbursement of actual out of pocket expenses, in respect of the Company's Cement Business.

As required under Section 148(3) of the Companies Act, 2013 ("the Act") the remuneration payable to the Cost Auditors require ratification by Shareholders.

The Board recommends the Resolution at Item No. 4 to be passed as an Ordinary Resolution.

No Director or Key Managerial Personnel or any relative 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.

### Item Number 5

Satish Narain Jajoo (DIN: 07524333), was appointed as an Additional Director of the Company at a Meeting of the Board of Directors held on 12<sup>th</sup> August, 2021. The appointment was based upon a recommendation from the Board's Nomination and Remuneration Committee. The Board, at the said Meeting, also formed an opinion that Mr. Jajoo is a person of integrity, possesses the relevant expertise and experience and he is not disqualified from being appointed as Director in terms of Section 164(2) of the Act and proposed to appoint him as a Non-Executive Independent Director not liable to retire by rotation, of the Company commencing from the conclusion of this meeting

Mr. Jajoo, as a Non-Executive Independent Director, shall also abide by the Code of conduct of the Board of the Company.

The Board is of the opinion that it would be in the interest of the Company to appoint Mr. Jajoo as a Non-Executive Independent Director. The Board recommends the Resolution at Item No. 5 to be passed as a Special Resolution.

The appointment of Mr. Jajoo being based on the recommendation of the Nomination and Remuneration Committee duly constituted under Section 178(1) of the Companies Act, 2013 and he being an Independent Director, no deposit under the Act, is applicable. Further, the Company has received a Notice from a shareholder proposing his name as a Non-Executive Director.

Except Mr. Jajoo, no other Director or Key Managerial Personnel or any relative 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.

Brief particulars of Mr. Jajoo in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard are incorporated in the Report on Corporate Governance.

**Item Number 6**

Dr Jikyeong Kang (DIN: 08045661) is currently serving as an Independent Director of the Company and her period expires on 104<sup>th</sup> Annual General Meeting. To have an optimum combination of Executive, Non-Executive and Independent Directors in the Board, the Board, with the recommendation of the Nomination and Remuneration Committee propose her appointment as Non-Executive Non-Independent Director of the Company w.e.f. 11<sup>th</sup> April, 2022.

The Board recommends the Resolution at Item No. 6 to be passed as a Special Resolution.

No Director or Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel except Dr. Jikyeong Kang 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.

Brief particulars of Dr. Kang in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard are incorporated in the Report on Corporate Governance.

**Item Number 7**

Radhakrishnan Padmalochanan was originally appointed as a Whole-time Director and Chief Executive Officer for a period of three years effective 8<sup>th</sup> August, 2019, expiring on 7<sup>th</sup> August 2022.

The Board, in accordance with the recommendation of its Nomination and Remuneration Committee, seeks to reappoint Mr. Radhakrishnan as a Whole-time Director and Chief Executive Officer for a further period of 3 years w.e.f. 8<sup>th</sup> August, 2022 at the remuneration indicated in Item No. 7. He is not related to any Director or any other Key Managerial Personnel or Promoter of the Company, at any time during the last two years before or after the date of his appointment. Mr. Radhakrishnan holds 615 Equity Shares of the Company. The remuneration offered to him is in line with the Company's Nomination and Remuneration Policy as well as present corporate trends taking due account of his expertise as well as the considerable acumen that he brings to the Company.

As per the law, Mr. Radhakrishnan's appointment and remuneration requires approval of the Shareholders through a Special Resolution.

Mr. Radhakrishnan, not being a retiring Director by rotation, has been duly proposed by a Member under Section 160 of the Act.

Brief particulars of Mr. Radhakrishnan in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard are incorporated in the Report on Corporate Governance.

**Item Number 8**

In order to augment working capital in a cost effective manner, the Company may accept deposits from public including its members as per the provisions of Section 73 and Section 76 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended.

Therefore, it is proposed to seek approval of the Shareholders, authorizing the Board of Directors to accept the deposits from public including shareholders up to 35% of the paid-up share capital, free reserves and securities premium (maximum 10% from shareholders and 25% from public) as per the latest audited balance sheet. Consequent upon obtaining the approval of the Shareholders, the requirements stipulated under Sections 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 will be complied with before inviting/ accepting/ renewing deposits.

The Board recommends the Resolution at Item No. 8 to be passed as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in this Resolution.

**Item Numbers 9 & 10**

The Members of the Company through postal ballot on 28<sup>th</sup> June, 2014 had accorded their consent vide Special Resolution authorizing the Board of Directors of the Company to borrow monies and to create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company, from time to time, exceeding the aggregate of the paid-up share capital and free reserve upto ₹ 6000 crores (Rupees Six Thousand Crores). The Company is in the process of capacity expansion and growth, and with a view to augment financial resources the Company may, from time to time, raise finances from various Banks and/or Financial Institutions and/ or any other lending institutions and/ or Bodies Corporate and/ or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) and to create mortgage

and/or charge on all or any of the movable and/or immovable properties of the Company, from time to time, may exceed the aggregate of the paid up capital and free reserves and securities premium of the Company. It is therefore proposed to increase the maximum borrowing limits from existing limit of ₹ 6000 crores to ₹ 6500 Crores or limits prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.

Pursuant to Section 180 (1) (a) and Section 180 (1)(c) of the Companies Act, 2013 consent of the members is required by way of special resolutions to borrow funds, apart from temporary loans obtained from the company's bankers in the ordinary course of business and to create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company, from time to time, exceeding aggregate of the paid up share capital and free reserves including Securities Premium Account of the Company and therefore it is proposed to obtain consent of the members by way of Special Resolutions under Section 180 and other applicable provisions of the Companies Act, 2013, to increase the borrowing powers of the Board of Directors and to create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company, from time to time, as set out in the resolution proposed at Item Nos. 9 & 10 of the accompanying Notice upto ₹ 6500 Crores (Rupees Six Thousand Five Hundred Crores only) or limits prescribed under Section 180 (as may be amended from time to time), whichever is higher.

The Board recommends the Special Resolutions at Item Nos. 9 & 10 for Shareholders approval.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in these Resolutions.

**Registered Office:**

9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
28<sup>th</sup> April, 2022

**By Order of the Board**

**Raghuram Nath**  
**Company Secretary**

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The Board presents the Company's One Hundred and Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS (STANDALONE)

₹/ Crores

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Total Income	3,577.71	2,517.43
Profit before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	586.80	496.74
Less: Depreciation and Amortization Expenses	90.73	96.21
Finance Costs	481.70	245.81
Profit before Exceptional Items and Tax	14.37	154.72
Exceptional Items	(154.25)	(294.83)
<b>(Loss) before Tax</b>	<b>(139.88)</b>	<b>(140.11)</b>
Tax Expenses Credit – Net	9.87	307.05
<b>Total Profit / (Loss) for the year</b>	<b>(130.01)</b>	<b>166.94</b>
Other Comprehensive Income (net of tax expense)		
Re-measurement of Post-employment Benefit Obligations	4.55	0.52
Fair valuation of Equity Investments	(3.58)	7.90
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>(129.04)</b>	<b>175.36</b>

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

- Standalone Income, comprising Revenue from Operations and other income, for the year was ₹3,577.71 Crores, 42.12 % higher compared to ₹2,517.43 Crores in 2021.
- Standalone Loss before Tax for the year was ₹139.88 Crores, 0.16 % lower compared to ₹140.11 Crores in 2021.
- Standalone Profit/(Loss) after Tax for the year was (₹130.01) Crores, 177.88 % lower compared to ₹166.94 Crores in 2021.
- Cement production increased by 38.92% from 5.37 Million Tonnes in 2021 to 7.46 Million tonnes in 2022.
- Cement Sales Volume increased by 36.40% from 5.44 Million Tonnes in 2021 to 7.42 Million tonnes in 2022.
- 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.
- The thrust on public spending and implementation of big ticket investments in infrastructure projects augur well for improving the cement demand in current financial year.

### DIVIDEND

No dividend is proposed in view of the loss during the year and non-availability of any carry forward surplus. In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'), the Company has formulated a Dividend Distribution Policy and it is available on Company's website link [www.kesocorp.com/DOCS/pdf/mgc/dividend-distribution-policy-final.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/dividend-distribution-policy-final.pdf).

### TRANSFER TO RESERVE

No profit has been transferred to General Reserve.

### SHARE CAPITAL

During the year under review, the Company has issued and allotted 7,99,97,755 partly paid-up Equity Shares of ₹ 5/- each of the Company on rights basis, in the ratio of 133:274 Equity Shares held, to eligible equity shareholders of the Company at an issue price of ₹ 50/- per Rights Equity Share (including a premium of ₹ 40/- per Rights Equity Share) pursuant to the Letter of Offer dated 13<sup>th</sup> September, 2021.

On 20<sup>th</sup> November, 2021, the Board approved the making of the first and final call of ₹ 25/- (including premium of ₹ 20/-) per partly paid-up equity shares of ₹ 5 each, issued by the Company on rights basis.

Pursuant to the first and final call, the Fund Raising Committee ("FRC"), duly authorized by the Board, on 14<sup>th</sup> January, 2022,



21<sup>st</sup> February, 2022 and 6<sup>th</sup> April, 2022 approved the conversion of 7,69,35,064, 22,77,758 and 4,22,638 partly paid-up Equity Shares of ₹ 5 each to fully paid-up equity shares of ₹ 10 each respectively. The process of calling final call money of rest 3,62,295 partly paid-up shares and its conversion into fully paid-up share is under process. The converted shares rank pari passu with the existing fully paid-up Equity Shares of the Company.

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2022 stood at ₹ 2,44,41,66,295/- consisted of 24,40,24,163 paid-up Equity Shares of ₹ 10 each and 7,84,933 paid-up Equity Shares of ₹ 5 each. The Preference Share Capital as on 31<sup>st</sup> March, 2022 stood at ₹ 4,48,97,19,500/-.

#### **STATUS OF EXISTING DEBENTURES**

Total Secured Listed Non-Convertible Debentures and Secured Optionally Convertible Debentures of the Company at amortised cost as on 31<sup>st</sup> March, 2022 are ₹ 1,463.53 Crores and ₹ 138.49 Crores respectively.

The Company has repaid face value of ₹ 55 Crores worth of Secured Non-Convertible Debentures and ₹ 309.33 Crores worth of Secured Optionally Convertible Debentures during the financial year ended 31<sup>st</sup> March, 2022.

#### **FINANCIAL LIQUIDITY**

Standalone cash and cash equivalent as on 31<sup>st</sup> March, 2022 stood at ₹ 118.97 Crores vis-à-vis ₹ 90.95 Crores in the previous year.

#### **DEPOSITS**

During the year under review, the Company did not accept any Deposit within the meaning of Section 73 of the Companies Act, 2013 ("the Act"). The Compliances as required under Chapter V of the Act is not applicable.

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

Management Discussion & Analysis, Business Responsibility Report and the Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are attached as **Annexures I, II & III** respectively to this Annual Report.

#### **CREDIT RATING**

The details of credit ratings obtained by the Company and any revision thereto are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

#### **RISK MANAGEMENT FRAMEWORK**

The Company has a structured Risk Management framework designed to identify, assess and mitigate risks appropriately.

The Risk Management Committee has been entrusted with the responsibility to oversee and approve the Company's risk management framework and to suggest all possible measures to achieve prudent balance between risk and reward in ongoing business activities.

The approach of Risk Management is defined across the Company at various levels with a periodical review to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

#### **GOING CONCERN STATUS**

No significant or material orders have been passed by the Regulators or Courts or Tribunals which impact or influence the Company's going concern status and / or its future operations.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Company's Internal Financial Control Systems commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the financial statements are adequate.

The Internal Audit is performed by an external independent firm which reports its findings to the Audit Committee periodically. Internal Audit provides assurance to the Board on effectiveness of internal financial control functioning and quality through continuous monitoring and operational testing by the internal audit function.

#### **EVALUATION OF BOARD PERFORMANCE**

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Act and the SEBI Listing Regulations.

The Independent Directors carried out annual performance evaluation of the Chairperson, the Non-Independent Directors and the Board as a whole in the separate meeting of the Independent Directors taking into account the views of the Executive Directors and other Non-Executive Directors.

# Care for society

Emphasis has been to care for the society around us.  
We organise

1. Water Distibution
2. Distribution of Umbrella's and Caps to protect from the harsh weather



# Hands that care



The performance of the Board, its Committees and each Board Member individually was evaluated by the Board based on the policy on performance evaluation specified by the Nomination and Remuneration Committee.

#### NUMBER OF BOARD MEETINGS

During the year, five Board Meetings were convened and held. The particulars of the meetings held and attended by each Director are detailed in the Report on Corporate Governance.

#### AUDIT COMMITTEE

The Audit Committee comprises Kashi Prasad Khandelwal (Chairman), Sudip Banerjee, Lee Seow Chuan and Jikyeong Kang. Padmalochanan Radhakrishnan, Whole-time Director & CEO, Suresh Sharma, CFO and Observers representing Debenture Holders are permanent invitees to the Meetings. The Company Secretary acts as Secretary to the Committee.

During the year, all the recommendations of the Audit Committee were accepted by the Board.

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises Kashi Prasad Khandelwal (Chairman), Lee Seow Chuan and Jikyeong Kang.

The Company's Nomination and Remuneration Policy prepared in conformity with the requirements of Section 178(3) of the Act is available on company's website link [www.kesocorp.com/DOCS/pdf/mgc/nomination-and-remuneration-policy.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/nomination-and-remuneration-policy.pdf).

All recommendations of the Nomination and Remuneration Committee made during the year were accepted by the Board and there were no instances of any disagreement between the Committee and the Board.

#### CORPORATE SOCIAL RESPONSIBILITY

The Company continued to ensure and focus on several social responsibility programs during the year even though the expenditure is not mandated during the year under review.

The Company continues its endeavor to improve the lives of the people by taking initiatives in the areas of education, health, hygiene, empowerment and community development. The Company organised Pulse Polio Camps, plantation of trees, facilitating vaccination centres during the year.

The Company's CSR Policy is available on link [www.kesocorp.com/DOCS/pdf/mgc/kesoram-CSR-Policy-27042015.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/kesoram-CSR-Policy-27042015.pdf). The CSR Committee of the Board consists of Manjushree Khaitan (Chairman), Kashi Prasad Khandelwal and Padmalochanan Radhakrishnan as Members.

The Annual Report on CSR activities is annexed herewith and given in Annexure IV to this Report.

#### RELATED PARTY TRANSACTIONS

All related party transactions/arrangements/contracts entered into by the Company during the financial year were approved by the Audit Committee and were at arm's length basis and in the ordinary course of business in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which are required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone / consolidated financial statements forming part of this Annual Report.

#### SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY

The Company had a wholly-owned subsidiary, Cygnet Industries Limited ("Cygnet") and a Joint Venture Company, Gondkhari Coal Mining Limited ("Gondkhari") as on 31<sup>st</sup> March, 2022.

The Financial Statements of Cygnet as at 31<sup>st</sup> March, 2022 have been consolidated with the Financial Statements of the Company. The Consolidated Financial Statements of the Company in respect of the year is a part of this Annual Report.

Cygnet achieved Revenue from Operations of ₹ 71.85 Crores during the financial year 2021-22 as compared to ₹ 237.56 Crores in the previous financial year 2020-21.

Cygnet posted negative Earnings before Interest, Depreciation, Taxation and Amortisations (EBITDA) (before exceptional

items) of ₹ 28.92 Crores during the financial year compared to negative EBITDA of ₹ 16.36 Crores in previous financial year. During the year under review, the factory of Cygnet was under temporary suspension from 22<sup>nd</sup> June, 2021 till 22<sup>nd</sup> December, 2021 amid 2<sup>nd</sup> wave of Covid-19.

The subsidiary also implemented a 'Workers Separation Scheme' during the year under review where permanent workers were converted into casual workers. Total 439 employees have availed the scheme during the year amounting to ₹ 22.35 Crores which has been charged under Exceptional Items in its Statement of Profit and Loss.

Under the agreement with Futamura Chemical Co. Ltd., Cygnet is acting as an agent for the coated films and is looking for good avenues and growth for the transparent paper market in the years to come.

The Board has proposed to demerge rayon, transparent paper and chemicals business ('the Business') carried out by the Company directly and through its wholly owned subsidiary Cygnet into Cygnet. All assets and liabilities, which include, Hindusthan Heavy Chemicals unit of the Company, the Kesoram Rayon brand, investments and receivables pertaining to the Business shall stand transferred to Cygnet on a going concern basis.

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 lost its sub-structure once the Supreme Court de-allocated the coal block that was originally allocated in 2014. As a result, the SPV has become defunct leading to full provision by the Company against its portion of the investment in Gondkhari.

A Statement containing the salient features of the financial statements of the wholly-owned subsidiary and the Joint Venture Company as per section 129(3) of the Act, in Form AOC-1 appears in **Annexure V** of this Annual Report.

The financial statement of Cygnet, as required, is available on the website of the Company [www.kesorcorp.com](http://www.kesorcorp.com).

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

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Inter corporate financial exposures as at the year end appears under Note Nos. 5,6, 7 and 8 to the Financial Statements.

The Company has not given any loan and guarantee or made any investment during the year under review except as disclosed in the Financial Statements.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Fraud and corruption free culture has always been at the Company's core. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's operation, performance and reputation, the Company has established a robust Whistle Blower Policy in accordance with the provisions of the Act and the Listing Regulations. The policy is available on the website of the Company at [www.kesocorp.com/DOCS/pdf/mgc/whistle-blower.pdf](http://www.kesocorp.com/DOCS/pdf/mgc/whistle-blower.pdf).

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

#### **STATUTORY AUDITOR AND THEIR REPORT**

Shareholders at the Company's Ninety Eighth Annual General Meeting appointed Messrs. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company for a period of five years from the conclusion of that Annual General Meeting.

The Report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2022 forms part of this Annual Report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. The observations of the Auditors are self-explanatory.

#### **COST AUDITOR**

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company, as per the recommendation of Audit Committee, approved the appointment of Mani & Co., Cost Accountants, to audit the cost accounting records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2023 at a total remuneration of ₹ 4.11 lakhs and ₹ 4.97 lakhs respectively, excluding tax and reimbursement of out of pocket expenses. A resolution to this effect has to be ratified by the Members of the Company and accordingly forms part of the Notice convening the AGM.

#### **SECRETARIAL AUDITOR AND SECRETARIAL STANDARDS**

In terms of Section 204 of the Companies Act, 2013, and the rules made thereunder, the Board had appointed Ritu Bajaj, Practising Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2021-22 and their report is annexed to this report as an **Annexure VI**. The Secretarial Audit Report does not carry any qualification, reservation or adverse remark. The Secretarial Audit Report of Wholly Owned Subsidiary is available on the Company's website [www.kesocorp.com](http://www.kesocorp.com).

The Company has complied with the applicable Secretarial Standards formulated by the Institute of Company Secretaries of India and notified by the Central Government for implementation.

#### **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure VII** and forms part of this Report. None of the employees listed in the said Annexure is related to any Director of the Company.

As per the provisions of the second proviso to Section 136(1) of the Act and as per MCA circulars, the Annual Report are being sent to the Members excluding the aforesaid information. Any Member interested in obtaining such information, may request to the Company by e-mail at [corporate@kesoram.net](mailto:corporate@kesoram.net).

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy is available at [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 Company has in place requisite Internal Committee(s) to redress and resolve any complaints arising under the said Act. No complaints on the issues covered by the above Act were received during the year.

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

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

- (a) in the preparation of the Annual Accounts, applicable accounting standards has 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, 2022 and of the profit 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 applicable laws and that such systems were adequate and working effectively.

#### **CODE OF CONDUCT**

The Company has laid down a robust Code of Business Conduct and ethics, which is based on the principles of ethics, integrity and transparency.

#### **DIRECTORS**

In accordance with the provisions of the Act and the Articles of Association of the Company, Manjushree Khaitan (DIN: 00055898), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment.

The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee ("NRC"), has commended the appointment of Satish Narain Jajoo (DIN: 07524333) as a Non-Executive Independent Director for a period of 5 years from the date of ensuing 103<sup>rd</sup> Annual General Meeting and a resolution seeking shareholders' approval for his appointment forms part of the 103<sup>rd</sup> AGM Notice.

Mangala Radhakrishna Prabhu (DIN: 06450659) was appointed as a Non-Executive Independent Director on the Board of Company effective from 14<sup>th</sup> May, 2021 for a term of 5 years and subsequently regularized at the Annual General Meeting held on 23<sup>rd</sup> July, 2021.

Jikyong Kang (DIN: 08045661) was appointed as Independent Director on 10<sup>th</sup> January, 2018. However, she has been re-designated as a Non-Executive Director (Non-Independent) of the Company w.e.f. 11<sup>th</sup> April, 2022 and a resolution seeking

shareholders' approval for her appointment forms part of the 103<sup>rd</sup> AGM Notice.

Padmalochanan Radhakrishnan (DIN: 08284551) is currently serving as a Whole-time Director and Chief Executive Officer of the Company upto 7<sup>th</sup> August, 2022. The Nomination and Remuneration Committee and the Board of Directors recommends his re-appointment for a further period of 3 years w.e.f. 8<sup>th</sup> August, 2022 and a resolution seeking shareholders' approval for the same forms part of the 103<sup>rd</sup> AGM Notice.

The Company has received declarations from all Independent Directors confirming that they meet the relevant independence criteria as laid down in Section 149(6) of the Act as well as the Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they have registered themselves in the Independent Directors' Databank and requirement of online self-proficiency test is complied with.

Brief profiles of Directors being appointed / re-appointed at the forthcoming One Hundred and Third Annual General Meeting have been given in the Corporate Governance Report annexed to this.

#### KEY MANAGERIAL PERSONNEL

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

P. Radhakrishnan	Whole time Director & Chief Executive Officer
Suresh Sharma	Chief Financial Officer (till 11 <sup>th</sup> April, 2022)
Rohit Shah	Chief Financial Officer (w.e.f. 12 <sup>th</sup> April, 2022)
Akash Ghuwalewala	Company Secretary (till 14 <sup>th</sup> June, 2021)
Raghuram Nath	Company Secretary (w.e.f. 15 <sup>th</sup> June, 2021)

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, are provided 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 Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's 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 under review.

#### PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

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

There was no instance of onetime settlement with any Bank or Financial Institution during the year under review.

#### ANNEXURES FORMING PART OF THIS REPORT

Annexure	Particulars
I	Management Discussion & Analysis
II	Business Responsibility 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 earning and outgo

**APPRECIATION**

The Board takes this opportunity to express their deep sense of gratitude to its debenture investors and places on record the valuable inputs given in the meetings by the Observers, representing the Debenture Holders. Additionally, the Board appreciates and thanks the Central and State Governments and the local authorities for their continued co-operation and support. We, on behalf of the Board, would also like to place on record their 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, etc. for their continued committed engagement with the Company. The overwhelming response to the Rights issue reflects the trust and confidence reposed on the Board by you, the Members of the Company. We value the same.

**For and on behalf of the Board**

**Manjushree Khaitan**

*Chairman*

**P. Radhakrishnan**

*Whole-time Director & CEO*

Place: Kolkata

Date: 11<sup>th</sup> April, 2022



## MANAGEMENT DISCUSSION AND ANALYSIS

### Performance Overview

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

₹/ Crores

S.No.	Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
1	EBIDTA	586.80	496.74
2	Finance Cost including interest	481.70	245.81
3	Cash Profit (1-2)	105.10	250.93
4	Depreciation	90.73	96.21
5	Profit Before Tax (3-4)	14.37	154.72
6	Tax Expenses Credit – Net	9.87	307.05
7	<b>Profit for the year (before exceptional item) (5+6)</b>	<b>24.24</b>	<b>461.77</b>
8	Exceptional Item	(154.25)	(294.83)
9	<b>Total Profit / (Loss) for the year (7-8)</b>	<b>(130.01)</b>	<b>166.94</b>

### Business

#### Cement Industry Overview

India ranks as the world's second largest cement producer and consumer. The top 20 cement groups accounted for almost 70% of the total production in the country.

The demand, Cement Industry is likely to achieve 550-600 million tonnes per annum constantly by 2025 on the back of expanding housing, commercial construction and Industrial construction.

#### Risks and Concerns

Progress of the industry in India continues to be largely dependent on the development of infrastructure and housing. Infrastructure development is currently dependent on the Government spend, the risk of Government spends on the envisaged projects not getting translated, remains at large.

Demand for housing is correlated to the spend on infrastructure. Inflation may impinge on the disposable income in the hands of the public, this may have its impact on housing demand growth. In the housing sector institutional buyers, including those in the ready mix concrete category, have the ability to decide on prices at which they would affect the procurement thereby seeking to compound an existing oligopolistic situation in the industry.

The cost of energy input prices spiraling up remains a risk, as there is an uptick on in the global economy. Transportation and Logistics cost will directly vary with the movement of the energy input prices.

The path towards CO<sub>2</sub> reduction will be an important factor for raising sources of funding.

Progressive depletion of reserves of limestone and other flux minerals required for cement manufacture is a 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 increase mixing of high grade limestone with lower grade limestone for use 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

#### Growth Drivers

The Company is focused on rural market penetration on a consistent basis in the last couple of years. This approach resulted in the blended cement sales volume growing in a sustained progression. We have launched a premium blended cement under the brand name "Birla Shakti conQUerete" which is likely to gain traction in the coming years.

The Company sharpened its drive on the brand positioning and producing more in the blended category which in turn will reduce CO<sub>2</sub> emission. In the primary markets "Birla Shakti" is perched to be on the top quartile in terms of price. Our brand continues to be a preferred brand amongst the Builders based on quality parameters.

There is a massive outlay of ₹1,81,000 Crore for the Ministry of Road Transport and Highways roads in the current budget. The "PM Gati Shakti –National Master Plan" launched for multi- modal connectivity will boost the demand for cement in the future. The Pradhan Mantri Awas Yojana with enhanced budgetary allocation is expected to boost the country's cement Industry.

# Go Green...

## Keep our Planet clean



# Join the Green side



### Company's Cement Business going forward

The Company's Cement Business is well poised to fully cater to the gradually increasing demand for cement in its serviced areas.

Birla Shakti, is now an approved brand in several Government projects for supply of cement, including the Military Engineering Services and the Ministry of Defence. The Company will diligently use the multi-modal combination for transportation viz Surface, Rail and Sea to serve and foray into virgin market particularly in the blended cement category to propagate and sell its brand.

Reduction of cost of production and distribution by using Operations Research model is another focus operational area that is engaging attention. The quantum of reduction effected will help boost the Business's Earnings before Interest, Depreciation, Taxation and other Amortisations ("EBIDTA").

Sale volumes are expected to rise even further as the Business expands its dealer network and escalates marketing efforts through influencers and market makers. Here also, initial results give rise to increased confidence that incremental efforts will be productive. We will continue to give value for money to our esteemed customers.

The focus on adding value and educating the customer of using blended cement have started giving encouraging signals. The clear strategy is to be a niche player in our focused markets, deliver profitable growth, foray into blended cement markets deeper and consolidate the brand presence. Prioritise use of alternate fuels and blends in manufacturing and achieving CO<sub>2</sub> reduction thus paving the way for responsible profitable growth.

The company in its over 100 years history has placed accent on being sensitive to Environment and Society at large. The Company provide quality education for children at both our plants in Telegana and Karnataka. Regular sports meet are conducted and sponsors for development of youth, Medical camps, Blood donation and Pulse polio camps are a regular feature. The company focuses on planting trees and maintains a Deer park adjacent to our Telegana factory to create harmony with nature. The Sedam plant has a rain water harvesting reservoir in the mines which caters to annual water requirement for the colony and plant.

### Financial Performance during 2021-22

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

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	2021-22	2020-21	Explanation
i)	Debtors Turnover Ratio	11.93	10.84	
ii)	Inventory Turnover Ratio	29.06	22.25	Revenue growth and efficient inventory operations during the year has led to faster inventory churning and thereby the inventory turnover ratio has been improved.
iii)	Interest Coverage Ratio	1.22	2.02	Rise in Finance Cost has led to decline in the Ratio.
iv)	Current Ratio	0.86	0.64	Due to growth in Revenue along with increase in production and improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted an improvement in the ratio.
v)	Operating Profit (%)	15.50%	16.33%	Rise in Cost of production mainly due to increase in Power & Fuel costs.
vi)	Debt Equity Ratio	2.81	5.33	Increase in Shareholder's Equity post current year shares issue and also reduction in borrowings due to prepayment of debts from the proceeds of Rights issue and internal accrual which has resulted in the improvement of the ratio.
vii)	Net Profit Turnover(%)	(3.67%)	6.91%	Reduction in Net Income (PAT) due to increase in finance cost and recognition of impairment on subsidiary investment inspite of better operating margins.
viii)	Return on Equity	(0.27)	0.89	Reduction in Net Income (PAT) due to higher finance cost burden inspite of better operating margins and also first time recognition of deferred tax asset in previous year. All these factors has led to reduction of the ratio in the current year.

### **Internal Control Systems and their adequacy**

This has been covered in the Directors' Report.

### **Material Developments in Human Resources**

Human Resources continue to be the cornerstone around which the Company functions. The Company engages with the people who work for it on a proactive basis so as to transform the environment from a "place of work" to a "place to work". The Company believes that such approach has assisted it enormously in promoting harmony and a sense of belonging amongst those working for it thereby seeking to enhance their work life balance. The gradual evolution of this perception constitutes, according to the Company, a defining sign of sustained employee commitment to its well being.

The number of people employed as on 31<sup>st</sup> March, 2022 is separately covered under **Annexure VII** to the Directors Report. Industrial relations remained cordial during the year.

**For and on behalf of the Board**

**Manjushree Khaitan**

*Chairman*

**P. Radhakrishnan**

*Whole-time Director & CEO*

Place: Kolkata

Date: 11<sup>th</sup> April, 2022

## BUSINESS RESPONSIBILITY REPORT (BRR)

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details								
1	Corporate Identity Number (CIN) of the Company	L17119WB1919PLC003429								
2	Name of the Company	Kesoram Industries Limited								
3	Registered Address	9/1 R. N. Mukherjee Road, Kolkata - 700001								
4	Website	www.kesocorp.com								
5	E-mail id	corporate@kesoram.net								
6	Financial Year reported	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022								
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Group</th> <th>Class</th> <th>Subclass</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>239</td> <td>2394</td> <td>23941 23942</td> <td>Manufacture of Clinker &amp; Cement</td> </tr> </tbody> </table>	Group	Class	Subclass	Description	239	2394	23941 23942	Manufacture of Clinker & Cement
Group	Class	Subclass	Description							
239	2394	23941 23942	Manufacture of Clinker & Cement							
8	List three key products/services that the Company manufactures/provides	Ordinary Portland Cement (OPC) & Pozzolana Portland Cement (PPC)								
9	Total number of locations where business activity is undertaken by the Company:									
	a) Number of International Locations (Provide details of major 5)	Nil								
	b) Number of National Locations	<ul style="list-style-type: none"> <li>2 Integrated Cement Units at Sedam &amp; Basantnagar</li> <li>Administrative Offices, Branch Offices, Depots etc. at various locations</li> </ul>								
10	Markets served by the Company	Pan India across all markets								

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1	Paid-up Capital (INR) (₹)	244.41 Crores
2	Total Turnover (INR) (₹)	3,539.56 Crores
3	Total Profit/ (Loss) After Taxes (₹)	(130.01) Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	N.A. (CSR spent is ₹ 0.30 Crore)
5	List of activities in which expenditure in 4 above has been incurred	Social Welfare, Education, Health Care etc.

### SECTION C: OTHER DETAILS

S. No.	Particulars	Details
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has a Wholly-owned Subsidiary Company i.e. Cygnet Industries Ltd.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Business Responsibility of the parent company apply to its subsidiary.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR Policy/Policies

S. No.	Particulars	Details
1	DIN Number (if applicable)	08284551
2	Name	P. Radhakrishnan
3	Designation	Whole-time Director & CEO

(b) Details of the BR head

S. No.	Particulars	Details
1	DIN Number (if applicable)	08284551
2	Name	P. Radhakrishnan
3	Designation	Whole-time Director & CEO
4	Telephone number	033-22435453
5	E-mail id	corporate@kesoram.net

#### 2. Principle-wise (as per NVGs) BR Policy / Policies

**Name of principles:**

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
- P3 – Businesses should promote the well-being of all employees.
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 – Businesses should respect and promote human rights.
- P6 – Businesses should respect, protect and make efforts to restore the environment.
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 – Businesses should support inclusive growth and equitable development.
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Policy approved by appropriate authority.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	View restricted to selected employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company. Communication is an on-going process to cover all stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y								

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

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

3. Governance related to BR

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

BR performance of the Company is reviewed periodically by the Management.

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

This Business Responsibility Report of the Company is a part of the Annual Report for the Financial Year 2021-22. The same will also be available on the website of the Company, i.e. www.kesocorp.com



**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1 - Corporate Governance for Ethics, Transparency and Accountability**

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

The Corporate Principles and Code of Conduct covers the Company and its Subsidiary and is applicable to all the employees of the Company and its Subsidiary.

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

The Company has set up a Committee called "Stakeholders' Relationship Committee" to look after the grievances of the investors. The Committee consisted of three Directors. The Committee meets at least once in a year to look into complaints from investors and the steps taken by the Company for resolving the complaints.

During the year ended 31<sup>st</sup> March, 2022, the Company has received 16 complaints both directly as also through the Regulatory agencies such as SEBI & the Stock Exchanges. 100% complaints have been satisfactorily resolved and no complaint was pending / outstanding as on 31<sup>st</sup> March, 2022.

**Principle 2 - Sustainability of Products & Services across Life-cycle**

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

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing process of its products (Ordinary Portland Cement (OPC) & Pozzolana Portland Cement (PPC)), in a manner taking care of its obligations. The Company has deployed best in class technology and processes to manufacture its products with optimal resources, e.g. the manufacturing process involves use of 5 & 6 stage pre- heaters, vertical roller mills, roller presses and advanced technology clinker coolers, hot disc for alternative fuels, which are most energy efficient and technologically advanced as on date. In 2022, Clinker Factor was 93.47% for OPC and 62.87% with fly ash utilization of 33.98% in PPC, thus saving natural resources like limestone and coal. We also co-process plastic, industrial and hazardous waste & carbon black from different industries as alternative fuel. The Company also uses Pet coke as a fuel in its kilns.

The Company has deployed best in class technology and processes to manufacture its products with optimal resources, e.g. the manufacturing process involves use of five stage pre-heaters with NMFC, advanced technology clinker coolers like shuttle floor coolers, burning zone cameras, shell scanners, ROTO scales for fly ash feeding in PPC manufacturing. At the Basantnagar unit, the Company is manufacturing only PPC, thereby conserving natural resources like limestone, coal, diesel and explosives, ultimately resulting in reduction in CO<sub>2</sub> emission.

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

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

The Company consumes alternate materials like fly ash, chemical gypsum etc. which help in conserving natural raw materials used for cement production. Alternative fuels are also used for thermal energy generation which help in the substitution of fossil fuels and allow better management of industrial waste. Recycling water, rain water harvesting and recharging of ground water are done at our manufacturing unit.

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

Cement as a product is used for variety of purposes and by diverse consumers. Hence, it is not feasible to measure the usage (energy & water) by consumer.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The criteria for procurement of equipment are based upon resources efficiency, mainly comprising of but not limited to energy efficiency, fuel efficiency, emission control etc. The impact of the product / services being procured is considered over its whole life cycle i.e. from cradle to grave, including giving due weightage to the disposal aspect also, e.g. e-waste/hazardous waste is disposed off in an environmental friendly manner and no compromise, what so ever, is made on the same.

Procurement practices and selection criteria by the Company are focused on protection of environment, societal interest and cost effective procurement seeking resources efficiency, improving the quality of products and services and ultimately optimizing the cost.

The Company believes that sustainability in logistics may be achieved by using less polluting and less fuel consuming transport options or selecting vendors who are close to the manufacturing locations. We fulfill our fuel requirement majorly by domestic fuel reducing import and saving on foreign currency.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company has always given preference to local vendors when it comes to sourcing materials. In case of PP packing bag vendors, we have optimized the vendors located near our cement plants, based on their capability and capacity. Sourcing of PP bags from vendors located close to the plants has resulted in lower fuel consumption while transporting the goods.

The Company has consistently increased the breadth of vendors across goods and services through vendor base enhancement. The objective is to focus on indigenous suppliers, mutual collaboration and partnership for long term growth. The Company also believes in long term partnership with the vendors by having rate contracts with them and providing feedback on their performance in terms of quality, delivery, services, environmental health and safety etc., which helps the vendor to improve their performance by taking corrective actions on the parameters where they are found lacking.

Transparency and fair approach are maintained while dealing with the vendors during the entire procurement cycle. The Company uses information technology efficiently for reducing the procurement cycle time and payment notification etc. It also helps in reduction of paper usage as most of the activities / documentation are done in electronic format. The Company has a zero tolerance policy for safety compromise.

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

Yes, the Company has fly ash and bottom ash generated as waste from our captive power plants which is used in our cement production. Entire fly ash generated [100%] is utilized to produce Portland Pozzolana Cement (PPC). Waste water generated from our plant and colony is recycled and reused in dust suppression, gardening, horticulture, etc.

### **Principle 3 - Employee Well-being**

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

Total number of employees during the financial year was 1,856.

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

Total number of employees hired on temporary/contractual/casual basis during the financial year was 3,223.

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

Number of permanent women employees during the financial year was 25.

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

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

Yes, the Company has recognised trade unions constituted in terms of the Trade Union Act, 1926 at the Company's Manufacturing Units.

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

All permanent workers are members of trade unions.

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

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
a	Child labour/ forced labour/ involuntary labour	NIL	NIL
b	Sexual harassment	NIL	NIL
c	Discriminatory employment	NIL	NIL

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

S. No.	Category of Employees	2021-22	2020-21
a	Permanent Employees	90%	80%
b	Permanent Women Employees	100%	100%
c	Casual/Temporary/Contractual Employees	90%	90%
d	Employees with Disabilities	NA	NA

**Principle 4 - Stakeholder Engagement**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal as well as external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders viz. Communities around its Manufacturing Units and its workers / contractual workers.

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

The Company aims at providing sustainable development to the disadvantaged, vulnerable and marginalized stakeholders through "Gramin Abhivrudhi Kendra" by undertaking several initiatives. Other initiatives includes health care, education, infrastructure development, health check-up camps, plantation, safe and pure drinking water, sports material distribution etc.

**Principle 5 - Human Rights**

**1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Respecting and understanding Human Rights and addressing any potential violation is a crucial responsibility for any organization. The Company has adopted several policies – viz. Code of Conduct, Whistle Blower Policy etc. which ensures there is no violation of Human Rights in its conduct, externally or internally.

The Company adheres to all statutes that embody the principles of Human Rights such as non-discrimination, prevention of child labour, prevention of sexual harassment and equal employment opportunities. The Company is committed to a work environment in which all individuals are treated with fairness, respect and dignity.

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

The Company did not receive any stakeholder complaint in FY 2021-22 relating to Human Rights.

**Principle 6 - Protection and Restoration of the Environment**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others ?**

Kesoram Industries Ltd. (KIL) is IS/ISO 9001, 14001, 18001 & 50001 Certified Company. KIL Environmental Policy reflects each & every section in the organization. Our main vision is to conserve the environment through new technologies and new initiatives.

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

To achieve this, it has developed a road map focusing on key areas such as further reducing specific energy consumption. We are amongst the best in the industry in terms of specific thermal energy consumption, increasing the fly ash utilization rate, increase thermal substitution rate by:

- 100 % utilization of Bed ash & Fly ash generated at our CPP is used in Cement manufacturing process and additionally procuring Fly ash from Power Plants.
- Maximum utilization of Alternate Fuel Resources will reduce Green House gases emission.

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

Kesoram Industries Ltd. is IS/ISO 9001, 14001, 18001 & 50001 Certified Company.

The Company follows a structured risk assessments approach which encompasses identifying potential risk, assessing their impact, mitigating them by taking timely action and continuous monitoring.

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

At present, there is no new project related to Green development mechanism but we have already implemented clean development mechanism system in our plants.

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

Birla Shakti (PPC) was certified as Green Product by CII-Green Products and Services Council.

Birla Shakti+ (PPC) was certified as Green Product by CII-Green Products and Services Council.

The Company has several Committees such as Material Recycling System Monitoring committee, Water Management Committee, Bag Filters Performance Monitoring Committee, Waste Management Committee and Committee for Maximum use of alternate fuels.

The Company is not letting out any waste water in to the Environment. It is ensured that no waste water is discharged outside. Total waste water is treated and used for plantation & dust suppression.

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

Yes, the emissions/ waste generated by the Company are within the permissible limits given by Central Pollution Control Board/ State Pollution Control Board.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

No such cases are pending at the end of the financial year and there is no show cause and legal notice issued from SPCB/ CPCB.

**Principle 7 - Responsible Advocacy**

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

Confederation of Indian Industry (CII).

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

#### Principle 8 - Supporting Inclusive Growth and Equitable Development

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has specified programs/policies for Supporting Inclusive Growth and Equitable Development including social welfare, education, health, women empowerment etc.

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

The programs/projects undertaken through in-house team as well as through Trusts/NGO/Government collaborations.

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

Impact assessment is being done internally.

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

The Company has spent ₹ 0.30 Crore during the financial year 2021-22 for social welfare, education, health, sports & cultural development etc.

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

Yes, The Company has taken steps for the same. Certain CSR activities were taken during Covid-19 pandemic like distribution of rice, groceries and vegetables in the villages for the needy people. Masks, Sanitizers etc. for Old Age Homes and physically challenged and mentally retarded people. The Company had also done plantation at the highways and in nearby villages.

#### Principle 9 - Providing Value to Customers and Consumers

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year - NIL.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

The Company displays product information as mandated by Bureau of Indian Standards.

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

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

Yes. Sales force does this on a regular basis during their market visits, to serve customers better.

For and on behalf of the Board

Manjushree Khaitan  
Chairman

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

P. Radhakrishnan  
Whole-time Director & CEO

# Knowledge sharing

Regular sessions of Knowledge sharing which gets organised through Masons meet, Dealers meet and Engineers meet



# Transformation



## REPORT ON CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is structured on principles and practices that seek to imprint fairness, transparency and ethical behavior in its dealings with stakeholders.

### 2. BOARD OF DIRECTORS

#### i) Composition of the Board as on 31<sup>st</sup> March, 2022 and their Directorships, Committee positions held in other Companies and shares held by them as on that date:

As on 31<sup>st</sup> March, 2022, the Company had eight Directors, five of whom were Non-Executive Independent, two were Non-executive Non-independent Directors and one was Executive 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 held *	No. of Independent Directorships held in Listed Companies *	No. of other Board Committees # (of Companies*)		Share-holding in the Company
					As a Member	As a Chairman	
Manjushree Khaitan	Chairman	Non-executive	4	0	0	0	10,69,723
Kashi Prasad Khandelwal	Director	Non-executive Independent	4	3	3	3	Nil
Sudip Banerjee	Director	Non-executive Independent	3	2	2	0	Nil
Lee Seow Chuan	Director	Non-executive Independent	0	0	0	0	Nil
Jikyeong Kang	Director	Non-executive Independent	0	0	0	0	Nil
Bhaskar Niyogi ^	Nominee Director, SBI (Lender)	Non-executive	1	0	0	0	Nil
Mangala Radhakrishna Prabhu @	Director	Non-executive Independent	7	3	1	2	Nil
Satish Narain Jajoo \$	Additional Director	Non-executive	0	0	0	0	507
P. Radhakrishnan	Whole-time Director & CEO	Executive	0	0	0	0	615

^ resigned w.e.f 17<sup>th</sup> June, 2021

@ appointed w.e.f 14<sup>th</sup> May, 2021

\$ appointed w.e.f. 12<sup>th</sup> August, 2021

\* Excluding Kesoram Industries Limited, Private Companies, Companies 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 LODR Regulations.

None of the Directors of the Company are related as per the provisions of the Act.



ii) Details of Directorships in other listed entities held by the Directors of the Company as at 31<sup>st</sup> March, 2022:

Name of the Directors	Name of Listed Entities	Category
Manjushree Khaitan	Birla Tyres Ltd.	Non Executive Non Independent Director
Kashi Prasad Khandelwal	GPT Infraprojects Ltd.	Non Executive Independent Director
	LIC Housing Finance Ltd.	Non Executive Independent Director
	Birla Tyres Ltd.	Non Executive Independent Director
Sudip Banerjee	IFB Industries Ltd.	Non Executive Non Independent Director
	Larsen & Toubro Infotech Ltd.	Non Executive 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
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 it function effectively and those actually available:

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

Skill Sets	Directors							
	Manjushree Khaitan	Kashi Prasad Khandelwal	Sudip Banerjee	Lee Seow Chuan	Jikyeong Kang	P. Radhakrishnan	Mangala Radhakrishna Prabhu	Satish Narain Jajoo
Strategising 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's thought process or the approach to these.	✓	✓	✓	✓	✓	✓	✓	✓
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 the methodologies of 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 the various governance processes with the objective of finding solutions to issues affecting the Company.	✓	✓	✓	✓	✓	✓	✓	✓	

iv) **Attendance of Directors at Meetings held during the Financial Year 2021-22:**

Five Board Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2022 on 14<sup>th</sup> May, 2021, 12<sup>th</sup> August, 2021, 9<sup>th</sup> November, 2021, 20<sup>th</sup> November, 2021 and 10<sup>th</sup> February, 2022. The attendance of each Director at these Meetings and at the 102<sup>nd</sup> Annual General Meeting ("AGM") held on 23<sup>rd</sup> July, 2021 was as follows:

Members	Attendance	
	No. of Board Meetings	AGM
Manjushree Khaitan	5	Yes
Kashi Prasad Khandelwal	5	Yes
Sudip Banerjee	5	Yes
Lee Seow Chuan	5	Yes
Jikyeong Kang	5	Yes
Mangala Radhakrishna Prabhu (Appointed w.e.f. 14 <sup>th</sup> May, 2021)	4	Yes
Bhaskar Niyogi (Resigned w.e.f. 17 <sup>th</sup> June, 2021)	1	N.A.
Satish Narain Jajoo (Appointed w.e.f. 12 <sup>th</sup> August, 2021)	3	N.A.
P. Radhakrishnan	5	Yes

v) **Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2021-22:**

S. No.	Name of the Directors	Sitting fees paid for (₹ in lakhs)	
		Board Meetings	Committee Meetings*
1	Manjushree Khaitan @	-	-
2	Kashi Prasad Khandelwal	5.00	7.00
3	Sudip Banerjee	5.00	5.80
4	Lee Seow Chuan #	5.00	6.60
5	Jikyeong Kang #	5.00	6.60
6	Mangala Radhakrishna Prabhu	4.00	0.40
7	Bhaskar Niyogi	1.00	2.00
8	Satish Narain Jajoo	3.00	-
9	P. Radhakrishnan ^	-	-
	<b>Total</b>	<b>28.00</b>	<b>28.40</b>

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

@ Relinquished her sitting fee.

^ Sitting fee is not payable to Whole-Time Directors.

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

No Commission was paid to the Directors during the Financial Year 2021-22.

**P. Radhakrishnan** was appointed as a Whole-time Director, for a term of three years effective 8<sup>th</sup> August, 2019 by the Board and his appointment was approved by the Shareholders in 101<sup>st</sup> Annual General Meeting. The total remuneration paid to him during the Financial Year 2021-22 is as under:

Particulars	Amount paid ₹/Lakhs
Gross Salary:	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	392.28
(b) Value of perquisites	7.96
(c) Others : Contribution to Provident Fund and Superannuation Fund	10.89
<b>Total</b>	<b>411.13</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 Financial Year 2021-22.

**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 has declared compliance with the Code of Conduct as at 31<sup>st</sup> March, 2022. There were no materially significant transactions during the Financial 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 available on the website of the Company [www.kesocorp.com](http://www.kesocorp.com).

**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 Regulation 18 of the LODR Regulations.

**ii) Composition, Name of Members and Chairman**

The Audit Committee presently comprises of four Non-executive Independent Directors as Members. Kashi Prasad Khandelwal is the Chairman of the Committee.

Five Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2022 on 13<sup>th</sup> May, 2021, 14<sup>th</sup> May, 2021, 12<sup>th</sup> August, 2021, 9<sup>th</sup> November, 2021 and 10<sup>th</sup> February, 2022.

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	5
Lee Seow Chuan	5
Jikyeong Kang	5
Bhaskar Niyogi (Resigned w.e.f. 17 <sup>th</sup> June, 2021)	2

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

The representatives of the Statutory Auditors, Internal Auditors and Debenture Holders are permanent invitees to the Audit Committee meetings held quarterly, to approve financial statements. The Executive Director, Business heads and Senior Management of the Company also attend the meetings as invitee. The Cost Auditor attends the Audit Committee meeting where cost audit report is discussed.

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

The Chairman of the Audit Committee was present at the Annual General Meeting ("AGM") of the Company held on 23<sup>rd</sup> July, 2021.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### i) Terms of reference

The brief description of the terms of reference of the Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal, review and recommend remuneration of Directors, Key Managerial Personnel and other Senior Management Personnel in accordance with Regulation 19 of the LODR Regulations and Section 178 of the Act.

##### ii) Composition, Name of Members and Chairman

The Nomination & Remuneration Committee consisted of three Non-executive Independent Directors as Members. Kashi Prasad Khandelwal is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

The Committee met thrice during the Financial Year 2021-22 on 13<sup>th</sup> May, 2021, 11<sup>th</sup> August, 2021 and 13<sup>th</sup> September, 2021.

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

Members	No. of Meetings attended
Kashi Prasad Khandelwal, Chairman	3
Lee Seow Chuan	3
Jikyeong Kang	3

Kashi Prasad Khandelwal, Chairman of the Committee was present at the Annual General Meeting of the Company held on 23<sup>rd</sup> July, 2021.

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

The Committee formulated Policy accepted by the Board for implementation is available on the website of the Company at [www.kesocorp.com](http://www.kesocorp.com).

The performance of individual Board Members including Independent Directors was subject to peer evaluation during each Financial Year.

#### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The Committee consisted of three Directors, out of whom two were Non-executive Independent and one was Executive.

The Committee met once during the Financial Year 2021-22 on 10<sup>th</sup> February, 2022. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 23<sup>rd</sup> July, 2021.

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

Members	No. of Meetings attended
Kashi Prasad Khandelwal, Chairman	1
Sudip Banerjee	1
P. Radhakrishnan	1

Raghuram Nath, Company Secretary has been designated as the Compliance Officer.

The terms of reference of the Committee cover all the 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 2021-22:

Nature of Grievances	Complaints received from				Total complaints received during 2021-22	Total complaints redressed	No. of complaints outstanding as on 31 <sup>st</sup> March, 2022
	Investors directly	Stock Exchanges	SEBI "SCORES"	ROC			
Non-receipt of Dividend/ Interest/ Redemption Warrants/NECs	-	-	-	-	-	-	-
Non-receipt of Share / Debenture Certificate(s)	-	-	-	-	-	-	-
Non-receipt of Duplicate Share/ Debenture Certificate(s)	-	-	-	-	-	-	-
Demat related grievances	-	-	1	-	1	1	-
Non-receipt of Annual Report(s)	-	-	-	-	-	-	-
Status of Application lodged for Rights Issue	-	15	1	-	16	16	-
Reason for Non- Allotment of Shares in Rights Issue	-	-	-	-	-	-	-
Change of Name on Securities	-	-	1	-	1	1	-
<b>TOTAL</b>	-	<b>15</b>	<b>3</b>	-	<b>18</b>	<b>18</b>	-

iii) Details of outstanding Shares in the Unclaimed Suspense Account:

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on 1 <sup>st</sup> April, 2021	1	5
Shareholders, who approached the Company for transfer/delivery during 2021-22	Nil	Nil
Shares transferred/delivered during the year 2021-22	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.	Nil	Nil
Balance as on 31 <sup>st</sup> March, 2022	1	5

The voting rights on these outstanding shares in the Unclaimed Suspense Account and transferred to IEPF shall remain frozen till the rightful owner of such shares claim the shares.

6. RISK MANAGEMENT COMMITTEE

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

The brief terms of reference of the Risk Management Committee is to ensure that the Company maintains effective risk management and internal control systems and processes, and providing regular reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks.

The Committee consisted of three Members, out of whom one is Non-Executive Independent Director, one is Executive and Chief Financial Officer. The Committee met twice during the Financial Year 2021-22 on 27<sup>th</sup> August, 2021 and 19<sup>th</sup> February, 2022.

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

Members	No. of Meetings attended
Kashi Prasad Khandelwal, Chairman	2
P. Radhakrishnan	2
Suresh Kumar Sharma	2

#### 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee of the Board presently comprising of Manjushree Khaitan as the Chairman, Kashi Prasad Khandelwal 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. FUND RAISING COMMITTEE

The brief terms of reference of the Fund Raising Committee are to monitor and explore fund raising options to the Company. The Fund Raising Committee comprises of one Non-Executive Director, one Non-Executive Independent Director and an Executive Director.

Seven meetings of the Committee were held during the financial year on 21<sup>st</sup> July, 2021, 4<sup>th</sup> August, 2021, 27<sup>th</sup> August, 2021, 13<sup>th</sup> September, 2021, 3<sup>rd</sup> November, 2021, 14<sup>th</sup> January, 2022 & 21<sup>st</sup> February, 2022.

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

Members	No. of Meetings attended
Manjushree Khaitan, Chairman	7
Kashi Prasad Khandelwal	7
P. Radhakrishnan	7

#### 9. MEETING OF INDEPENDENT DIRECTORS

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the LODR Regulations, a separate Meeting of the Company's Independent Directors was held on 8<sup>th</sup> March 2022. All the Independent Directors attended the Meeting.

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 familiarisation programme for Independent Directors is available on the website of the Company at [www.kesocorp.com](http://www.kesocorp.com).

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

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out an annual performance evaluation of its own performance; of the Directors individually; as well as the evaluation of the Committees.

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including the Independent Directors and the same has been approved by the Board. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. Independent Directors fulfill the criteria of independence and they are independent of management. The performance evaluation of the Chairman and non-independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

## 12. GENERAL BODY MEETINGS

(A) The details of Annual General Meetings held during preceding three years are as follows:

AGMs	Date of AGM	Location	Time
102 <sup>nd</sup> AGM	23 <sup>rd</sup> July, 2021	Held through video conference / other audio visual means. Deemed venue was "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	03:00 P.M.
101 <sup>st</sup> AGM	29 <sup>th</sup> Sept, 2020	Held through video conference / other audio visual means. Deemed venue was "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	10:00 A.M.
100 <sup>th</sup> AGM	26 <sup>th</sup> July, 2019	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.

(B) The details of Extra-Ordinary General Meetings held during preceding three years are 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
102 <sup>nd</sup> AGM dated 23 <sup>rd</sup> July, 2021	To amend the Articles of Association of the Company
101 <sup>st</sup> AGM dated 29 <sup>th</sup> September, 2020	<ul style="list-style-type: none"> <li>i) Re-appointment of Lee Seow Chuan as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundred and First Annual General Meeting to the conclusion of Company's One Hundred and Sixth Annual General Meeting.</li> <li>ii) Appointment of Radhakrishnan Padmalochanan as a Whole-time Director of the Company, for a period of three years effective 8<sup>th</sup> August, 2019.</li> <li>iii) To give Loan to any person or other body corporate or give any Guarantee or provide Security in connection with a loan to any other body corporate or person or to acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate.</li> <li>iv) To re-classify the Authorised Share Capital of the Company.</li> </ul>
100 <sup>th</sup> AGM dated 26 <sup>th</sup> July, 2019	<ul style="list-style-type: none"> <li>i) Re-appointment of Kashi Prasad Khandelwal as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundredth Annual General Meeting to the conclusion of Company's One Hundred and Fifth Annual General Meeting.</li> <li>ii) Re-appointment of Sudip Banerjee as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundredth Annual General Meeting to the conclusion of Company's One Hundred and Fifth Annual General Meeting.</li> <li>iii) Re-appointment of Amitabha Ghosh as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundredth Annual General Meeting to the conclusion of Company's One Hundred and Fifth Annual General Meeting.</li> <li>iv) Re-appointment of Chander Kumar Jain as Whole-time Director and payment of remuneration for a further period of one year effective from 4<sup>th</sup> May, 2019 in terms of Sections 196, 197 and Schedule V to the Act read with Rules made thereunder.</li> </ul>

Date of AGM/EGM	Particulars
EGM dated 13 <sup>th</sup> April, 2021	i) Ratification of further disclosures in addition to the disclosures made in the explanatory statement to the Special Resolution No 1 taken at the Extra-ordinary General Meeting of the Company held on 12 <sup>th</sup> February, 2021 for conversion of loan into Equity shares and Zero Coupon Optionally Convertible Redeemable Preference Shares (OCRPS) as per Resolution Plan. ii) Ratification of further disclosures in addition to the disclosures made in the explanatory statement to the Special Resolution No 2 taken at the Extra-ordinary General Meeting of the Company held on 12 <sup>th</sup> February, 2021 for issuance of Optionally Convertible Debentures (OCDs) through Private Placement.
EGM dated 12 <sup>th</sup> February, 2021	i) Modification to the Approval taken on 28 <sup>th</sup> December, 2020 for Conversion of Loan into Equity Shares and Zero Coupon Optionally Convertible Redeemable Preference Shares (OCRPS) as per Resolution Plan. ii) De Novo Approval for issuance of Optionally Convertible Debentures (OCDs) through Private Placement. iii) De Novo Approval for conversion of Optionally Convertible Debentures (OCDs) to Equity Shares.
EGM dated 28 <sup>th</sup> December, 2020	i) Approval for Conversion of Loan into Equity Shares and Zero Coupon Optionally Convertible Redeemable Preference Shares (OCRPS) as per Resolution Plan. ii) Approval for issuance of Optionally Convertible Debentures (OCDs) through Private Placement. iii) Approval for conversion of Optionally Convertible Debentures (OCDs) to Equity Shares. iv) Approval to give Loan to any person or other body corporate or give any Guarantee or provide Security in connection with a Loan to any other body corporate or person or to acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate.

**(D) Postal Ballot:**

During the year, no Resolution was passed through Postal Ballot.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

**13. DISCLOSURE IN RELATION TO THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS**

As required under Regulation 36(3) of the LODR Regulations, brief profiles of Manjushree Khaitan, Jikyeong Kang, Satish Narain Jajoo and P Radhakrishnan are appended:

**Manjushree Khaitan (Non Executive, Non Independent) DIN: 00055898:** Manjushree Khaitan, MA (66) an Indian was appointed as a Non Executive Director of this Company on 30<sup>th</sup> October, 1998. She is today a Non-Executive Non-Independent Director designated as the 'Chairman'. Apart from being a post graduate in English Literature from Calcutta University she has attended several Executive Development Programmes both at the London Business School and IMD, Switzerland. Further, as an industrialist, she has been associated with the chemicals industry, tea and coffee plantations, and information technology for three decades. She is the Chairperson of Manjushree Plantations Limited. She is also a member of the Board of Governors of Birla Institute of Technology and Science, Pilani. In addition, she is closely associated with several educational and cultural trusts, including Birla Education Trust. She holds 10,69,723 Equity Shares of the Company.

**Jikyeong Kang (Independent Director) DIN: 08045661,** Doctorate in Marketing (61), Philippines resident is the President and Dean of the Asian Institute of Management, Manila, Philippines ("AIM") since the year 2016. Prior to assuming her post at AIM, she was Director of the DBA Program at Manchester Business School (MBS) from 2010 to 2014. She has also taught at top business schools around the world as a Visiting Professor and currently serves on the International Board of the AACSB as well as on the Board of EFMD, both premier educational institutions.

Further, she is also an Independent Director of the Security Bank, one of Philippines' leading universal banks serving retail, commercial, corporate and institutional clients. Currently she serves as an Independent Director of the Company. She is paid sitting fees for attending Board and Committee Meetings. She does not hold any shares of the Company.



**Satish Narain Jajoo (Non-Executive) DIN: 07524333:** Satish Narain Jajoo, B.Com, FCA, (63) an Indian was appointed as an Additional Non-Executive Director of the Company on 12<sup>th</sup> August, 2021. He possesses experience of 38 years in managing and leading diverse businesses spanning across cement, metals, chemicals and fertilizers. He is paid sitting fees for attending Board and Committee Meetings. He holds 507 equity shares of the Company.

**Radhakrishnan Padmalochanan (Whole-time Director & CEO) DIN: 08284551:** is a qualified Chartered Accountant and a Cost and Management Accountant (56), an Indian, with over twenty seven years of rich experience in the accounts, finance and treasury function in Industry. He is presently appointed as a Whole-time Director & CEO of the Company. He holds no other Directorship in any other Company. He holds 615 equity shares of the Company.

#### 14. DETAILS WITH RESPECT TO UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT OR RIGHTS ISSUE

As on date, the Company has raised funds by way of Rights issue to the tune of ₹ 399,08,30,375 (allotment of 7,99,97,755 Partly paid Rights shares on receipt of application money of ₹ 25/- per share and subsequently conversion of 7,96,35,460 partly paid rights shares to fully paid up shares to the shareholders who had paid their first and final call money of ₹ 25/- per share). The conversion of remaining partly paid-up rights equity shares into fully paid up shares process is underway. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and SEBI (Issue and Listing of Debt Securities) Regulations, 2009, as amended and Sections 42 and 62 of the Companies Act, 2013, as amended, including the rules made thereunder. The proceeds of funds raised by the Company are utilised as per Objects of the Issue as stated in the Letter of Offer dated 13<sup>th</sup> September, 2021.

The disclosure in compliance with the Regulation 32 (7A) of the Listing Regulations is as under:

Particulars	Amount utilized (₹ in Crores)
Payment to Non-Convertible Debentures	55.00
Payment to Optionally Convertible Debentures	245.00
Payment of Inter Corporate Deposits	54.13
Issue Expenses and General Corporate purpose	45.86
<b>Total</b>	<b>399.99</b>

Out of the total fund raised by the Company, an amount of ₹ 1.97 Crore is unutilised and not received as on date.

#### 15. DISCLOSURE WITH RESPECT TO PAYMENT MADE TO STATUTORY AUDITORS

Details with respect to payment made by the Company and its subsidiary for the services provided by the Statutory Auditors appears separately under Note No. 28 to the Financial Statements.

#### 16. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT 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 complaints on the issues covered by the above Act were received during the year:

a.	Number of complaints filed during the financial year 2021-22	Nil
b.	Number of complaints disposed of during the financial year 2021-22	Nil
c.	Number of complaints pending as on end of the financial year 2021-22	Nil

#### 17. MEANS OF COMMUNICATION

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

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges where the Company's Shares are listed and then published in various leading national newspapers, viz. Financial Express (English – all editions) and Ek Din (Bengali edition). The Results are also posted on the Company's website at [www.kesocorp.com](http://www.kesocorp.com).

Earnings calls on financials / quarterly results are held with investors and their transcripts are published on the website. All official releases and other related information are also displayed on this website.

**18. GENERAL SHAREHOLDER INFORMATION****a) Next AGM**

<b>Time</b>	11:30 A.M. (IST)
<b>Day</b>	Friday
<b>Date</b>	17 <sup>th</sup> June, 2022
<b>Venue</b>	Kalakunj (within the Premises of Kalamandir), 48, Shakespeare Sarani, Kolkata - 700017 and also through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

**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>June 30, 2022</b>	2 <sup>nd</sup> week of July, 2022
<b>September 30, 2022</b>	2 <sup>nd</sup> week of October, 2022
<b>December 31, 2022</b>	2 <sup>nd</sup> week of January, 2023
<b>March 31, 2023</b>	2 <sup>nd</sup> week of April, 2023

**d) Date of Book Closure**

The Register of Members shall remain closed from Saturday, 11<sup>th</sup> June, 2022 to Friday, 17<sup>th</sup> June, 2022 (both days inclusive) for the purpose of 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 (for GDRs)
<b>NCDs</b>	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

ii. Annual listing fee for the financial year 2022-23 will be paid to BSE Limited, National Stock Exchange of India Limited, the Calcutta Stock Exchange Limited & Societe de la Bourse de Luxembourg within due date.

**iii. Script Codes:**

<b>i) Equity Shares</b>	
BSE	502937
NSE	KESORAMIND
CSE	10000020
Luxembourg Stock Exchange	US4925322053
<b>ii) NCDs</b>	
BSE	973060

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

Equity Shares in Demat Form	INE087A01019
Global Depository Receipts	US4925322053
NCDs in Demat Form	INE087A07651

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

#### h) Stock Market Price Data:

₹/ Share

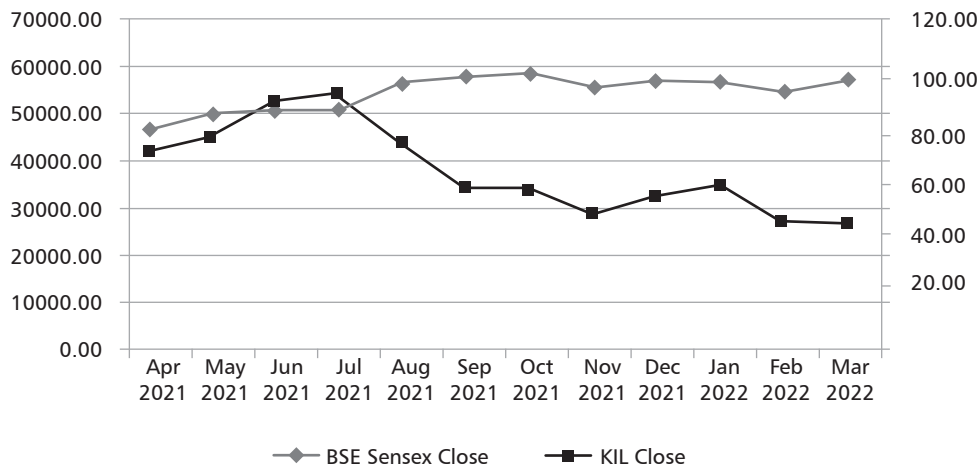
Month	BSE Sensex	Share Price		
	Close	High	Low	Close
April, 21	48782.36	82.15	66.10	75.85
May, 21	51937.44	90.50	71.10	80.70
June, 21	52482.71	96.80	77.35	92.25
July, 21	52586.84	102.00	86.65	95.25
August, 21	57552.39	105.40	73.85	79.00
September, 21	59126.36	91.60	63.20	63.50
October, 21	59306.93	72.70	62.20	63.35
November, 21	57064.87	69.50	55.45	56.00
December, 21	58253.82	65.70	56.05	61.15
January, 22	58014.17	78.20	60.30	64.45
February, 21	56247.28	67.85	49.10	53.50
March, 22	58568.51	55.50	47.80	52.40

Month	NSE Nifty	Share Price		
	Close	High	Low	Close
April, 21	14894.90	82.40	64.00	75.85
May, 21	15582.80	90.50	70.10	80.70
June, 21	15869.25	96.85	77.20	92.25
July, 21	15924.20	101.95	86.60	95.15
August, 21	17132.20	105.50	73.60	79.00
September, 21	17855.10	91.70	63.20	63.35
October, 21	18477.05	72.40	62.00	63.45
November, 21	18109.45	69.70	55.20	55.95
December, 21	17516.85	65.75	56.00	61.15
January, 22	18308.10	78.30	61.00	64.40
February, 22	17780.00	67.95	49.10	53.55
March, 22	17464.75	54.00	52.00	52.30

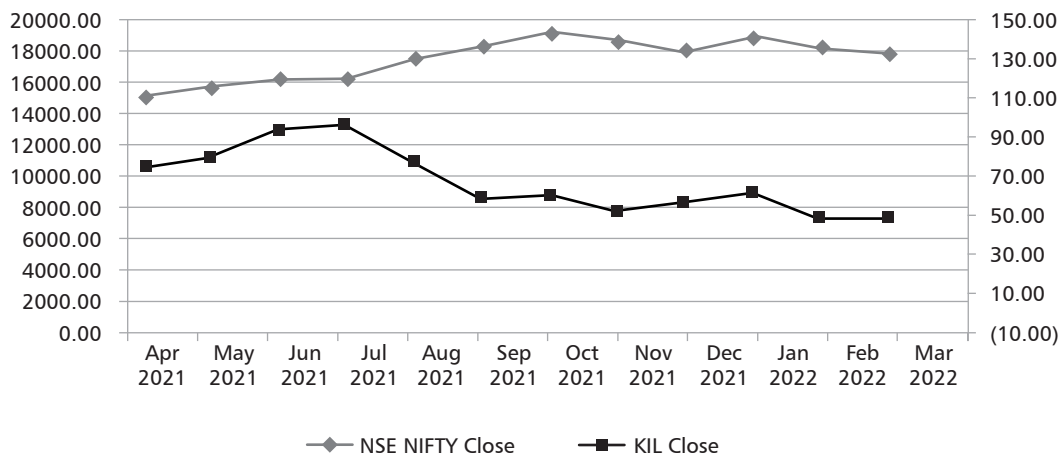
During the year there was no trading of equity shares on The Calcutta Stock Exchange Ltd. as well as Depository Receipts on Societe de la Bourse de Luxembourg and NCD on BSE Ltd.

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 2021-22



Kesoram Industries Limited (KIL) Share Price on NSE vis-a-vis NSE Nifty 2021-22



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:

To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/ GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc). The transmission or transposition of shares are being processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority severally to any Director or the Company Secretary to approve transmission or transposition of shares and accordingly, the Director or the Company Secretary approve the transmission/ transposition of shares generally from time to time. This process is reviewed by the Committee.

**l) Distribution of shareholding as on 31<sup>st</sup> March, 2022:**

**(a) According to category of holding (based on fully paid-up Equity Shares):**

Category	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
Promoters	15	0.01	12,03,23,896	49.30
Mutual Funds / UTI	10	0.01	12,240	0.01
Financial Institutions & Banks	42	0.04	2,22,38,004	9.11
Foreign Portfolio Investors	16	0.02	11,82,160	0.48
Insurance Companies	1	0.00	200	0.00
NRI/OCB's	815	0.77	47,14,040	1.93
Private Body Corporates/Trust	873	0.83	2,55,81,941	10.48
Individuals	1,03,940	98.32	6,23,42,792	25.56
Unclaimed Suspense A/c	1	0.00	5	0.00
GDRs	1	0.00	7,041,875	2.89
IEPF Authority	1	0.00	3,40,241	0.14
NBFC Registered with RBI	1	0.00	2,46,769	0.10
<b>Total</b>	<b>1,05,716</b>	<b>100.00</b>	<b>24,40,24,163</b>	<b>100.00</b>

**(b) According to the number of Equity Shares held (based on fully paid-up Equity Shares):**

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
1-100	63,340	59.92	2,40,0428	0.98
101-200	12,624	11.94	20,75,970	0.85
201-500	13,731	12.99	49,25,810	2.02
501-1000	7,318	6.92	57,72,175	2.37
1001-5000	6,838	6.47	1,51,18,149	6.20
5001-10000	950	0.90	70,40,110	2.89
10001 and above	915	0.87	20,66,91,521	84.70
<b>Total:</b>	<b>1,05,716</b>	<b>100.00</b>	<b>24,40,24,163</b>	<b>100.00</b>

**m) Dematerialisation and Rematerialisation**

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

**n) Dematerialisation of shareholding**

The Company's Equity Shares are compulsorily traded in the dematerialised form. 24,31,06,225 Equity Shares of the Company representing 99.62% of the total Equity Shares issued were held in dematerialised form as on 31<sup>st</sup> March, 2022. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

**o) Outstanding GDRs**

70,41,875 Equity shares of the Company were held as Global Depository Receipts as on 31<sup>st</sup> March, 2022.

**p) Outstanding shares in Demat Escrow Account as on 31<sup>st</sup> March, 2022**

769 partly paid up rights shares.

**q) Insider Trading**

The Company has implemented the Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

## r) Plant Locations

Factory Location	City Office
<b>Sedam Plant</b> Sedam, Dist. Gulbarga Karnataka-585222 Phone: +91-8441-276005/276391/277403 Fax: +91-8441-276139 E-mail: <a href="mailto:vc.communication@kesoram.net">vc.communication@kesoram.net</a>	Cement Division a Unit of Kesoram Industries Ground floor, Bharath Apartment, Fair field Layout, Race course Road, Bangalore Karnataka-560001
<b>Basantnagar Plant</b> Basantnagar, Dist. Karimnagar Telangana-505187 Phone : +91-8728 -228152/228121 Fax: +91-8728-228160 E-mail: <a href="mailto:kc.communication@kesoram.net">kc.communication@kesoram.net</a>	Cement Division a Unit of Kesoram Industries, Unit 12 <sup>th</sup> (1201) of T19-TOWERS, Indira Nagar, Ginwala compound, M.G. Road, Secunderabad-500003
<b>Packing Unit</b> T-3 MIDC Chincholi, Taluk : Mohal Solapur-413255, Maharashtra State	

## s) Address for Correspondence

## (a) For routine matters:

Any assistance regarding share transmission, change of address, non-receipt of dividend, duplicate / missing Share Certificate, demat and other 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, 9/1, R. N. Mukherjee Road, Kolkata-700 001  
 Phone No.: +91-33-22101545  
 E-mail: [sharedepartment@kesoram.net](mailto:sharedepartment@kesoram.net)

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  
 Fax No.: 033 40724050  
 E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

## (b) For Redressal of Complaints and Grievances:

**The Company Secretary**

Kesoram Industries Limited  
 Birla Building, 9/1 R. N. Mukherjee Road, Kolkata-700001.  
 Telephone Nos. : +91 33 22435453/22429454/22135121  
 E-mail: [corporate@kesoram.net](mailto:corporate@kesoram.net)

## 19. CREDIT RATINGS

Credit Ratings obtained by the Company along with any revisions thereto during the financial year 2021-22 are as follows:-

Rating Agency	Limit	Type	Rating	Date of Rating	Rating Action
ICRA	₹ 1549 Crores	Non Convertible Debentures	[ICRA] BBB-(Stable)	29 <sup>th</sup> March, 2022	Assigned
ICRA	₹ 167 Crores	Optionally Convertible Debentures	[ICRA] BBB-(Stable)	29 <sup>th</sup> March, 2022	Assigned
CRISIL	₹ 1740 Crores	Non Convertible Debentures	CRISIL BB+/Positive	22 <sup>nd</sup> March, 2022	Upgraded
CRISIL	₹ 460 Crores	Optionally Convertible Debentures	CRISIL BB+/Positive	22 <sup>nd</sup> March, 2022	Upgraded
CRISIL	₹ 1740 Crores	Non Convertible Debentures	CRISILBB+/Stable	27 <sup>th</sup> December, 2021	Upgraded
CRISIL	₹ 460 Crores	Optionally Convertible Debentures	CRISILBB+/Stable	27 <sup>th</sup> December, 2021	Upgraded
CRISIL	₹ 1740 Crores	Non Convertible Debentures	CRISILB/Stable	14 <sup>th</sup> June, 2021	Upgraded
CRISIL	₹ 460 Crores	Optionally Convertible Debentures	CRISILB/Stable	14 <sup>th</sup> June, 2021	Upgraded

Rating Agency	Type	Rating	Date of Rating	Rating Action
ICRA	Issuer Rating	[ICRA] BBB-(Stable)	28 <sup>th</sup> January, 2022	Assigned

## 20. Awards and Recognition during the accounting year 2021-22:

- Award for **"Reducing Net Heat Rate for Thermal Power Plants for National Efficiency Awards 2021"** hosted by Mission energy foundation.
- Award for **"Best Power Plant Boiler"** on 50<sup>th</sup> National safety day celebration-2021 by Director of Factories, Boilers, Industrial Safety and Health Secretary.
- Award for **"Excellent Energy Efficient Unit"** in cement sector from CII in recognition of our outstanding performance in Energy conservation and Green cement manufacturing.
- Award for **"Greentech Effective Safety Culture Award 2021"**.
- Award for **"1<sup>st</sup> Prize in Overall Performance"** and seven related awards in Mines Environment and Mineral Conservation week FY 2019-20.
- Award for **"20th Annual Greentech Safety India Award 2021 "** in Cement Sector hosted by M/s Greentech Foundation.
- **"Certificate of Appreciation"** in recognition of our dedication to Quality and wonderful association with BIS for more than 25 years from **Bureau of Indian Standards**, Southern Regional Office celebration of Iconic Week under Azadi Ka Amrit Mahotsav.

## 21. 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, Website: www.vistraitcl.com Contact Person: Mr. Krunal Shah;

## 22. Management Discussion and Analysis:

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

**23. 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 [www.kesocorp.com](http://www.kesocorp.com).
- ii) Transactions with Related Parties, as per requirements of Indian Accounting Standard 24 (IND-AS 24) in the prescribed format of Para A of Schedule V of LODR Regulations, 2015 are disclosed in the Notes to Accounts annexed to the Financial Statements. There are 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 Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, which required disclosure in Form AOC-2 as such the same does not form part of the Directors' Report.
- iii) The Company has complied with all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended, while preparing the Financial Statements.
- iv) There are/were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which have or could have potential conflict with the interests of the Company at large.
- v) The Company has complied with all requirements of the LODR Regulations as well as other Regulations and guidelines prescribed by the Securities and Exchange Board of India ("SEBI") for the financial year ended 31<sup>st</sup> March, 2022 (compliance for the fourth quarter ended 31<sup>st</sup> March, 2022 will be carried out within due date) except for non-disclosure of extent and nature of security created and maintained with respect to Senior, Secured, Listed, Rated and Redeemable Non-Convertible Debentures in the notes to the financial statement for the quarter and nine months ended on 31<sup>st</sup> December, 2022 and subsequently the same was complied with. However, fine was imposed by the Stock Exchange which has been settled by the Company. No other penalties or strictures 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 except for late submission of signed Audited Financials with Auditor's Report for the quarter and year ended March, 2020 under Regulation 33 of LODR Regulations within the stipulated time for which penalty was paid by the Company and late submission of Statement of Investor Complaints for quarter ended March 2020 under Regulation 13(3) of LODR Regulations for which the penalties were imposed by the Stock Exchanges and upon being requested, has waived those penalties keeping in mind the lockdown period restrictions due to CoVID-19 pandemic.
- vi) The Company has adopted a Whistle Blower Policy that has been placed on the website of the Company at [www.kesocorp.com](http://www.kesocorp.com). The Policy contains guidelines to be followed by a whistle blower. No person has been denied access to the Audit Committee.
- vii) The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that critical risks are controlled by the executive management. Risk Management Committee has been constituted under the LODR Regulations.
- viii) As on 31<sup>st</sup> March, 2022, the Company has a wholly-owned subsidiary - Cygnet Industries Limited. The Policy on Material Subsidiaries is available on the Company's website at [www.kesocorp.com](http://www.kesocorp.com).
- ix) Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Regulation 16 (b) of the SEBI LODR Regulations.
- x) Commodity price risks and foreign exchange risks are hedged from time to time in accordance with a 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 LODR Regulations.
- xii) All recommendations of the Board Committees made during the year were accepted by the Board. There were no instances of any disagreement between the Committees and the Board.
- xiii) The status of compliance with non-mandatory recommendations of the Part E of Schedule II of LODR Regulations are provided below:
  - a) Non Executive Chairman's Office: The Non-Executive Chairman maintains an office at the Company's Registered and Head Office in Kolkata.
  - b) Shareholders' Rights: As the quarterly and half yearly financial performance are submitted to the Stock Exchanges, published in the newspapers and posted on the Company's website, these are not sent to Shareholders separately.



- c) Audit Qualifications: The Company's financial statement for the year 2021-22 does not contain any audit qualification.
- d) Reporting of Internal Auditor: The Internal Auditor and an in house team reports to the Audit Committee.

**24. CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

A Certificate has been issued by Whole-time Director & CEO and CFO as required under Regulation 17(8) of the LODR Regulations.

**25. RECONCILIATION OF SHARE CAPITAL AUDIT**

As stipulated by SEBI, a qualified 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.

**26. CERTIFICATE FROM A PRACTISING COMPANY SECRETARY**

- a) The Company has obtained a Certificate from a Practicing Company Secretary 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 obtained a Certificate from a Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

**For and on behalf of the Board**

**Manjushree Khaitan**  
*Chairman*

**P. Radhakrishnan**  
*Whole-time Director & CEO*

Place: Kolkata

Date: 11<sup>th</sup> April, 2022

## DECLARATION

All Board Members as on 31<sup>st</sup> March, 2022 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, 2021 to 31<sup>st</sup> March, 2022 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: 11<sup>th</sup> April, 2022

**P. Radhakrishnan**  
*Whole-time Director & CEO*

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

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

We have examined all relevant records of **M/s. 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, 2022**. 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: 11<sup>th</sup> April, 2022

For, **RP & Associates**

Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913D000150427  
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,  
**Kesoram Industries Limited**

We have examined all relevant records including the annual declarations from the directors in Form DIR-8 of **M/s. 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, 2022.

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, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Manjushree Khaitan	00055898	30.10.1998
2	Kashi Prasad Khandelwal	00748523	10.04.2012
3	Sudip Banerjee	05245757	29.04.2014
4	Lee Seow Chuan	02696217	08.08.2014
5	Jikyeong Kang	08045661	10.01.2018
6	Radhakrishnan Padmalochanan	08284551	08.08.2019
7	Satish Narain Jajoo	07524333	12.08.2021
8	Mangala Radhakrishna Prabhu	06450659	14.05.2021

Ensuring the eligibility of 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: 11<sup>th</sup> April, 2022

**RITU BAJAJ**  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913D000150339  
Peer Review No. 1635/2021

## ANNEXURE IV

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

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

The Company fully recognises its commitment to the fulfillment 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.

The Company's CSR Policy has been hosted on the Company's website at [www.kesocorp.com](http://www.kesocorp.com).

2. The Composition of the CSR Committee: The Committee is chaired by Manjushree Khaitan with Kashi Prasad Khandelwal and P. Radhakrishnan as Members.
3. Average net profit of the company for last three financial years:

Particulars	Last three financial years (₹/ Crores)			Average Net Profit/(Loss) for calculating CSR expenditure (₹/ Crores)
	2020-21	2019-20	2018-19	
Net Profit (Loss)*	(140.13)	(485.52)	(242.35)	(289.33)

\*Dividend income of ₹ 0.02 Crore, ₹ 0.02 Crore and ₹ 0.05 Crore for the financial years 2020-21, 2019-20 & 2018-19 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.

Figures for the year 2020-21 is profit before tax.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): As will be evident from the above that the Company has made losses during the financial years 2020-21, 2019-20 & 2018-19. 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 2021-22 is mandated.
5. Details of CSR spent during the financial year:
- a) Total amount to be spent for the financial year: **Nil**
- b) Amount unspent, if any: **Not Applicable**
- c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs		Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
			(i) Local area or others;	(ii) Specify the State and District where projects or programs were undertaken			
1	2	3	4	5	6	7	8
<b>Not Applicable for Financial year under review</b>							

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: **Not Applicable**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: The implementation and monitoring of CSR Policy is in compliance/ will be in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Manjushree Khaitan  
Chairman

P. Radhakrishnan  
Whole-time Director & CEO

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

### 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**

(₹/ Crores)

S. No.	Particulars	Details
1.	Name of the subsidiary	Cygnnet 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, 2022
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
5.	Share Capital	926.54
6.	Reserves & Surplus	(715.93)
7.	Total Assets	667.84
8.	Total Liabilities	457.24
9.	Investments	0.01
10.	Turnover	71.85
11.	Profit/ (Loss) before taxation	(106.60)
12.	Provision for taxation	Nil
13.	Profit/ (Loss) after taxation	(106.60)
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**

(₹/ Crores)

S. No	Name of Associates / Joint Ventures	Gondkhari Coal Mining Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2022
2	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
3	Description of how there is significant influence	Joint Venture
4	Reason why the associate / joint venture is not consolidated	Consolidation is done using the Equity Method as per IND AS 28 para 16.
5	Net worth attributable to shareholding as per latest audited Balance Sheet	(0.57)
6	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**

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
Kesoram Industries Limited  
CIN: L17119WB1919PLC003429  
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 M/s. 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.

Based on the documents, papers, minute books, forms and returns filed and other records maintained and provided by the Company and also 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, the Company has, during the audit period covering the financial year ended on 31.03.2022 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company for the financial year ended on 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 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 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;
  - (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 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);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company for the period under review);
  - (h) 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.

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 a major action or event 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:-

- The Board of Directors at its meeting held on 14<sup>th</sup> May, 2021 have interalia approved the overall fund raising of upto ₹600 Crores by way of issuance of the securities of the Company through one or more modes.
- On 12<sup>th</sup> August, 2021 the Board of Directors approved further issue of Equity Shares of upto ₹400 Crores through Fast Track Rights Issue mechanism.
- The Right Issue was open from 27<sup>th</sup> September, 2021 to 11<sup>th</sup> October, 2021 and was oversubscribed by 26%.

In respect of other Acts, Laws and Regulations (given in Annexure I) applicable to the Company, we have relied on the information / records produced by the Company in electronic mode during the course of our audit and the reporting is limited to that extent.

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 form an integral part of this report.

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

**For RP & Associates**

Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913D000068488  
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 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. Mines Act, 1952 & its allied Acts and Rules                   |
| 8. Payment of Bonus Act, 1965,   | 19. The Equal Remuneration Act, 1976,                             |
| 9. West Bengal Shops and Establishments Act and Rules,   | 20. Workmen's Compensation Act, 1923 & Rules,                     |
| 10. The West Bengal State Tax on Professions, Trades, Callings and Employments Act & Rules,              | 21. The Maternity Benefit Act, 1961                               |
| 11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, | 22. The Negotiable Instrument Act, 1881; and                      |
|  | 23. 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: 11<sup>th</sup> April, 2022

**For, RP & Associates**

Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913D000068488  
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, 2022.

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 <sup>'*'</sup> - N.A. Kashi Prasad Khandelwal - 2.31:1 Sudip Banerjee - 2.08:1 Lee Seow Chuan - 2.24:1 Jikyeong Kang - 2.24:1 P. Radhakrishnan - 79.23:1 Bhaskar Niyogi <sup>'&amp;'</sup> - 0.58:1 Mangala Radhakrishna Prabhu <sup>'#'</sup> - 0.85:1 Satish Narain Jajoo <sup>'^'</sup> - 0.58:1
(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> Manjushree Khaitan <sup>'*'</sup> - N.A. Kashi Prasad Khandelwal - (26.83) Sudip Banerjee - (27.03) Lee Seow Chuan - (50.12) Jikyeong Kang - (44.58) P. Radhakrishnan - 33.32 Bhaskar Niyogi <sup>'&amp;'</sup> - (78.57) Mangala Radhakrishna Prabhu <sup>'#'</sup> - N.A. Satish Narain Jajoo <sup>'^'</sup> - N.A. <b>Key Managerial Person :</b> Suresh Kumar Sharma, CFO <sup>**</sup> - 77.93 Akash Ghuwalewala, CS <sup>***</sup> - 9.66 Raghuram Nath, CS <sup>****</sup> - N.A.
(iii)	The percentage increase in median remuneration of employees in the Financial Year.	-12.31
(iv)	The number of permanent employees on the rolls of Company.	1,856 employees as on 31.03.2022
(v)	a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year	a) -0.88
	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.

\* Relinquished Sitting fees for F.Y. 2021-22

& Resigned on 17.06.2021

# Appointed w.e.f. 14.05.2021

*^ Appointed w.e.f. 12.08.2021*

*\*\* Appointed w.e.f. 04.08.2020*

*\*\*\* Appointed w.e.f. 19.01.2021 and resigned on 14.06.2021*

*\*\*\*\* Appointed w.e.f. 15.06.2021*

Place: Kolkata

Date: 11<sup>th</sup> April, 2022

**For and on behalf of the Board**

**Manjushree Khaitan**  
*Chairman*

**P. Radhakrishnan**  
*Whole-time Director & CEO*

## 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 have been taken by the businesses in relation to conservation of energy.

In Kiln-1 RABH conveying system, optimised the running hours of rotary locks and screw conveyors by proving the interlock logic in DCS system. We have provided hardware interlock for GRR cooling blowers ON/OFF control with GRR final step contactor, such that blowers will be switched OFF automatically when the GRR is at full speed condition and blowers will be automatically switched ON at other full speed condition avoiding idle running hours. Interlock provided for Air dryer system to switch off with IR-75 Screw compressor motor. Replaced 80 No's of 36W tube light fittings with 18W LED fittings resulting in better illumination and power saving. In Crane section, replaced 7 No's of conventional metal halide fittings with energy efficient LED lights. In CPP, replaced 30 No's of 70W SV light fittings with energy efficient 36W LED fittings, optimised Lime stone crusher dust collector ON/OFF purging timings. Thus resulting in power saving. Reduced fluidising Air volume in NMFC air chamber by reducing air blower RPM without disturbing any process parameters. Thus resulting in Electrical & Thermal energy reduction. Increased CM-3 output by programming the conditions in control loop logic in DCS system. Fresh feed set value to increase automatically based on the Osepa return quality. Installed SPRS for raw mill-2 fan savings achieved 95KWH/day, 75 KW VFD panel for unit-1 PC firing blower, 37 KW VFD for packing plant -1 compressor, 11 KW VFD for unit-4 kiln feed extraction blower, VFD for IAC compressor in unit-5 power plant and VFD for bag filter fan in power plant. Replaced metal fan blades with FRP fan blades in TPH-1 cooling tower savings achieved 168KWH/day, TPH-2 cooling tower savings achieved 96KWH/day, TPH-3 cooling tower savings achieved 204KWH/day and TPH-4 cooling tower savings achieved 672KWH/day. Replaced metal fan blades with FRP fan blades in kiln shell cooling fans Derating of 2N28 Bag filter fan from 45 KW to 30 KW, 2N29 Bag filter fan from 75 KW to 45 KW, P26 Compressor from 75 KW to 55 KW and compressor from 15kW to 7.5kW, achieved savings of 440KWH/day.

#### ii) Steps taken by the company for utilising alternate sources of energy

During the FY 2021-22, co-processed 6308 MT of Rice husk in CPP, 4247.97 MT chrome sludge in Kiln, 31178 MT carbon black in Kiln, 55.46 MT organic residue in Kiln and Plastic waste usage of 12655 MT were amongst the steps taken by the Company for tapping alternate source of energy.

#### iii) Capital investment on energy conservation equipments

₹ 18.50 lakhs is invested towards energy consumption equipment

### B. TECHNOLOGY ABSORPTION:

#### i) Efforts made towards technology absorption

Upgraded Cement Mill-4 HR Separator SPRS controller cubicle and Software upgradation in eight Ventomatic packers with Latest one. Total Investment is ₹ 7 Lakhs. Replacement of 5 No's 2X 400W conventional light fittings with 350W Energy saving LED light fittings at Mines N3 lighting tower and 400Nos conventional light fittings with Energy saving LED light fittings in various locations at cement plant.

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

The Company has programmed a logic in DCS such that during mill stop/trip condition, if the pressure is less than 3.5 kg, the compressor trip logic is automatically bypassed i.e. if any one of the mill is stopped and the pressure is below 3.5 kg the stand by compressor continuous to run. Secondary air thermocouples consumption is reduced by providing steel pipe with castable coating. In kiln-1 to reduce the time for change over to stand by drive during coal feeder breakdown connected the stand by panel analog and digital signals to the DCS. In house preparation of a drift for on chasis seal replacement without replacement of the PT pump. Display of safety boards to motivate the employees in safe working. In E-block we have made another straight haul road by using the dozer parallel to the existing haul road to avoid curve, due to which dumpers are running safely. We have provided one no air booster and two numbers dummy near manual gate damper discharge to get free flow of lime stone powder. To improve air blatters efficiency (5.0-5.5Kg/Cm<sup>2</sup>) to remove coating in kilns preheater, we have separated the air pipeline from a common header. We have rewired for cementmill-1&2 LNV HT motor starter systematically with proper safety

interlocks. In DOZER-1 the threading was rectified by providing a under size bolt with the cast iron body and found working satisfactorily. In POC-No-1, oil leakage from mounting bolts is avoided by replacing the feed block along with bolts. Rawmill-3 high grade weigh feeder discharge chute is provided with a frame fabricated with rods to avoid feed elevator jamming with lumps. In cement mills, we have provided water spray pump control valves inlet air pressure parameters in DCS. In raw mill TC-100 compressor running continuously manually. To save the power we have given compressor in DCS with pressure logic. To improve the fragmentation in blasting, we are utilising ink bottles for charging along with explosives in drill hole to increase the explosive column length. To avoid frequent damage of Escort hydra brake master cylinder outlet metal pipe, we have provided with flexible hose pipe. Water spray system is provided at Main DPC and cross DPC area to control the wet ash and clinker fugitive dust flying. Kiln Preheater goods lift old congested fuse base system replaced with reliable changeover switch for easy and safe power supply change over operation. In BH-8 Dumper hoist lifting problem due to O-ring and seal leakage is rectified by replacing seal kit and by lapping cylinder inner bore. In DRILL-IR-A1 rope slippage due to wear of gear box travelling sleeve inner diameter is rectified by welding and turning to original diameter. In Tertiary crusher, we have relocated the ZERO sensor and sensing flag to snub drum, with this above modification we can avoid the damage of zero speed sensors and also breakdown. Installed Automatic power factor correction controller resulting in improvement in power factor, Raw Mill Fan suction box modification (Savings 528KWH/day), Coal mill CA fan suction box modification (Savings 360KWH/day), and Cooler stack extension (Savings 984KWH/day). Replaced of multiple re-winded old motors with IE3 Energy Efficient Motors, Optimization of frequency from 49.6 HZ to 49.4 HZ in our Thermal power plant resulted in Power saving, Addition of 2 runs of power cable in TG-1 outgoing resulted in reduction of cable losses and Factory lighting power consumption optimized by giving ON / OFF through the DCS programme.

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**

	₹/ Crores	
	2021 – 22	2020 – 21
Foreign Exchange earned	Nil	Nil
Foreign Exchange Outgo (CIF value)	2.70	12.73

**For and on behalf of the Board**

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

Place: Kolkata

Date: 11<sup>th</sup> April, 2022

## SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31-03-2022	31-03-2021	31-03-2020	31-03-2019	31-03-2018
Net Fixed Assets	1,571.10	1,612.75	1,683.53	3,048.64	3,146.03
Investments	380.05	537.88	499.55	507.12	508.41
Other Assets / (Liabilities)- Current & Non-current (net)	351.65	29.13	(302.72)	(236.18)	460.68
<b>Capital Employed</b>	<b>2,302.80</b>	<b>2,179.76</b>	<b>1,880.36</b>	<b>3,319.58</b>	<b>4,115.12</b>
Less: Loan Funds	1,696.52	1,832.60	1,853.00	2,789.39	3,341.42
Net Worth	<b>606.28</b>	<b>347.16</b>	<b>27.36</b>	<b>530.19</b>	<b>773.70</b>
<b>Therefore, Company's Net Worth represented by</b>					
a. Equity Share Capital	244.41	164.81	142.59	142.59	137.34
b. Reserve & Surplus ( incl. Share application money pending allotment)	361.87	182.35	(115.23)	387.60	636.36
	<b>606.28</b>	<b>347.16</b>	<b>27.36</b>	<b>530.19</b>	<b>773.70</b>

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

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

(All amounts in Rupees Crores, except otherwise stated)

Particulars	2021-2022	2020-2021	2019-2020	2018-19*	2017-18*
Revenue from operations	3,539.56	2,415.21	2,329.95	3,878.66	3,704.57
Other income	38.15	102.22	79.35	109.65	228.46
<b>Total Income</b>	<b>3,577.71</b>	<b>2,517.43</b>	<b>2,409.30</b>	<b>3,988.31</b>	<b>3,933.03</b>
Operating Expenses	2,990.91	2,020.69	2,101.37	3,682.98	3,773.84
<b>Profit before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")</b>	<b>586.80</b>	<b>496.74</b>	<b>307.93</b>	<b>305.33</b>	<b>159.19</b>
Finance costs	481.70	245.81	315.05	438.45	421.24
Depreciation	90.73	96.21	91.26	133.08	128.23
<b>Profit Before Tax (before exceptional items)</b>	<b>14.37</b>	<b>154.72</b>	<b>(98.38)</b>	<b>(266.20)</b>	<b>(390.28)</b>
Exceptional Items	(154.25)	(294.83)	(387.12)	-	(75.23)
<b>Profit Before Tax</b>	<b>(139.88)</b>	<b>(140.11)</b>	<b>(485.50)</b>	<b>(266.20)</b>	<b>(465.51)</b>
Tax expense/ (credit)	(9.87)	(307.05)	-	(11.95)	(2.00)
<b>Profit/(Loss) for the year</b>	<b>(130.01)</b>	<b>166.94</b>	<b>(485.50)</b>	<b>(254.25)</b>	<b>(463.51)</b>
Other Comprehensive Income/ (loss)	0.97	8.42	(11.37)	1.55	(1.74)
<b>Total comprehensive income/ (loss) for the year</b>	<b>(129.04)</b>	<b>175.36</b>	<b>(496.87)</b>	<b>(252.70)</b>	<b>(465.25)</b>

\* All figures are inclusive of Discontinuing Operation.

Figures for previous year(s) have 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

We have audited the accompanying standalone financial statements of **Kesoram Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the

Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment assessment of investment in and Loans and Advances to wholly owned subsidiary (Cygnet Industries Limited)</b></p> <p>The Company's wholly owned subsidiary (Cygnet Industries Limited) involved in the business of manufacturing Rayon and Transparent paper, is not performing well due to adverse business conditions. As on March 31, 2022 the Company has an investment of ₹ 926.54 Crores and outstanding loans of ₹ 154.46 Crores in the said subsidiary and has recognised impairment loss on investment of ₹ 154.25 Crores during the year ended 31<sup>st</sup> March 2022 (Cumulative impairment loss recognised as on 31<sup>st</sup> March 2022 amounts to ₹ 620.32 Crores).</p> <p>The management at each reporting date assesses if there are any indicators that the investments in and loans to the subsidiary is impaired and, if indicators exist, performs an impairment test on these investments and loans by making an estimate of recoverable amount, being the higher of fair value less costs to sell and value in use. The recoverable amount of the investment in and loan to subsidiary is assessed based on complex assumptions that require the management to exercise their judgment such as future expected revenue, future expected revenue growth rate, EBIDTA (earnings before interest, depreciation and tax) margins, future cash flow, determination of historical trends, the most appropriate discount rate.</p> <p>We focused on this area due to significant carrying amount of the investment and loan to subsidiary and the significant management judgement and estimates involved in evaluation of recoverable amount.</p> <p>Refer note 5 "Investments in subsidiary and joint venture" and note 7 "Loans" of the Standalone Financial Statements.</p>	<p><b>Principal audit procedures performed</b></p> <p>Our audit procedures, included validating the appropriateness of the impairment model and reasonableness of the assumptions used, focusing in particular on the business projections of Cygnet Industries Limited through the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of controls performed by the management to assess impairment indicators and perform impairment assessment.</li> <li>• Evaluated Design and Operating Effectiveness of the management controls over the impairment assessment process and preparation of impairment workings.</li> <li>• Benchmarked key market-related assumptions in the models, including discount rates and long-term growth rates, against external data, using our valuation specialists.</li> <li>• Involved our fair value specialists to assist in the evaluation of the appropriateness of the model for calculating value in use and reasonableness of significant assumptions like discount rate and industry specific long-term growth rates.</li> <li>• Tested the mathematical accuracy and performed sensitivity analysis in order to assess the potential impact of changes in the inputs used on the recoverable amount.</li> <li>• Performed a detailed analysis of the revenue and cost projections and various assumptions relating to revenue growth for assessing the reliability of cash flow forecast, compared the revenues projections, EBIDTA (earnings before interest, depreciation and tax) margins and coherence the forecast with market trend through a review of actual past performance and comparison to previous forecasts to understand the appropriateness of the management estimates.</li> <li>• Evaluated the adequacy of disclosures in the financial statements with respect to the assumptions and checked whether they were appropriately presented.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Recoverability of deferred tax assets (DTA) recognized on carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances</b></p> <p>The Company has recognised ₹ 272.45 Crores as DTA, as at 31<sup>st</sup> March, 2022, relating to carry-forwards tax losses, unabsorbed depreciation, provision for doubtful loans and advances and capital losses.</p> <p>The Company exercises significant judgement in assessing the recoverability of DTA relating to these items. In estimating the recoverability of DTA, management uses inputs such as internal business and tax projections over a 10 year period.</p> <p>Recoverability of DTA on carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances is sensitive to the assumptions used by management in projecting the future taxable income, the reversal of deferred tax liabilities which can be scheduled, and tax planning strategies.</p> <p>Refer note 2.12 "Taxes on Income" for accounting policies, note 2.19 in "Use of estimates &amp; critical accounting judgements" related to taxes, note 18 "Deferred Tax Assets/ Liabilities" and note 30 "Income tax expense" for disclosures related to taxes of the Standalone Financial Statements.</p>	<p><b>Principal audit procedures performed</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding of controls performed by the management to assess the recoverability of the DTA relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances.</li> <li>We evaluated Design and Operating Effectiveness of the management controls over the process for determining the recoverability of the DTA relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances which included amongst others controls over the assumptions and judgments used in the projections of future taxable income.</li> <li>To assess the Company's ability to estimate future taxable income, we compared the Company's previous forecasts to actual results.</li> <li>We involved our tax professionals with specialized skills and knowledge to assist in evaluating taxation related matters including the Company's tax planning strategies and interpretation of tax laws.</li> <li>We performed a sensitivity analysis over the key assumptions to assess their impact on the Company's determination that the DTA relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances.</li> <li>We evaluated the adequacy of disclosures in the financial statements related to Deferred tax in notes 2.12, 2.19, 18 and 30 respectively of the standalone financial statements.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Reports of Director and the following Annexures thereto (namely Management Discussion and Analysis, Report of Corporate Governance, Annual Report on Corporate Social Responsibility Activities, Form AOC-1, Conservation of Energy, Technology Absorption and Exchange Earnings and Outgo) but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes

in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except the amount pertaining to Unpaid dividend of ₹ 0.02 Crores and the related equity shares which has not been transferred. Based on the information and records available

with the Company, all these relates to the disputed matters with several shareholders.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) & (b) above contain any material mis-statement.
  - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**  
Partner

Membership No. 054785  
UDIN: 22054785AGTZZV3840

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **KESORAM INDUSTRIES LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Kolkata

Date: 11<sup>th</sup> April, 2022

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants*

(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**

*Partner*

Membership No. 054785

UDIN: 22054785AGTZZV3840

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) Some of the Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and capital work-in-progress at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed, conveyance deed, mutation of title papers, provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than the properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment and capital work-in-progress, are held in the name of the Company as at balance sheet date.  
  
Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders / custodian (Debenture Trustee).
  - (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
  - (e) To the best of our knowledge and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii) (a) The inventories, except for goods-in-transit and stock lying with third parties, were physically verified by the management at reasonable intervals during the year. In our opinion and based on the information and explanation given to us, the coverage and procedure of such verification by Management is appropriate having regard to the size of the Company and nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories / alternate procedures performed as applicable, when compared with books of accounts.
  - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable except for non-fund based limit, bank guarantee received against lien on fixed deposit, for which no stock statement is required to be submitted.
  - (iii) (a) The Company has provided loans during the year and the outstanding balance of loans as at March 31, 2022 are given below:

	Loan (in ₹ Crores)
A. Aggregate amount granted / provided during the year	
- Subsidiaries	9.54
- Joint Ventures	-
- Others **	-
B. Balance outstanding as at balance sheet date in respect of above cases*	
- Subsidiaries	154.46
- Joint Ventures@	7.11
- Others#	525.97

\*The amounts reported are gross amounts including accrued interest (wherever applicable), without considering provision made.

@Loan of ₹ 7.11 Crores given to Joint Venture (Gondkhari Coal Mining Limited) has been fully provided for in the books.

#Includes loan (including interest) of ₹ 493.22 Crores given to Birla Tyres Limited which has been fully provided for in the books.

\*\*The Company has accrued interest on the Loan of ₹ 26.45 Crores which has been provided for on prudent basis as the loan is already impaired. This amount has not been reported above.

The Company has not provided any guarantee or security to any other entity during the year.

- (b) In our opinion the terms and conditions of the loans granted by the Company to Birla Tyres Limited with a maximum amount of ₹ 519.67 Crores outstanding (including accrued interest) as on March 31, 2022 and to Gondkhari Coal Mining Limited (a Joint Venture) with a maximum amount of ₹ 7.11 Crores outstanding as on March 31, 2022, are prejudicial to the interest of the Company's interest on account of the fact that the loans were fully provided for in the books and no interest is being charged on loan to Gondkhari Coal Mining Limited.

Further, in our opinion the terms and conditions of the loans granted by the Company to Cygnet Industries Limited (a wholly owned subsidiary) of ₹ 9.54 Crores during the year with a maximum amount of ₹ 154.46 Crores outstanding as on March 31, 2022 and to Mangalam Timber Products Limited with a maximum amount of ₹ 6.30 Crores outstanding as on March 31, 2022, in our opinion, are not prejudicial to the Company's interest.

- (c) The Company has granted loans to Cygnet Industries Limited (a wholly owned subsidiary) and Mangalam Timber Products Limited, which are payable on demand. During the year the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below).

Further, in respect of loans granted by the Company to Birla Tyres Limited including accrued interest of ₹ 519.67 Crores and Gondkhari Coal Mining Limited (a Joint Venture) of ₹ 7.11 Crores are fully provided for in the books and no interest is being charged on loan to Gondkhari Coal Mining Limited. (Refer reporting under clause (iii)(f) below).

- (d) In respect of loans granted, since the Company has granted loans which are payable on demand and during the year the Company has not demanded such loan and interest in the case of Cygnet Industries Limited (a wholly owned Subsidiary Company) of ₹ 154.46 Crores and Mangalam Timber Products Limited of ₹ 6.30 Crores, there are no amounts overdue for more than 90 days as at the balance sheet date.

Further, in respect of loans granted by the Company to Birla Tyres Limited of ₹ 519.67 Crores and Gondkhari Coal Mining Limited (a Joint Venture) of ₹ 7.11 Crores is fully provided for in the books as at the balance sheet date. (Refer reporting under clause (iii)(f) below).

- (e) No loans granted by the Company have fallen due during the year since as stated in clause (d) above loans are payable on demand and during the year the Company has not demanded such loan and interest in the case of Cygnet Industries Limited (a Subsidiary Company) of ₹ 154.46 Crores and Mangalam Timber Products Limited of ₹ 6.30 Crores.

Further, in respect to loan granted by the Company to Birla Tyres Limited of ₹ 519.67 Crores and Gondkhari Coal Mining Limited (a Joint Venture) of ₹ 7.11 Crores are fully provided for in the books as at the balance sheet date. (Refer reporting under clause (iii)(f) below).



- (f) The Company has granted loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

	All Parties- Including Related Party* (in ₹ Crores)	Promoters (in ₹ Crores)	Related Parties (in ₹ Crores)
Aggregate of loans			
- Repayable on demand (A) #	680.43	Nil	154.46
- Agreement does not specify any terms or period@	7.11	Nil	7.11
Total (A+B)	687.54	Nil	161.57
Percentage of loans to the total loans	100%	0%	100%

\*The amounts reported are gross amounts including interest accrued (wherever applicable), without considering provision made.

#Includes loan of ₹ 493.22 Crores given to Birla Tyres Limited which has been fully provided for in the books

@Loan of ₹ 7.11 Crores given to Joint Venture (Gondkhari Coal Mining Limited) has been fully provided for in the books.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit or amount which are deemed to be deposit. Hence reporting under clause (v) of the order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities except for delays in respect of remittance of interest on Goods and service tax relating to earlier years.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except for interest on Goods and Service Tax the details of which are given below:

Name of the Statute	Nature of Dues	Amount (₹ in Crores)	Period to which the amount relates	Due date	Date of Payment
The Central, State and Integrated Goods and Service Tax Act, 2017	Interest on unpaid amount of goods and service tax	0.01	2019-20	Not Applicable	Not paid till the date
The Central, State and Integrated Goods and Service Tax Act, 2017	Interest on unpaid amount of goods and service tax	0.70	2020-21	Not Applicable	Not paid till the date

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount (₹ In Crores)	Amount Deposited (₹ In Crores)
Andhra Pradesh VAT Act	Sales Tax	High Court	2006 – 2010	0.54	0.22
The CGST Act, 2017	Education & High Education Cess	High Court	2017	0.09	-
Central Excise Act, 1944	Central Excise	High Court	2010	0.08	-
Central Sales Tax Act, 1956	Sales Tax	The Appellate DY. Commissioner (CT)	2015-16	0.15	0.09
Central Excise Act, 1944	Central Excise	High Court	1994, 2010 & 2017	0.12	-
Central Excise Act, 1944	Central Excise	Addl. Commissioner of Central Excise	2005-2007	0.38	-
Central Excise Act, 1944	Central Excise	CESTAT	1974-75 to 1997-98, 1999-2000, 2000-2004, 2005-06, 2006-07 & 2007-08, 2008-09, 2009-10, 2010-11 & 2011-12.	10.35	0.85
Central Sales Tax Act, 1956	Sales Tax	CESTAT	2016-17	0.06	0.01
Central Sales Tax Act, 1956	Sales Tax	High Court	2001-02, 2003-04	0.18	0.47
Central Excise Act, 1944	Central Excise	Central Excise & Service Tax Appellate Tribunal, Bangalore	2006-07 & 2009-10	0.06	-
Finance Act, 1994	Service Tax	Central Excise & Service Tax Appellate Tribunal, Bangalore	2005-06 & 2016-17	45.67	3.70
Goods and Service Tax Act	Interest on unpaid amount of goods service tax and penalty	Commissioner (Appeals)	2018-19. 2019-20. 2020-21	70.08	13.07
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	Tribunal	2003-04	0.11	0.02
Bombay Sales Tax Act	Sales Tax	Deputy Commissioner of Sales Tax (Appeals), Amravati Division	2003-05	0.32	0.05
Central Excise Act, 1944	Central Excise	Superintendent of Central Excise	1979-81, 1980-81, 1982-83, 1992-93, 1995-96, 1996-97, 1997-98, 1999-00, 2001-02, 2002-03, 2004-05, 2005-06, 2011-12, 2012-13, 2013-14, 2014-15 & 2015-16	0.45	0.03

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount (₹ In Crores)	Amount Deposited (₹ In Crores)
Central Excise Act, 1944	Central Excise	Commissioner	1985-90, 1995-1996, 1999 - 2000 , 2000 - 2001, 2002-03, 2003 - 2005, 2010-11 & 2012-13	0.71	0.02
Central Excise Act, 1944	Central Excise	Assistant Commissioner	1986-89, 1991-94, 1995-96, 1996-97, 1998-99, 1999-10, 2002-03, 2003-04, 2004-05, 2005-06 & 2016-17	4.73	-
Finance Act, 1994	Service Tax	Superintendent of Central Excise	2013-14 & 2014-15	0.11	-
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	High Court	1999-2000	0.18	-
West Bengal VAT Act, 2003	Sales Tax	West Bengal Appellate & Revisional Board	2004-05, 2006-07, 2007-08, 2008-09, 2009-10	1.95	-
Central Excise Act, 1944	Central Excise	Commissioner (Appeals)	1998, 2002-03, 2003 - 2007, 2007 - 2011	1.44	0.02
Central Excise Act, 1944	Central Excise	Deputy Commissioner	2004	0.03	-
West Bengal Sales Tax Act, 1994	Sales Tax	West Bengal Taxation Tribunal	1998-99	0.99	0.06
West Bengal VAT Act, 2003	Sales Tax	West Bengal Taxation Tribunal	2006-07 & 2010-11	0.17	0.00*
Central Sales Tax Act, 1956	Sales Tax	West Bengal Appellate & Revisional Board	2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11	6.17	-
Central Excise Act, 1944	Central Excise	Additional Commissioner	2005-10	0.11	-
Customs Act, 1962	Customs Duty	Supreme Court	2012-13	-	1.06
Electricity Duty Act, 1939	Electricity Duty	Supreme Court	2003 - 2013	23.11	-
Motor Vehicle Act, 1988	Motor Vehicle	High Court	2012	0.64	-
Andhra Pradesh Forest Act, 1967	Permit Fees	High Court	2009 -2019 & 2020 - 2021	8.51	-
Andhra Pradesh Entry tax	Entry Tax	High Court	2007-09	0.41	0.05
Employee State Insurance Act, 1948	Employee State Insurance	Dy. Director, ESI Corporation Gulbarga	1995-98	0.22	-
The Karnataka Electricity Act, 1999	Power	Karnataka Electricity Regulatory Commission (KERC)	2015-16	6.25	-
Forest Land Permit Tax 2010-11	Permit Tax	High Court	2009 and 2011	3.67	-
Environment Protection Fees Order	Environment protection fee	Karnataka High Court	2009-10 and 2010-11	4.03	4.03
Tamil Nadu Municipal Corporation Act, 1920	Municipal Corporation Tax	District Court	2002-2003 to 2017-2018	8.37	-
Investor Education and Protection Fund	Unpaid Dividend	IEPF Authority	1995 to 2013	0.02	-

\* The amount is below the rounding off norm adopted by the company.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the 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) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause x(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31<sup>st</sup> March, 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) & (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an

assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has, at aggregate level, net losses during the immediately preceding three financial years and hence it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company for the year.

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

For **DELOITTE HASKINS & SELLS**  
*Chartered Accountants*  
(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**  
*Partner*  
Membership No. 054785  
UDIN: 22054785AGTZZV3840

# Bonding with the team



# Together we progress



Balance Sheet as at 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	1,511.77	1,567.05
(b) Right of use Assets	4	31.12	31.07
(c) Capital work-in-progress	4A	28.21	14.63
(d) Investments in subsidiary and joint venture	5	306.22	460.47
(e) Financial assets			
(i) Investments	6	73.83	77.41
(ii) Loans	7	154.46	131.20
(iii) Other financial assets	8	10.13	3.18
(f) Income tax asset (net)		4.91	6.99
(g) Deferred tax assets (net)	18	272.45	261.63
(h) Other non-current assets	9	13.80	5.39
<b>Total non-current assets</b>		<b>2,406.90</b>	<b>2,559.02</b>
<b>(2) Current assets</b>			
(a) Inventories	10	141.44	101.50
(b) Financial assets			
(i) Trade receivables	11	316.71	274.96
(ii) Cash and cash equivalents	12	118.97	90.95
(iii) Other bank balances	13	57.21	14.49
(iv) Loans	7	6.80	6.72
(v) Other financial assets	8	22.48	13.20
(c) Other current assets	9	155.30	52.17
<b>Total current assets</b>		<b>818.91</b>	<b>554.00</b>
<b>Total assets</b>		<b>3,225.81</b>	<b>3,113.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14 (a)	244.41	164.81
(b) Share application money pending allotment	14 (a)	1.06	-
(c) Other equity	14 (b)	360.81	182.35
<b>Total equity</b>		<b>606.28</b>	<b>347.16</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	1,554.23	1,774.02
(ii) Lease Liability	35	1.48	5.31
(iii) Other financial liabilities	16	87.21	74.27
(b) Provisions	17	24.46	23.10
(c) Other Non-current liabilities	19	0.41	0.37
<b>Total non-current liabilities</b>		<b>1,667.79</b>	<b>1,877.07</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	142.29	58.58
(ii) Lease Liability	35	5.18	11.41
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		19.86	15.70
Total outstanding dues of creditors other than micro enterprises and small enterprises		510.10	515.78
(iv) Other financial liabilities	16	56.00	36.27
(b) Provisions	17	17.12	33.49
(c) Income tax liabilities (net)		0.20	0.20
(d) Other current liabilities	19	200.99	217.36
<b>Total current liabilities</b>		<b>951.74</b>	<b>888.79</b>
<b>Total liabilities</b>		<b>2,619.53</b>	<b>2,765.86</b>
<b>Total equity and liabilities</b>		<b>3,225.81</b>	<b>3,113.02</b>
Notes forming part of the Financial Statements	1 - 45		

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No.302009E)

Abhijit Bandyopadhyay  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

For and on behalf of the Board

Suresh Sharma  
Chief Financial Officer

Manjushree Khaitan  
Chairman

Raghuram Nath  
Company Secretary

P. Radhakrishnan  
Whole-time Director & CEO



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars		Notes	2021-2022	2020-2021
I	Revenue from operations	21	3,539.56	2,415.21
II	Other income	22	38.15	102.22
III	<b>Total Income (I+II)</b>		<b>3,577.71</b>	<b>2,517.43</b>
IV	<b>Expenses:</b>			
	(a) Cost of materials consumed	23	361.06	237.83
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(19.18)	26.51
	(c) Power & Fuel		1,125.64	602.22
	(d) Packing, Carriage and Shipping		1,062.74	807.23
	(e) Employee benefit expense	25	148.32	141.23
	(f) Depreciation and amortisation expense	26	90.73	96.21
	(g) Finance costs	27	481.70	245.81
	(h) Other expenses	28	312.33	205.67
	<b>Total Expenses</b>		<b>3,563.34</b>	<b>2,362.71</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>14.37</b>	<b>154.72</b>
VI	<b>Exceptional Items</b>	29	(154.25)	(294.83)
VII	<b>Profit/(Loss) before tax (V+VI)</b>		<b>(139.88)</b>	<b>(140.11)</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax charge / (credit) (in respect of earlier year)		-	(43.87)
	(2) Deferred tax charge / (credit)	30	(9.87)	(263.18)
	<b>Total tax expense</b>		<b>(9.87)</b>	<b>(307.05)</b>
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(130.01)</b>	<b>166.94</b>
X	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to Profit or Loss (net)</b>			
	Remeasurement of post-employment benefit plans		3.59	2.09
	Fair value changes of investments in equity shares		(3.58)	7.90
	Tax relating to items that will not be reclassified to the statement of Profit and Loss		0.96	(1.57)
	<b>Total other comprehensive income/(loss)</b>		<b>0.97</b>	<b>8.42</b>
XI	<b>Total comprehensive income/(loss) for the year (IX+X)</b>		<b>(129.04)</b>	<b>175.36</b>
XII	<b>Earnings per share</b>	31		
	Basic (₹)		(6.50)	10.53
	Diluted (₹)		(6.50)	10.53
XIII	<b>Notes forming part of the Financial Statements</b>	1 - 45		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

For and on behalf of the Board

**Suresh Sharma**  
Chief Financial Officer

**Raghuram Nath**  
Company Secretary

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

## Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2021-2022	2020-2021
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) before tax	(139.88)	(140.11)
Adjustments for:		
Depreciation and amortisation	90.73	96.21
Provision for bad and doubtful debts charged/(written back)	2.47	2.28
Inventory provision written off	-	4.03
Capital Work-in-Progress written off	0.31	-
Provision for doubtful advances	1.63	-
Finance costs	481.70	245.81
Exchange loss/(gain) on foreign currency fluctuation	(0.09)	-
Exceptional Items	154.25	294.83
(Profit)/Loss on sale of property, plant and equipment (net)	0.13	(0.27)
Liabilities/Provision no longer required written back	(12.79)	(4.47)
Interest income	(18.21)	(83.11)
Dividend income from long term investment (other than trade)	(0.02)	(0.02)
<b>Operating profit before working capital changes</b>	<b>560.23</b>	<b>415.18</b>
<b>Changes in Working Capital:</b>		
Increase / (decrease) in Non Current /Current financial and other liabilities/provisions	(63.97)	(29.13)
(Increase) / decrease in Non Current /Current financial and other assets	(121.90)	(139.12)
(Increase) / decrease in inventories	(39.93)	9.65
<b>Cash Generated from Operations</b>	<b>334.43</b>	<b>256.58</b>
Direct Taxes paid (net of refunds)	2.00	(0.84)
<b>Net cash generated from operating activities - Total</b>	<b>336.43</b>	<b>255.74</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of property, plant and equipment/capital advance given	(33.18)	(20.57)
Proceeds from sale of property, plant and equipment (ROU)	0.69	1.65
Loan given to subsidiary	(8.15)	(246.35)
Net Loan Received/(Paid) to Body Corporate	-	(38.55)
Repayment of loans given to subsidiary	0.55	82.13
Interest received	3.94	1.04
Deposit Redemption/(Placed) with bank	(42.99)	(3.99)
Dividend income from long term investment (other than trade)	0.02	0.02
<b>Net cash used in investing activities - Total</b>	<b>(79.12)</b>	<b>(224.62)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares [*]	334.05	-
Finance cost paid	(235.54)	(408.76)
Payment of Lease obligations	(13.45)	(13.61)
Proceeds from		
- Long term borrowings	-	2,063.40
- Short term borrowings	50.00	102.87
Repayment of		
- Long term borrowings	(364.33)	(1,185.18)
- Short term borrowings	-	(377.56)
<b>Net cash generated from/(used) in financing activities - Total</b>	<b>(229.27)</b>	<b>181.16</b>

## Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2021-2022	2020-2021
Net increase/(decrease) in cash and cash equivalents	28.04	212.28
Cash and cash equivalents at the beginning of the year	90.95	3.18
Add: Adjustment on account of loan settlement through issue of Equity Shares & OCRPS	-	66.30
Less: Cash credits at the beginning of the year	(0.02)	(190.82)
<b>Adjusted cash &amp; cash equivalents at the beginning of the year</b>	<b>90.93</b>	<b>(121.34)</b>
Cash & cash equivalents at the end of the year	118.97	90.93

Particulars	2021-2022	2020-2021
<b>Cash and Cash Equivalents comprise :</b>		
Cash on hand	0.06	0.03
Balances with banks on current account	103.20	66.99
Deposit with original maturity for less than three months	15.71	23.93
Cash credits at the end of the year	-	(0.02)
	<b>118.97</b>	<b>90.93</b>

\* Net proceeds of ₹ 334.05 Crores is after netting of share issue expense [excluding GST] of ₹ 11.83 Crores and conversion of ICD and accrued interest on ICD amounting to ₹ 54.13 Crores

### Notes:

- The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
- Disclosure for non-cash transactions

Particulars	2021-2022	2020-2021
Shares issued for conversion of Inter Corporate Debt (ICD) by wholly owned subsidiary into equity	-	496.49
Issue of Equity shares for settlement of loan	-	144.44
Issue of Optionally Convertible Redeemable Preference Shares for settlement of loan (recognised at fair value of ₹ 74.07 Crores)	-	448.97
Issue of equity shares to Manav Investment & Trading Co Ltd against loan received	54.13	-
<b>Total</b>	<b>54.13</b>	<b>1,089.90</b>

### In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

**Suresh Sharma**  
Chief Financial Officer

**Raghuram Nath**  
Company Secretary

### For and on behalf of the Board

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### A. Equity share capital\*

As on 31<sup>st</sup> March, 2022

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
164.81	-	164.81	79.60	244.41

As on 31<sup>st</sup> March, 2021

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
142.59	-	142.59	22.22	164.81

\*Refer Note 14 (a)

### B. Other equity

Particulars	Notes	Share application money pending allotment	Securities Premium	Capital reserve - Development grant/ subsidy	Capital reserve -Amalgamation reserve	Capital Redemption Reserve	General reserve	Others	Retained earnings	FVOCI - equity instruments**	Total other equity
<b>Balance at 1<sup>st</sup> April, 2021</b>		-	923.49	0.15	2.91	3.59	224.00	7.31	(1,037.56)	58.46	182.35
Changes in accounting policy or prior period item		-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period		-	923.49	0.15	2.91	3.59	224.00	7.31	(1,037.56)	58.46	182.35
<b>Profit/(Loss) for the year</b>		-	-	-	-	-	-	-	<b>(130.01)</b>	-	<b>(130.01)</b>
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	3.59	(2.62)	0.97
Total comprehensive income for the year		-	-	-	-	-	-	-	(126.42)	(2.62)	(129.04)
Issue of equity shares	14 (b)	1.06	307.50	-	-	-	-	-	-	-	307.50
<b>Balance as at 31<sup>st</sup> March, 2022</b>		1.06	1,230.99	0.15	2.91	3.59	224.00	7.31	(1,163.98)	55.84	360.81

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	Share application money pending allotment	Securities Premium	Capital reserve - Development grant/ subsidy	Capital reserve -Amalgamation reserve	Capital Redemption Reserve	General reserve	Others	Retained earnings	FVOCI - equity instruments**	Total other equity
Balance at 1 <sup>st</sup> April, 2020		-	801.27	0.15	2.91	3.59	224.00	7.31	(1,205.02)	50.56	(115.23)
Changes in accounting policy or prior period item		-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period		-	801.27	0.15	2.91	3.59	224.00	7.31	(1,205.02)	50.56	(115.23)
Profit/(Loss) for the year		-	-	-	-	-	-	-	166.94	-	166.94
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	0.52	7.90	8.42
Total comprehensive income for the year		-	-	-	-	-	-	-	167.46	7.90	175.36
Issue of equity shares	14 (b)	-	122.22	-	-	-	-	-	-	-	122.22
Balance as at 31 <sup>st</sup> March, 2021		-	923.49	0.15	2.91	3.59	224.00	7.31	(1,037.56)	58.46	182.35

\* represents gain on sale of shares transferred from Fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings.  
The accompanying notes are an integral part of the Financial Statements.

### In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

### For and on behalf of the Board

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 1. Company 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 Depository Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company markets its cement product under "Birla Shakti" brand.

The financial statements as at 31<sup>st</sup> March 2022 present the financial position of the Company.

The financial statements for the year ended 31<sup>st</sup> March 2022 were approved by the Board of Directors and authorised for issue on 11<sup>th</sup> April 2022.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013 and presentation requirements of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

##### (ii) 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.

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.

#### 2.2 Property, plant and equipment

- a) 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.
- b) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- c) Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.14 below] incurred during construction/installation period relating to items or projects in progress.
- d) 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.
- e) 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 (in years)
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

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

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.

### 2.3 Intangible assets

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 (in years)
Software	3 Years

### 2.4 Impairment

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.

### 2.5 Lease

Effective April 1, 2019, the Company had adopted Ind AS 116 – Leases using the modified retrospective method. Under modified retrospective approach, the Company had recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17. The weighted average incremental borrowing rate for leases initially recognised upon the first-time application of Ind AS 116 was 13.21%. The Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The adoption of Ind AS 116 did not had any material impact on Statement of Profit and Loss and earnings per share in the previous year.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

When the lease liability is remeasured due to change in contract terms, a corresponding change is made to the carrying amount of right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset is reduced to zero.

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### As a lessor:

In respect of assets given on operating lease, the lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. There is no change in accounting as a lessor due to adoption of Ind AS 116 Leases.

### 2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

### 2.7 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.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### (a) Financial assets

##### (i) 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.

##### (ii) 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.

##### (iii) Financial assets at amortised cost

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.

##### (iv) Financial assets measured at fair value

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

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.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

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).

**(v) 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.

**(vi) De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

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.

**(b) Financial liabilities and equity instruments**

**(i) 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.

**(ii) 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.

**(iii) Financial Liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

**(iv) Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as 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

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

- 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 27) 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.

### (v) 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.

### (vi) 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.

### (vii) Derivative financial instruments

In the ordinary course of business, the Company 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.

### (viii) 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.

## 2.8 Employee Benefits

### (a) 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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### (b) 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.

### (c) 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.

### (d) Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendment require an entity to use updated assumptions to determine current service costs and net interest for the remainder of the period after a plan amendment, curtailment or settlement, and to recognize in the Statement of Profit and Loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

## 2.9 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 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.

### (i) Provision for restoration and 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,

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

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.

### (ii) Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

**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.

### 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 Taxes on Income

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### 2.13 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.

#### (a) Sales 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.

#### (b) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

#### (c) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

#### (d) Rental income

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

#### (e) Unfulfilled performance obligations

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/ disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 2.14 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.

### 2.15 Foreign currency transactions and translations

#### (a) 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.

#### (b) 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.

### 2.16 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

### 2.17 Earnings per 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 39 for segment information presented. The company accounts for intersegment sales and transfers at cost.

### 2.19 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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

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.

### 2.20 Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

Note 3: Property, plant and equipment (All amounts in Rupees Crores, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK		
	As at 01 <sup>st</sup> April 2021	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2022	Upto 01 <sup>st</sup> April 2021	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022
Land :									
- Freehold	608.55	-	-	608.55	-	-	-	-	608.55
Buildings	242.89	-	-	242.89	48.63	9.43	-	58.06	184.83
Plant and Equipments	1,084.32	20.82	2.01	1,103.13	341.94	62.76	1.45	403.25	699.88
Furniture and Fixtures	7.86	0.13	0.02	7.97	4.12	0.68	0.02	4.78	3.19
Office Equipment	6.01	1.24	0.06	7.19	4.10	0.90	0.03	4.97	2.22
Vehicles	14.48	0.22	0.93	13.77	8.11	1.47	0.70	8.88	4.89
Railway Siding	17.47	-	-	17.47	7.73	1.63	-	9.36	8.11
Bearer plant	0.10	-	-	0.10	-	-	-	-	0.10
<b>Total</b>	<b>1,981.68</b>	<b>22.41</b>	<b>3.02</b>	<b>2,001.07</b>	<b>414.63</b>	<b>76.87</b>	<b>2.20</b>	<b>489.30</b>	<b>1,511.77</b>

Particulars	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK		
	As at 1 <sup>st</sup> April 2020	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2021	Upto 01 <sup>st</sup> April 2020	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021
Land :									
- Freehold	608.55	-	-	608.55	-	-	-	-	608.55
Buildings	242.89	-	-	242.89	39.18	9.45	-	48.63	194.26
Plant and Equipments	1,086.38	1.58	3.64	1,084.32	279.41	65.54	3.01	341.94	742.38
Furniture and Fixtures	7.85	0.02	0.01	7.86	3.37	0.76	0.01	4.12	3.74
Office Equipment	5.15	1.04	0.18	6.01	3.53	0.74	0.17	4.10	1.91
Vehicles	16.67	0.60	2.79	14.48	8.19	1.98	2.06	8.11	6.37
Railway Siding	17.47	-	-	17.47	6.10	1.63	-	7.73	9.74
Bearer plant	0.10	-	-	0.10	-	-	-	-	0.10
<b>Total</b>	<b>1,985.06</b>	<b>3.24</b>	<b>6.62</b>	<b>1,981.68</b>	<b>339.78</b>	<b>80.10</b>	<b>5.25</b>	<b>414.63</b>	<b>1,567.05</b>

(i) Refer note 15 for Property, plant and equipment pledged as security.

(ii) Contractual obligations

Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) All the title deeds for the immovable property are in the name of the Company



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Note 4: Right to Use Asset

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST			AMORTISATION				NET BLOCK	
	As at 01 <sup>st</sup> April 2021	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2022	Upto 01 <sup>st</sup> April 2021	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022
Leasehold Land	22.25	11.98	-	34.23	6.38	2.28	-	8.66	25.57
Building	5.90	0.61	0.49	6.02	3.65	0.79	0.44	4.00	2.02
Vehicle	3.25	1.40	0.06	4.59	2.02	1.58	0.03	3.57	1.02
Plant & Machinery	24.07	-	-	24.07	12.35	9.21	-	21.56	2.51
<b>Total</b>	<b>55.47</b>	<b>13.99</b>	<b>0.55</b>	<b>68.91</b>	<b>24.40</b>	<b>13.86</b>	<b>0.47</b>	<b>37.79</b>	<b>31.12</b>

Particulars	GROSS BLOCK - AT COST			AMORTISATION				NET BLOCK	
	As at 01 <sup>st</sup> April 2020	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2021	Upto 01 <sup>st</sup> April 2020	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021
Leasehold Land	6.06	16.19	-	22.25	0.15	6.23	-	6.38	15.87
Building	5.41	1.06	0.57	5.90	2.32	1.53	0.20	3.65	2.25
Vehicle	1.68	1.57	-	3.25	1.03	0.99	-	2.02	1.23
Plant & Machinery	20.02	4.05	-	24.07	4.99	7.36	-	12.35	11.72
<b>Total</b>	<b>33.17</b>	<b>22.87</b>	<b>0.57</b>	<b>55.47</b>	<b>8.49</b>	<b>16.11</b>	<b>0.20</b>	<b>24.40</b>	<b>31.07</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 4A: Capital Work-in-Progress

Particulars	As on 31 <sup>st</sup> March 2022				As on 31 <sup>st</sup> March 2021					
	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	17.21	1.60	0.35	8.44	27.60	1.67	1.13	2.63	8.02	13.45
- Projects temporarily suspended [Note 4C]	-	-	-	0.61	0.61	-	-	-	1.18	1.18
<b>Total</b>	<b>17.21</b>	<b>1.60</b>	<b>0.35</b>	<b>9.05</b>	<b>28.21</b>	<b>1.67</b>	<b>1.13</b>	<b>2.63</b>	<b>9.20</b>	<b>14.63</b>

### Note 4B: Capital Work-in-Progress whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	As on 31 <sup>st</sup> March 2022				As on 31 <sup>st</sup> March 2021					
	To be Completed In				To be Completed In					
	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
- Limestone Crushing Plant	-	-	-	-	-	3.05	-	-	-	3.05
- Railway Sleepers	3.79	-	-	-	3.79	3.79	-	-	-	3.79
- Injepally Village Shifting Exp.	11.78	-	-	-	11.78	6.25	-	-	-	6.25
- Others	0.35	-	-	-	0.35	0.35	-	-	-	0.35
<b>Total</b>	<b>15.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.92</b>	<b>13.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.44</b>

The delay in completion of the above projects is mainly due to the pandemic situation which was prevailing in the past two years and the Company has reassessed the completion of the projects within the next one year.

### Note 4C: Details of Projects temporarily suspended

Particulars	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
CRM Web Application Development	-	0.16
Railway Track Shifting	0.60	0.60
LSSR Shed Extension	0.01	0.11
Others	-	0.31
<b>Total</b>	<b>0.61</b>	<b>1.18</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 5: Investments in subsidiary and joint venture

Particulars	Face value	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>A. Investments carried at cost</b>			
<b>(a) Equity Investments in Subsidiary Company - Unquoted</b>			
92,65,36,876 (31 <sup>st</sup> March, 2021: 92,65,36,876) shares of Cygnet Industries Limited *	10	926.54	926.54
Less: Provision for impairment in value of investments		(620.32)	(466.07)
<b>(b) Equity Investments in Joint venture - Unquoted</b>			
22,730 (31 <sup>st</sup> March, 2021: 22,730) shares of Gondhkari Coal Mining Limited	10	0.02	0.02
Less: Provision for impairment in value of investments		(0.02)	(0.02)
<b>Total investment in subsidiary and joint venture</b>		<b>306.22</b>	<b>460.47</b>

\* During the previous year ended 31<sup>st</sup> March 2021, loan given to wholly owned subsidiary amounting to ₹ 496.49 Crores has been converted into investment in Equity Shares at the face value of ₹ 10 per share.

### Financial Assets

### Note 6: Investments

Particulars	Face value	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>A. Investments carried at fair value through other comprehensive income:</b>			
<b>Investments in Equity shares</b>			
<b>(i) Quoted</b>			
496,100 (31 <sup>st</sup> March, 2021: 496,100) shares of HGI Industries Ltd. \$	10	0.00*	0.00*
4,996,986 (31 <sup>st</sup> March, 2021: 4,996,986) shares of Kesoram Textile Mills Limited #	2	20.18	20.18
<b>Total</b>		<b>20.18</b>	<b>20.18</b>
<b>(ii) Unquoted</b>			
30,000 (31 <sup>st</sup> March, 2021: 30,000) shares of Birla Buildings Ltd	10	48.40	52.28
10,000 (31 <sup>st</sup> March, 2021: 10,000) shares of Coromandel Stampings & Stones Ltd \$	10	0.00*	0.00*
143,000 (31 <sup>st</sup> March, 2021: 143,000) shares of Kesoram Services Limited (erstwhile Kesoram Insurance Broking Services Ltd)	10	1.06	1.03
10,455 (31 <sup>st</sup> March, 2021: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-
10 (31 <sup>st</sup> March, 2021: 10) shares of Meghdoot Co-operative Housing Society Ltd \$	100	0.00*	0.00*
7,231 (31 <sup>st</sup> March, 2021: 7,231) shares of Padmavati Investment Ltd	10	3.65	3.36
18,800 (31 <sup>st</sup> March, 2021: 18,800) shares of Vasavadatta Services Ltd	10	0.54	0.56
<b>Total</b>		<b>53.65</b>	<b>57.23</b>
<b>Total Investments</b>		<b>73.83</b>	<b>77.41</b>

(i) The carrying value and market value of unquoted investments are as below:

<b>(a) Quoted</b>		
Carrying value	20.18	20.18
Market value	20.18	20.18
<b>(b) Unquoted</b>		
Carrying value	53.65	57.23

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

# market values in cases of some quoted investments are not available, hence the fair value has been considered as market values in such cases

\$ 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

### Note 7: Loans

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>A. Non-current (at amortised cost)</b>		
Credit impaired		
(a) Loan to joint venture company	7.11	7.11
Less: Allowance for credit loss	(7.11)	(7.11)
	-	-
(b) Loan to subsidiary [refer Note (a) below]	154.46	131.20
Less: Impairment Loss on Subsidiary Loan	-	-
	<b>154.46</b>	<b>131.20</b>
(c) Loan to others [refer Note (b) below]	519.67	493.22
Less: Impairment Loss on Loan to Body Corporate	(519.67)	(493.22)
	-	-
	<b>154.46</b>	<b>131.20</b>
<b>B. Current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
(a) Loan to employees	0.50	0.04
(b) Loan to others	6.30	6.68
	<b>6.80</b>	<b>6.72</b>

#### Note:

- (a) The Loan to Cygnet Industries Ltd, a wholly owned subsidiary company, was given after complying with the provisions of section 186(4) of the Companies Act, 2013. The loan was given in accordance with the terms and conditions agreed between the parties and is to be used by the recipient in the normal course of business. The loan is repayable on demand. The Rate of Interest on the loan is 10.5% p.a.
- (b) Loan has been provided to Birla Tyres Limited, a body corporate, pursuant to the scheme of arrangement and post demerger is repayable on demand and carrying an interest rate of 5.93% p.a. During the current year, the Company has accounted for ₹ 26.45 Crores as interest income on this loan which has been provided for on prudent basis as the particular asset is already impaired.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (c) Loans granted to Promoters, Directors, KMPs & 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	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
-Promoters	NA	NA	NA	NA
-Directors	NA	NA	NA	NA
-KMPs	NA	NA	NA	NA
-Related Parties				
(a) Loan to joint venture company (*)- without specifying any terms or period of repayment	-	-	-	-
(b) Loan to subsidiary (Cygnnet Industries Limited) - repayable on demand	154.46	131.20	22%	21%

\* Loan of ₹ 7.11 Crores given to Joint Venture has been fully provided for.

### (d) Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Company	Relationship	As at 31 <sup>st</sup> March, 2022	Maximum balance outstanding during the year	Investment by the loanee in shares of parent Company
Cygnnet Industries Limited	Subsidiary	154.46	154.46	-

### Note 8: Other financial assets

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-current</b>		
Deposit with original maturity for more than 12 months *	0.28	0.01
Security deposits	9.85	3.17
	<b>10.13</b>	<b>3.18</b>
<b>Current</b>		
Security deposits	9.62	4.06
Balance with body corporates	10.63	10.63
Less: Allowances for doubtful advances	(10.63)	(10.63)
Interest accrued on deposits	0.16	0.08
Others	12.70	9.06
	<b>22.48</b>	<b>13.20</b>

\* Held as lien by bank against bank guarantees

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 9: Other assets

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
Capital advances	11.82	3.68
Prepaid expenses	1.98	1.71
	<b>13.80</b>	<b>5.39</b>
<b>Current</b>		
Balance with statutory/government authorities	15.20	17.62
Prepaid expenses	7.84	3.35
Advance to vendors	111.67	62.80
Less: Allowances for doubtful advances	(32.61)	(32.61)
Receivable from Gratuity Fund (Refer Note 25)	0.44	-
Claim Receivable *	52.27	0.29
Others	2.07	0.87
Less: Allowances for doubtful receivables	(1.58)	(0.15)
	<b>155.30</b>	<b>52.17</b>

\* Pursuant to Circular no 14 of 2017 (dated 30.03.2017) of the Ministry of Railways, the Company had entered into a Long Term Tariff Contract (LTTTC) 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 of ₹ 42.59 Crores under Claim Receivable for FY 2021-22.

### Note 10: Inventories

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Raw materials	14.76	9.00
Work-in-progress	11.54	9.41
Finished goods	33.88	16.98
Stores and spare parts*	81.26	66.11
	<b>141.44</b>	<b>101.50</b>
<b>Included above, goods-in-transit:</b>		
Raw materials	6.33	0.92
Finished goods	15.94	5.41
Stores and spare parts	0.21	8.95
	<b>22.48</b>	<b>15.28</b>

\* The stores & spares inventory balance is net of provision of ₹ 5.73 Crores (31<sup>st</sup> March 2021: Provision for ₹ 4.03 Crores) towards slow moving, non-moving and obsolete stock.

### Note 11: Trade receivables

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Current</b>		
Trade Receivables		
(a) Secured, considered good	30.31	28.56
(b) Unsecured, considered good	290.08	248.85
Less: Allowance for Expected Credit Loss	(3.68)	(2.45)
(c) Credit impaired	7.27	6.20
Less: Allowance for credit losses	(7.27)	(6.20)
	<b>316.71</b>	<b>274.96</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Aging of Trade Receivables	31 March 2022						
	Outstanding for following periods from due date of Payments						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
(i) Secured - considered good	26.27	3.41	-	-	-	0.01	29.69
(ii) Unsecured - considered good	269.58	16.76	1.92	1.37	0.41	0.04	290.08
Disputed Trade Receivables							
(i) Secured - considered good	-	-	-	0.01	0.09	0.52	0.62
(ii) Unsecured - credit impaired	-	-	0.40	1.86	0.86	4.15	7.27
<b>Total Debtors</b>	<b>295.85</b>	<b>20.17</b>	<b>2.32</b>	<b>3.24</b>	<b>1.36</b>	<b>4.72</b>	<b>327.66</b>
Less: Allowance for Loss	-	-	-	-	-	-	(10.95)
<b>Net Debtors</b>	<b>295.85</b>	<b>20.17</b>	<b>2.32</b>	<b>3.24</b>	<b>1.36</b>	<b>4.72</b>	<b>316.71</b>

Aging of Trade Receivables	31 March 2021						
	Outstanding for following periods from due date of Payments						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
(i) Secured - considered good	22.08	5.03	0.23	0.07	0.03	-	27.44
(ii) Unsecured - considered good	229.93	15.63	1.00	1.99	0.30	-	248.85
Disputed Trade Receivables							
(i) Secured - considered good	-	0.02	0.37	0.13	0.36	0.24	1.12
(ii) Unsecured - credit impaired	-	0.56	0.79	0.35	2.00	2.50	6.20
<b>Total Debtors</b>	<b>252.01</b>	<b>21.24</b>	<b>2.39</b>	<b>2.54</b>	<b>2.69</b>	<b>2.74</b>	<b>283.61</b>
Less: Allowance for Loss	-	-	-	-	-	-	(8.65)
<b>Net Debtors</b>	<b>252.01</b>	<b>21.24</b>	<b>2.39</b>	<b>2.54</b>	<b>2.69</b>	<b>2.74</b>	<b>274.96</b>

### Note 12: Cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Cash and cash equivalents</b>		
Cash on hand	0.06	0.03
<b>Balances with bank</b>		
In Current accounts	103.20	66.99
<b>Others</b>		
Deposit with original maturity less than three months	15.71	23.93
	<b>118.97</b>	<b>90.95</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 13: Other bank balances

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Deposit with original maturity for more than three months but less than twelve months	57.19	14.47
On unpaid dividend accounts	0.02	0.02
	<b>57.21</b>	<b>14.49</b>

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Deposits more than three months includes:-		
- Deposits pledged with the sales tax authorities	-	0.01
- Held as lien by bank against bank guarantees	56.90	14.44

### Note 14: Equity share capital and other equity

#### Note 14 (a): Equity share capital

##### Authorised equity share capital

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
60,00,00,000 Equity Shares of ₹ 10 each [2020-21: 60,00,00,000 shares]	600.00	600.00
6,00,00,000 Preference Shares of ₹ 100 each [2020-21: 6,00,00,000 shares]	600.00	600.00
	<b>1,200.00</b>	<b>1,200.00</b>

##### Issued, subscribed and paid-up equity share capital

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
24,40,24,163 Equity Shares of ₹ 10 each fully paid up (31 <sup>st</sup> March 2021: 16,48,11,341 Equity Shares of ₹ 10 each fully paid up)	244.02	164.81
7,84,933 Equity Shares of ₹ 5 each partly paid up (31 <sup>st</sup> March 2021: Nil Equity Shares of ₹ 5 each fully paid up)	0.39	-
	<b>244.41</b>	<b>164.81</b>

#### (i) Movement in equity share capital

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	164.81	142.59
Fresh shares issued	79.60	22.22
<b>Closing balance</b>	<b>244.41</b>	<b>164.81</b>

- a. During the financial year 2021-22, subscription for Rights issue of 7,99,97,755 equity shares of ₹ 10 each for cash at a premium of ₹ 40 per share aggregating to ₹ 399.99 Crore was opened, on which ₹ 25 per share was payable on application and remaining ₹ 25 per share on first and final call within six months from the date of allotment. The issue was oversubscribed and allotment of the partly paid up equity shares of ₹ 5 each was made on 21<sup>st</sup> October 2021 and the trading of the said partly paid up equity shares was available from 28<sup>th</sup> October, 2021 to 30<sup>th</sup> November 2021.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

The first and final call for the aforesaid partly-paid up shares was made 3 times and the last date for payment was 19<sup>th</sup> March, 2022. First and final call money for 7,96,35,460 shares was received and the allotment for 7,92,12,822 was made till 31<sup>st</sup> March, 2022 and for 422,638 shares on 6<sup>th</sup> April 2022. Out of the aforesaid allotted shares the trading of the 7,86,35,199 equity shares commenced by 31<sup>st</sup> March, 2022 and 5,28,551 shares on 4<sup>th</sup> April, 2022 and the balance 4,71,710 shares will take place in due course. For the remaining 3,62,295 partly paid up shares the Board Committee has decided to give a last and final reminder to the shareholders for payment of their first and final call money.

First and final call money on 422,638 has been received which has been shown under share application money pending allotment of ₹ 1.06 Crores. There is no deviation in use of proceeds from the objectives as stated in the Offer Document for rights issue.

- b. During the previous year, the Company issued 2,22,21,262 Equity Shares face value of ₹ 10 each to the previous lenders on a preferential basis on 8<sup>th</sup> March, 2021 at the price determined in accordance with the applicable law @ ₹ 65 per share (including securities premium of ₹ 55 per share). Refer Note 29 (b).
- c. **Utilisation of Proceeds from Rights Issue**

The proceeds from the rights issue [refer (a) above] have been utilised towards the object stated in the Offer Letter in the following manner:

Particulars	Funds Utilised
Scheduled part redemption of NCDs	55.00
Conversion of ICD including interest for Manav Investment & Trading Co (net of TDS) to Equity	54.13
Redemption of Optionally Convertible Debentures in part	245.00
General Corporate Purposes *	33.13
Issue Expenses (including GST)	12.73
<b>Total</b>	<b>399.99</b>

\* The above figure includes unutilised & unreceived amount of ₹ 1.97 Crores as on 31<sup>st</sup> March, 2022.

### Terms and rights attached to equity shares

The Company has two classes of equity shares having a par value of ₹ 10 per share and partly paid up shares of ₹ 5 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.

### (ii) Details of shareholders holding more than 5% shares in the company

Shareholder	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Number of shares	% holding	Number of shares	% holding
Manav Investment & Trading Co. Ltd	5,43,19,456	22.26%	3,39,66,691	20.61%
Pilani Investments and Industries Corporation Limited	4,63,48,750	18.99%	2,73,38,750	16.59%
Axis Bank Limited	1,27,77,710	5.24%	1,27,77,710	7.75%
	<b>11,34,45,916</b>	<b>46.49%</b>	<b>7,40,83,151</b>	<b>44.95%</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (iii) Details of shareholdings by the Promoter/ Promoter Group

Promoter/ Promoter Group Name	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021		% Change during the year *
	Number of shares	% holding	Number of shares	% holding	
<b>Promoter</b>					
Manav Investment & Trading Co. Ltd	5,43,19,456	22.26%	3,39,66,691	20.61%	59.92%
Pilani Investments and Industries Corporation Limited	4,63,48,750	18.99%	2,73,38,750	16.59%	69.54%
Manjushree Khaitan (Chairman)	10,69,723	0.44%	7,20,158	0.44%	48.54%
<b>Promoter Group</b>					
Century Textiles and Industries Ltd	76,00,502	3.11%	51,16,800	3.10%	48.54%
Aditya Marketing and Manufacturing Pvt. Ltd.	36,37,913	1.49%	24,49,111	1.49%	48.54%
Padmavati Investment Pvt. Ltd.	28,20,948	1.16%	18,99,115	1.15%	48.54%
Birla Institute of Technology and Science	15,15,806	0.62%	15,15,806	0.92%	0.00%
Birla Education Trust	9,54,171	0.39%	9,54,171	0.58%	0.00%
Prakash Educational Society	9,10,922	0.37%	9,10,922	0.55%	0.00%
Late Basant Kumar Birla	5,97,868	0.25%	4,02,496	0.24%	48.54%
Birla Educational Institution	3,62,643	0.15%	3,62,643	0.22%	0.00%
Vidula Jalan	1,71,381	0.07%	1,15,377	0.07%	48.54%
Rajashree Birla	4,827	0.00%	3,250	0.00%	48.52%
Vasavadutta Bajaj	8,541	0.00%	5,750	0.00%	48.54%
Kumar Mangalam Birla	445	0.00%	300	0.00%	48.33%
<b>Total</b>	<b>12,03,23,896</b>	<b>49.30%</b>	<b>7,57,61,340</b>	<b>45.96%</b>	<b>58.82%</b>

\* % change during the year has been computed on the basis of the number of shares at the beginning of the year.

### Note 14 (b): Other Equity

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Securities Premium	1,230.99	923.49
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
Fair value through other comprehensive income (FVOCI)- equity instruments	55.84	58.46
Others	7.31	7.31
Retained earnings	(1,163.98)	(1,037.56)
<b>Total Other Equity</b>	<b>360.81</b>	<b>182.35</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

(i) **Securities Premium**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	923.49	801.27
Increase/(decrease) during the year [Refer Note 14(a)]	307.50	122.22
<b>Closing balance</b>	<b>1,230.99</b>	<b>923.49</b>

(ii) **Capital reserve**

(a) **Development grant/subsidy**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	0.15	0.15
Transfer in equity	-	-
<b>Closing balance</b>	<b>0.15</b>	<b>0.15</b>

(b) **Amalgamation reserve**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	2.91	2.91
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>2.91</b>	<b>2.91</b>

(iii) **Capital redemption reserve**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	3.59	3.59
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>3.59</b>	<b>3.59</b>

(iv) **General reserve**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	224.00	224.00
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>224.00</b>	<b>224.00</b>

(v) **Fair value through other comprehensive income (FVOCI)- equity instruments**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	58.46	50.56
Change in fair value of FVOCI equity instruments net of taxes	(2.62)	7.90
Transfer in equity	-	-
<b>Closing balance</b>	<b>55.84</b>	<b>58.46</b>

(vi) **Other reserves**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	7.31	7.31
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>7.31</b>	<b>7.31</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (vii) Retained earning

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	(1,037.56)	(1,205.02)
Net profit/(loss) for the year	(130.01)	166.94
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurement of post-employment benefit obligation, net of tax	3.59	0.52
Transfer in equity	-	-
<b>Closing balance</b>	<b>(1,163.98)</b>	<b>(1,037.56)</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) 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.

#### (vi) 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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Financial Liabilities

#### Note 15: Borrowings

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
<b>(a) Secured</b>		
<b>At Amortised Cost</b>		
<b>Term Loans:</b>		
<b>From others</b>		
16,035 Senior Secured, Listed and Rated Redeemable Non-Convertible Debentures [face value of ₹ 9,65,700 each] (as at 31 <sup>st</sup> March, 2021: ₹ 10,00,000 each) [Refer note (a) below]	1,463.53	1,384.66
4,599 Secured Optionally Convertible Debentures [face value of ₹ 3,27,400 each] (as at 31 <sup>st</sup> March, 2021: ₹ 10,00,000 each) [Refer note (a) below]	138.49	370.29
<b>(b) Unsecured</b>		
<b>At Fair Value through Profit &amp; Loss Account</b>		
4,48,97,195 Zero % Optionally Convertible Redeemable Preference Shares [face value of ₹ 100 each]- recognised at fair value [Refer Note (a) below]	90.70	74.07
	<b>1,692.72</b>	<b>1,829.02</b>
Less: Current maturities of long term borrowings (Refer below)	(138.49)	(55.00)
Add: Interest accrued on long term borrowings	-	-
	<b>1,554.23</b>	<b>1,774.02</b>
<b>Current</b>		
<b>(a) Secured</b>		
Current maturities of Optionally Convertible Debentures	138.49	55.00
<b>(b) Unsecured</b>		
<b>Working Capital Loan from Bank</b>		
Overdraft / Cash Credit	-	0.02
<b>From others</b>		
Inter corporate deposit	3.00	3.00
	<b>141.49</b>	<b>58.02</b>
Add: Interest accrued on short term borrowings	0.80	0.56
	<b>142.29</b>	<b>58.58</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Cash and cash equivalents	118.97	90.95
Non-current borrowings	(1,554.23)	(1,774.02)
Current borrowings	(142.29)	(58.58)
<b>Total</b>	<b>(1,577.55)</b>	<b>(1,741.65)</b>

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
<b>Net debt as at 1<sup>st</sup> April, 2021</b>	<b>90.95</b>	<b>(1,774.02)</b>	<b>(58.58)</b>	<b>(1,741.65)</b>
Net increase in cash and cash equivalents during the year	28.04	-	-	28.04
Repayment of Borrowing	-	309.33	55.00	364.33
Receipt of the Borrowings	-	-	(50.00)	(50.00)
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(0.02)	-	0.02	-
Interest expenses	-	(464.02)	(3.93)	(467.95)
Interest paid	-	235.99	(0.44)	235.55
Changes in current maturities of long-term debt	-	138.49	(138.49)	-
<b>Non-cash movements:</b>				
Issue of equity shares to Manav Investment & Trading Co Ltd against loan	-	-	54.13	54.13
<b>Net debt as at 31<sup>st</sup> March, 2022</b>	<b>118.97</b>	<b>(1,554.23)</b>	<b>(142.29)</b>	<b>(1,577.55)</b>

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
<b>Net debt as at 1<sup>st</sup> April, 2020</b>	<b>3.18</b>	<b>(1,337.46)</b>	<b>(515.54)</b>	<b>(1,849.82)</b>
Cash flows	212.27	(878.22)	274.69	(391.26)
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(190.80)	-	190.80	-
Interest expenses	-	(136.51)	(83.03)	(219.54)
Interest paid	-	275.41	127.30	402.71
Conversion of accrued interest to Loan	-	(45.55)	-	(45.55)
Unamortised processing cost charged off	-	(33.21)	-	(33.21)
Changes in current maturities of long-term debt and interest accrued on them	-	(69.32)	(55.00)	(124.32)
<b>Non-cash movements:</b>				
Issue of OCRPS and Equity shares for loan settlement	66.30	450.84	2.20	519.34
<b>Net debt as at 31<sup>st</sup> March, 2021</b>	<b>90.95</b>	<b>(1,774.02)</b>	<b>(58.58)</b>	<b>(1,741.65)</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

(a) Repayment terms and nature of securities given for borrowings from Others are as follows:

Others	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Nature of Security	Repayment terms
Non-Convertible Debenture	1,463.53	1,384.66	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.	Redeemable in 12 instalments by 28 <sup>th</sup> February 2026 starting from November 2021. Tenure of instrument 4 years 11 months and 12 days from the date of allotment i.e. 16 <sup>th</sup> March, 2021. Cash coupon rates: 1-18months @9.1% pa; 19-36months @11.3%pa; 37-60months @ 13.1%pa; XIRR of 20.75% excluding additional interest 1 and taxes. First instalment for ₹ 55 Crores was paid in November'21 and the next instalment is due in August'23 for ₹ 30.47 Crores.
Optionally Convertible Debenture	138.49	370.29	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.	Redeemable in August 2022. Tenure of instrument 17 months and 15 days from the date of allotment i.e. 16 <sup>th</sup> March, 2021. Cash coupon rate @8.7% pa is applicable; XIRR of 20.75% excluding additional interest 1 and taxes. Prepayment of ₹ 309.33 Crores was made till March'2022.
Zero Coupon Optionally Convertible Redeemable Preference Shares	90.70	74.07	NA	Redeemable in 5 equal instalments starting from FY 2027-28
	<b>1,692.72</b>	<b>1,829.02</b>		

The Company has not defaulted in the repayment of borrowings during the current year. Further, the Company has complied with all the applicable covenants as per the Debenture Trust Deed for the year ended March 31, 2022.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 16: Other financial liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
Security deposits	87.21	74.27
	<b>87.21</b>	<b>74.27</b>
<b>Current</b>		
Capital creditors	11.72	1.09
Retention & earnest deposits	10.99	9.30
Other payables	2.71	8.64
Security deposits	30.56	17.22
Unpaid dividends *	0.02	0.02
	<b>56.00</b>	<b>36.27</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.

### Note 17: Provisions

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for leave encashment (unfunded)	13.00	12.79
<b>(b) Others</b>		
Decommissioning obligations	11.46	10.31
<b>Total non-current provisions</b>	<b>24.46</b>	<b>23.10</b>
<b>Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for gratuity (Refer Note 25)	-	1.46
Provision for leave encashment (unfunded)	2.20	2.91
Others	0.17	2.22
<b>(b) Others</b>		
Provision for contingencies	-	1.71
Provision for disputed statutory dues	14.75	25.19
<b>Total current provisions</b>	<b>17.12</b>	<b>33.49</b>

#### (i) Movement in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2021</b>	10.31	1.71	25.19
Charged/(credited) to profit or loss:	-	-	-
Additional provision recognised	-	-	-
Unused amounts reversed	-	(1.71)	(10.44)
Amounts used during the year	-	-	-
Unwinding of discount	1.15	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>11.46</b>	<b>-</b>	<b>14.75</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Movements in each class of provision during the previous year, are set out below:

Particulars	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2020</b>	9.28	1.21	22.63
Charged/(credited) to profit or loss:	-	-	-
Additional provision recognised	-	0.50	2.56
Unused amounts reversed	-	-	-
Amounts used during the year	-	-	-
Transfer pursuant to the scheme of arrangement	-	-	-
Unwinding of discount	1.03	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>10.31</b>	<b>1.71</b>	<b>25.19</b>

### Note 18: Deferred Tax Asset/Liability

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Deferred Tax Liabilities</b>		
Timing Difference - Property, plant and equipment	201.70	215.00
Timing Difference - Investments	14.22	15.18
Timing Difference - Amortisation of Debenture interest	17.41	67.33
Other	9.09	12.48
<b>Gross Deferred Tax Liability</b>	<b>242.42</b>	<b>309.99</b>
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	217.32	219.68
Capital losses	27.20	27.20
Business losses	99.34	160.21
Items allowable for tax purpose on payment basis	16.72	22.34
Provisions	147.33	139.64
Others	6.96	2.54
<b>Gross Deferred Tax Asset</b>	<b>514.87</b>	<b>571.62</b>
<b>Net Deferred Tax Assets</b>	<b>272.45</b>	<b>261.63</b>

The Company has recognised net deferred tax asset considering that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

### Note 19: Other liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-current</b>		
Advance received from Employees	0.41	0.37
	<b>0.41</b>	<b>0.37</b>
<b>Current</b>		
Deferred revenue	14.88	24.19
Advance from customers and others	33.85	35.72
Statutory dues	119.83	136.09
Advance received from Employees	0.36	0.94
Other payables	32.07	20.42
	<b>200.99</b>	<b>217.36</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 20: Trade payables

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Current</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	19.86	15.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	492.99	495.48
(c) Employee benefits payable	17.11	20.30
	<b>529.96</b>	<b>531.48</b>

Aging of Trade Payables	As on 31 <sup>st</sup> March 2022				
	< 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	19.86	-	-	-	19.86
(ii) Other Creditors	460.02	19.60	6.43	5.14	491.19
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	1.80	1.80
(v) Employee's benefits payable (undisputed)	14.37	1.54	0.28	0.92	17.11
<b>Total</b>	<b>494.25</b>	<b>21.14</b>	<b>6.71</b>	<b>7.86</b>	<b>529.96</b>

Aging of Trade Payables	As on 31 <sup>st</sup> March 2021				
	< 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	15.70	-	-	-	15.70
(ii) Other Creditors	425.48	51.14	13.14	3.89	493.65
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	0.03	1.80	1.83
(v) Employee's benefits payable (undisputed)	18.00	0.96	0.48	0.86	20.30
<b>Total</b>	<b>459.18</b>	<b>52.10</b>	<b>13.65</b>	<b>6.55</b>	<b>531.48</b>

Note: Aging has been considered from the date of transaction

### Note 21: Revenue from operations

Particulars	2021-2022	2020-2021
<b>Revenue from contracts with customers #</b>		
Sale of Products	3,530.22	2,410.28
Other operating revenue	9.34	4.93
	<b>3,539.56</b>	<b>2,415.21</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<sup>st</sup> March, 2022

Particulars	India	Outside India	Total
Cement	3,530.22	-	3,530.22
	<b>3,530.22</b>	<b>-</b>	<b>3,530.22</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Year ended 31<sup>st</sup> March, 2021

Particulars	India	Outside India	Total
Cement	2,410.28	-	2,410.28
	<b>2,410.28</b>	<b>-</b>	<b>2,410.28</b>

### B. The Company has recognised the following revenue-related contract liabilities and receivables from contract with customers

Particulars	2021-2022	2020-2021
Contract liabilities - Deferred revenue [Refer Note 19]	14.88	24.19
Contract liabilities - Advance from customers [Refer Note 19]	33.85	35.72
	<b>48.73</b>	<b>59.91</b>

The change in Contract Liabilities are as follows:

Particulars	2021-2022	2021-2021
<b>Contract liabilities - Opening</b>	<b>59.91</b>	<b>45.83</b>
Add: Additions during the year, excluding amounts recognised as revenue during the year	48.65	46.81
Less: Revenue recognised in the current year which was included in Contract Liabilities	(59.83)	(32.73)
<b>Contract Liabilities - Closing</b>	<b>48.73</b>	<b>59.91</b>

Particulars	2021-2022	2021-2021
Trade Receivables- Gross	327.66	283.61
Less: Allowance for doubtful debt	(10.95)	(8.65)
	<b>316.71</b>	<b>274.96</b>

### (i) Revenue recognised in relation to contract liabilities

The following table shows how much of 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	2021-2022	2021-2021
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
Contract liabilities – Deferred revenue	24.19	0.26
Contract liabilities – Advance from customers	35.64	32.47
	<b>59.83</b>	<b>32.73</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 22: Other Income

Particulars	2021-2022	2020-2021
Interest income:		
On financial instruments measured at amortised cost	44.27	82.10
On income tax refund	0.39	1.01
Less: Provision for Doubtful Interest Income *	(26.45)	-
Dividend income	0.02	0.02
Other non operating income	19.92	19.09
	<b>38.15</b>	<b>102.22</b>

\* Refer Note 7 (b)

### Note 23: Cost of Materials Consumed

Particulars	2021-2022	2020-2021
<b>Raw Material Consumed</b>		
Opening inventory	9.00	8.34
Add : Purchases	188.95	128.70
Less : Inventory at the end of the year	(14.76)	(9.00)
Add: Raising lime stone cost	177.87	109.79
	<b>361.06</b>	<b>237.83</b>

Particulars	2021-2022	2020-2021
<b>(a) Limestone raising cost include:</b>		
Salaries, Wages, Bonus etc.	12.67	11.37
Contribution to Provident and other Funds	0.53	0.48
Contribution to Gratuity Fund (refer note 25)	0.43	0.47
Workmen and Staff welfare	0.29	0.25
Dead Rent, Royalty etc.	99.41	63.94
Power and Fuel	12.63	4.40
Stores and spares parts consumed	35.08	19.29
Machinery repairs	4.97	3.72
Other repairs	0.39	0.10
Rates and taxes	-	0.15
Insurance	0.03	0.02
Contractors-Transport	9.47	4.72
Miscellaneous	1.97	0.88
	<b>177.87</b>	<b>109.79</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 24: Changes in stock of finished goods, work-in-progress and stock in trade

Particulars	2021-2022	2020-2021
Inventories at the beginning of the year		
- Work-in-progress	9.41	15.62
- Finished Goods	16.98	37.31
Less: Inventories at the end of the year		
- Work-in-progress	11.54	9.41
- Finished Goods	33.88	16.98
Less: Transferred to Capital Jobs	0.15	0.03
	<b>(19.18)</b>	<b>26.51</b>

### Note 25: Employee benefits expense

Particulars	2021-2022	2020-2021
Salaries, wages and bonus	130.29	125.31
Contribution to provident fund	6.24	6.04
Contribution to superannuation fund	0.09	0.08
Gratuity	2.72	3.08
Contribution under Employees State Insurance Scheme	0.38	0.29
Voluntary separation Scheme	4.27	2.67
Staff welfare expenses	4.33	3.76
<b>Total employee benefits expense</b>	<b>148.32</b>	<b>141.23</b>

During the year, the Company recognised an amount of ₹ 6.35 Crore (2020-21: ₹ 5.35 Crores ) as remuneration to key managerial personnel.

The details of such remuneration is as below:

Particulars	2021-2022	2020-2021
Short term employee benefits	6.15	5.18
Post employment benefits	0.20	0.17
<b>Total employee benefits expense</b>	<b>6.35</b>	<b>5.35</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (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<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 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 of obligation	Fair value of plan assets	Net amount
as at 31 <sup>st</sup> March, 2021	25.35	28.60	3.25
as at 31 <sup>st</sup> March, 2022	27.51	29.08	1.57

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount Rate (per annum)	8.50%	8.50%
Expected Rate of Return on Plan Assets (per annum)	8.50%	8.50%

The Company contributed ₹ 1.78 Crores and ₹ 2.61 Crores during the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 respectively to the fund.

### (iii) Defined contribution plan

**Superannuation Fund:** The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary or ₹ 1 Lakh, whichever is lower, in case of NPS participating employees and 15% of the

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

basic salary in case of Non NPS participating eligible employees to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Company contributed ₹ 0.02 Crore and ₹ 0.02 Crore during the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 respectively.

### (iv) 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<sup>st</sup> April, 2021</b>	53.07	51.61	1.46
Current service cost	3.19	-	3.19
Interest expense/(income)	3.57	(3.61)	(0.04)
<b>Total amount recognised in profit or loss</b>	<b>6.76</b>	<b>(3.61)</b>	<b>3.15</b>
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.33)	0.33
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(0.86)	-	(0.86)
Actuarial (gain)/loss from unexpected experience	(3.06)	-	(3.06)
<b>Total amount recognised in other comprehensive income</b>	<b>(3.92)</b>	<b>(0.33)</b>	<b>(3.59)</b>
Employer contributions/ premium paid	-	1.46	(1.46)
Benefit payments	4.15	4.15	-
Settlement Cost	-	-	-
Acquisition adjustment	-	-	-
<b>31<sup>st</sup> March, 2022</b>	<b>51.76</b>	<b>52.20</b>	<b>(0.44)</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2020</b>	48.69	41.78	6.91
Current service cost	3.24	-	3.24
Interest expense/(income)	3.15	(2.84)	0.31
<b>Total amount recognised in profit or loss</b>	<b>6.39</b>	<b>(2.84)</b>	<b>3.55</b>
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	4.91	(4.91)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(0.90)	-	(0.90)
Actuarial (gain)/loss from unexpected experience	3.71	-	3.71
<b>Total amount recognised in other comprehensive income</b>	<b>2.81</b>	<b>4.91</b>	<b>(2.10)</b>
Employer contributions/ premium paid	-	6.90	(6.90)
Benefit payments	4.82	4.82	-
Settlement Cost	-	-	-
Disposal/ Transfer of Asset	-	-	-
<b>31<sup>st</sup> March, 2021</b>	<b>53.07</b>	<b>51.61</b>	<b>1.46</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount rate	7.00%	6.80%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2012-2014 ULTIMATE	IALM 2012-2014 ULTIMATE

### (vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	49.68	54.00	50.87	55.44
% change compared to base due to sensitivity	(4.03%)	4.32%	(4.15%)	4.46%
Salary growth rate (-/+ 0.5%)	54.02	49.64	55.46	50.83
% change compared to base due to sensitivity	4.36%	(4.10%)	4.50%	(4.22%)
Attrition rate (-/+ 0.5%)	51.77	51.75	53.08	53.06
% change compared to base due to sensitivity	0.02%	(0.02%)	0.02%	(0.02%)
Life expectancy/ mortality rate (-/+ 10%)	51.78	51.74	53.09	53.06
% change compared to base due to sensitivity	0.04%	(0.04%)	0.03%	(0.03%)

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.

### (vii) The major categories of plan 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.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### 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

Expected contributions to post-employment benefits plans for the year ending 31<sup>st</sup> March 2023 is ₹ 7.75 Crores.

The weighted average duration of the defined benefit obligation is 13 years (31<sup>st</sup> March 2021 – 13 years).

### Note 26: Depreciation and amortisation expense

Particulars	2021-2022	2020-2021
Depreciation on tangible assets	76.87	80.10
Amortisation of intangible & Right to Use assets	13.86	16.11
	<b>90.73</b>	<b>96.21</b>

### Note 27: Finance cost

Particulars	2021-2022	2020-2021
Interest expenses	467.07	240.43
Interest on Lease Liabilities	1.48	2.07
Other borrowing costs	13.15	3.31
	<b>481.70</b>	<b>245.81</b>

### Note 28: Other expenses

Particulars	2021-2022	2020-2021
Consumption of stores and spare parts	48.63	29.32
Rent	19.15	10.32
Repairs and Maintenance		
Building	5.85	4.09
Plant and Machinery	51.91	36.59
Others	2.70	2.77
Insurance	8.16	6.09
Rates and Taxes	6.68	5.33
Brokerage and Discounts	29.11	17.04
Commission to selling agents	8.83	7.38
Sales Promotion	47.33	19.80
Directors' Fees	0.68	1.01
Legal and professional expenses	38.49	30.86
Provision for doubtful debts	2.47	2.28
Provision for doubtful advances	1.63	-
Loss/ (Profit) on property , plant and equipments sold/discarded (net)	0.13	(0.27)
Payments to the auditor [refer Note (a) below]	2.53	3.96
Security Services	6.76	5.85
Miscellaneous expenses [refer Note (b) below]	31.29	23.25
	<b>312.33</b>	<b>205.67</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2021-2022	2020-2021
(a) Details of auditors' remuneration and out-of-pocket expenses are as below:		
<b>Auditors remuneration and out-of-pocket expenses:</b>		
Audit Fees (including Limited Reviews)	2.14	2.14
Tax Audit Fees	0.30	0.45
Fees for issuing various certificates*	2.04	1.31
Reimbursement of Expenses	-	0.06
<b>Total</b>	<b>4.48</b>	<b>3.96</b>
(b) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	2.35	1.33
(c) Legal & Professional expenses include		
(i) Payment to cost auditor	0.05	0.05

\* The above figure includes ₹ 1.95 Crores for Rights issue certification work transferred to Securities Premium and not charged to Profit & Loss.

### Note 29: Exceptional items

Particulars	2021-2022	2020-2021
Impairment Loss on Subsidiary Investment [refer Note a]	(154.25)	(78.95)
Difference due to Fair Value of OCRPS net of settlement cost [refer Note b]	-	277.34
Impairment Loss on Loan to Body Corporate [refer Note c]	-	(493.22)
	<b>(154.25)</b>	<b>(294.83)</b>

a) The Company has carried out an impairment analysis in respect of its Investment and loan to its wholly owned subsidiary Cygnet Industries Limited and consequently recognised an additional provision for impairment of ₹ 154.25 Crores [FY 2020-21: ₹ 78.95 Crore] which has been presented as an Exceptional Item in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2022.

The assessment was based on the management's business plans/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 financial statements.

b) During the previous year, a Resolution Plan ("the Plan") was approved by the lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular 7<sup>th</sup> June 2019. Pursuant to the Plan, the Company had entered into a Settlement Agreement ("the Agreement") with the lenders dated 20<sup>th</sup> February, 2021, which was further amended on 15<sup>th</sup> March, 2021. The Agreement entails settlement of the existing Gross debt aggregating to ₹ 2,181.81 Crores as at 31<sup>st</sup> January, 2021 in the following manner and divided into three parts:

- i) By issuance of 2,22,21,262 numbers of Equity Shares of face value of ₹ 10 each to the lenders on a preferential basis on 8<sup>th</sup> March, 2021 at the price determined in accordance with the applicable law @ ₹ 65 per share (including securities premium of ₹ 55 per share).
- ii) By issuance of 4,48,97,195 numbers of Zero % Optionally Convertible Redeemable Preference Shares ('OCRPS') of face value of ₹ 100 each issued to the lenders convertible with prior consent of the holder and at the option of the Company during the period of 18 months from the date of allotment, and redeemable at par over the period of five years starting 31<sup>st</sup> March, 2028 in five equal tranches.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

iii) Upfront repayment of Existing facilities to the extent of ₹ 1,670.94 Crores to the lenders.

The Company during the previous year ended 31<sup>st</sup> March, 2021 had issued OCRPS has been initially recognised at fair value in the books. The resultant net gain of ₹ 277.34 Crores, net of settlement costs, as at the date of implementation of the Plan between the carrying amount of the facility before settlement and on fair value of OCRPS / Equity was recognised in 'the Statement of Profit and Loss' as an exceptional item.

c) The company consequent to demerger in the financial year 2019-20 had recognised an amount recoverable from the resulting company. As on March 31, 2021, the related outstanding balance is ₹ 493.22 Crores. During the previous year, the Company recognised a provision for impairment in respect of this outstanding balance, as the resulting company was going through a Resolution Process and the outcome of the same was dependent on implementation of the Resolution Process. This impairment loss was considered as an exceptional item in the previous year.

### Note 30: Income tax expense

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.

#### (a) Income tax expense

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods *	-	(43.87)
<b>Total current tax expense</b>	-	<b>(43.87)</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	56.74	(266.22)
(Decrease) increase in deferred tax liabilities	(67.57)	4.60
<b>Total deferred tax expense/(benefit)</b>	<b>(10.83)</b>	<b>(261.62)</b>
<b>Income tax expense</b>	<b>(10.83)</b>	<b>(305.49)</b>

\* Adjustments for current tax of prior periods represents write back of excess provision for income tax of earlier years on disposal of pending litigations.

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Deferred tax assets	514.87	571.62
Deferred tax liabilities	(242.42)	(309.99)
<b>Closing Balance</b>	<b>272.45</b>	<b>261.63</b>

Particulars	As at April 01, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022	Not Recognised due to Uncertainty Refer Note (c) below
<b>A. Deferred tax assets</b>					
Unabsorbed depreciation	219.68	(2.36)	-	217.32	-
Capital losses	27.20	-	-	27.20	-
Business losses	160.21	(60.87)	-	99.34	156.12
Provision for doubtful debts	11.04	0.62	-	11.66	-
Provision for doubtful advances	1.79	0.01	-	1.80	-

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	As at April 01, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022	Not Recognised due to Uncertainty Refer Note (c) below
Other Provisions	126.81	7.06	-	133.87	-
Items allowable for tax purpose on payment basis	22.34	(1.94)	-	20.40	-
Others	2.55	0.73	-	3.28	-
	<b>571.62</b>	<b>(56.74)</b>	-	<b>514.87</b>	<b>156.12</b>
<b>B. Deferred tax liabilities</b>					
Difference between book balance and tax balance of property, plant and equipment	215.00	(13.30)	-	201.70	-
Difference between fair value of investment and indexed cost of acquisition	15.18	(0.96)	(0.96)	14.22	-
Difference on account of amortisation of Debenture interest	67.33	(49.92)	-	17.41	-
Others	12.48	(3.39)	-	9.09	-
	<b>309.99</b>	<b>(67.57)</b>	<b>(0.96)</b>	<b>242.42</b>	-
<b>Net deferred tax assets / (liabilities) (A-B)</b>	<b>261.63</b>	<b>10.83</b>	<b>0.96</b>	<b>272.45</b>	<b>156.12</b>

Particulars	As at April 01, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021	Not Recognised due to Uncertainty Refer Note (c) below
<b>A. Deferred tax assets</b>					
Unabsorbed depreciation	17.07	202.61	-	219.68	-
Capital losses	27.69	(0.49)	-	27.20	-
Business losses	77.65	82.56	-	160.21	117.30
Provision for doubtful debts	14.54	(3.50)	-	11.04	-
Provision for doubtful advances	2.49	(0.70)	-	1.79	-
Other Provisions	138.99	(12.18)	-	126.81	-
Items allowable for tax purpose on payment basis	26.00	(3.66)	-	22.34	-
Others	0.96	1.58	-	2.55	-
	<b>305.39</b>	<b>266.22</b>	-	<b>571.62</b>	<b>117.30</b>
<b>B. Deferred tax liabilities</b>					
Difference between book balance and tax balance of property, plant and equipment	289.76	(74.76)	-	215.00	-
Difference between fair value of investment and indexed cost of acquisition	13.62	-	1.56	15.18	-
Difference on account of amortisation of Debenture interest	-	67.33	-	67.33	-
Others	2.01	10.47	-	12.48	-
	<b>305.39</b>	<b>3.04</b>	<b>1.56</b>	<b>309.99</b>	-
<b>Net deferred tax assets / (liabilities) (A-B)</b>	-	<b>263.18</b>	<b>(1.56)</b>	<b>261.63</b>	<b>117.30</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Profit before tax	(139.88)	(140.11)
<b>Tax at the rate of 25.168%</b>	<b>(35.20)</b>	<b>(35.26)</b>
Deferred tax asset not recognised	-	-
Exempt income	-	-
Deductions claimed in tax	-	-
Permanent differences	0.18	17.62
Provision for Impairment on Investment in Subsidiary	38.82	19.87
Others (including difference in tax rates)	(3.80)	(2.23)
<b>Total income tax expense/(credit)</b>	<b>-</b>	<b>-</b>

### (c) Tax losses

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Unused tax losses for which no deferred tax has been recognised:		
Tax losses		
- Loss on provision for Impairment on Investment in Subsidiary (Refer Note 5)	620.32	466.07
Potential tax benefit @ 25.168% on Business loss	156.12	117.30
Minimum alternate tax (MAT) credit entitlement	-	-
<b>Total</b>	<b>156.12</b>	<b>117.30</b>

(a) Unabsorbed depreciation does not have any expiry period.

(b) From financial year 2020-21 (AY 2021-22) and onwards, 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.

### Note 31: Earnings per share

Particulars		2021-2022	2020-2021
<b>(i) Basic</b>			
Number of equity shares at the beginning of the year		16,48,11,341	14,25,90,079
Number of equity shares at the end of the year		24,40,24,163	16,48,11,341
Weighted average number of equity shares outstanding during the year(*)	(A)	20,01,31,405	15,85,67,203
Nominal value of each equity Share (₹)		10	10
Profit / (Loss) for the year (₹ in Crore)	(B)	(130.01)	166.94
Earnings per share (Basic) (₹)	(B/A)	(6.50)	10.53
<b>(ii) Diluted</b>			
Weighted average number of equity shares outstanding during the year(*)		20,01,31,405	15,85,67,203
Earnings per share (Diluted) (₹)		(6.50)	10.53

\* Basic and diluted earnings/(loss) per share for the previous year have been retrospectively adjusted for the bonus element in respect of the Rights Issue made during the current year. Refer Note 14 (a).

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 32: Contingent liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>(a) Claims against the Company not acknowledged as debts :</b>		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	169.10	213.47
<b>(b) Income Tax matters</b>	15.92	15.43
	<b>185.02</b>	<b>228.90</b>

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.

### Note 33: Capital and other commitments

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>(a) Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 2.99 Crore (31 <sup>st</sup> March, 2021: ₹ 1.59 Crore)]	26.06	3.19
	<b>26.06</b>	<b>3.19</b>

**Note 34:** 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	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	19.33	15.70
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.53	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	-	0.10
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
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		

### Note 35: Lease Disclosure

1. The following is the break-up of current and non-current lease liabilities as at 31<sup>st</sup> March, 2022.

Particulars	2021-2022	2020-2021
Current Lease Liability	5.18	11.41
Non Current Lease Liability	1.48	5.31
	<b>6.66</b>	<b>16.72</b>

2. The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2022:

Particulars	2021-2022	2020-2021
Opening Balance	16.72	22.11
Additions during the year	2.00	6.69
Finance cost accrued during the period	1.48	2.07
Deletions	0.09	0.54
Payment of lease liabilities	13.45	13.61
<b>Closing Balance</b>	<b>6.66</b>	<b>16.72</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

	2021-2022	2020-2021
3. Expense pertaining to leases which has been identified as Short Term	16.98	6.82
4. Expense pertaining to leases which has been identified as Low Value	0.11	0.09

### 5. Contractual maturities of lease liabilities as at 31<sup>st</sup> March, 2022 on an undiscounted basis

The table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March, 2022 on an undiscounted basis:

Particulars	2021-2022	2020-2021
Less than one year	4.72	13.16
One to five years	1.06	4.30
More than five years	7.21	7.36

### Note 36: Capital management

#### (a) Risk management

The capital structure of the Company consists of debt, cash and cash equivalents 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.

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.

### Note 37 : Fair value measurements

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.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

#### Financial instruments by category

Particulars	31 <sup>st</sup> March, 2022			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	118.97	118.97	118.97
Other bank balances	-	-	57.21	57.21	57.21
Trade receivables	-	-	316.71	316.71	316.71
Loans	-	-	161.26	161.26	161.26
Investments	-	73.83	-	73.83	73.83
Other financial assets	-	-	32.61	32.61	32.61
<b>Total financial assets</b>	-	<b>73.83</b>	<b>686.76</b>	<b>760.59</b>	<b>760.59</b>
<b>Financial liabilities</b>					
Borrowings	90.70	-	1,605.82	1,696.52	1,696.52
Trade and other payables	-	-	529.96	529.96	529.96
Lease Liability	-	-	6.66	6.66	6.66
Other financial liabilities	-	-	143.21	143.21	143.21
<b>Total financial liabilities</b>	<b>90.70</b>	-	<b>2,285.65</b>	<b>2,376.35</b>	<b>2,376.35</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2021			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	90.95	90.95	90.95
Other bank balances	-	-	14.49	14.49	14.49
Trade receivables	-	-	274.96	274.96	274.96
Loans	-	-	137.92	137.92	137.92
Investments	-	77.41	-	77.41	77.41
Other financial assets	-	-	16.38	16.38	16.38
<b>Total financial assets</b>	-	<b>77.41</b>	<b>534.70</b>	<b>612.11</b>	<b>612.11</b>
<b>Financial liabilities</b>					
Borrowings	74.07	-	1,758.53	1,832.60	1,832.60
Trade and other payables	-	-	531.48	531.48	531.48
Lease Liability	-	-	16.72	16.72	16.72
Other financial liabilities	-	-	110.54	110.54	110.54
<b>Total financial liabilities</b>	<b>74.07</b>	-	<b>2,417.27</b>	<b>2,491.34</b>	<b>2,491.34</b>

### (i) 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.

Particulars	31 <sup>st</sup> March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments	-	-	73.83	73.83
	-	-	<b>73.83</b>	<b>73.83</b>
<b>Financial liabilities:</b>				
Borrowings	-	90.70	-	90.70
	-	<b>90.70</b>	-	<b>90.70</b>

Particulars	31 <sup>st</sup> March, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments	-	-	77.41	77.41
	-	-	<b>77.41</b>	<b>77.41</b>
<b>Financial liabilities:</b>				
Borrowings	-	74.07	-	74.07
	-	<b>74.07</b>	-	<b>74.07</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (ii) Valuation technique used to determine fair value

- (a) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- (b) 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.
- (c) 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.
- (d) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- (e) 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.

### Note 38: Financial risk management

In the course of its business, the Company 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 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:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

### (A) 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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Trade receivables	316.71	274.96
Loan	161.26	137.92
Other financial assets	32.61	16.38
<b>Total</b>	<b>510.58</b>	<b>429.26</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.

#### i) 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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

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<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2021-2022	2020-2021
Opening balance	8.65	6.62
Charge/(Release) to statement of profit and loss	2.47	2.28
Utilised during the year	(0.17)	(0.25)
<b>Balance at the end of the year</b>	<b>10.95</b>	<b>8.65</b>

### (B) 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.

#### (i) 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.

Contractual maturities of financial liabilities 31 <sup>st</sup> March, 2022	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest obligations)	370.11	849.85	1,666.86	448.97	3,335.79
Lease Liability	4.72	0.66	0.40	7.21	12.99
Other financial liabilities	56.80	-	-	87.21	144.01
Trade payables	529.96	-	-	-	529.96
<b>Total non-derivative financial liabilities</b>	<b>961.59</b>	<b>850.51</b>	<b>1,667.26</b>	<b>543.39</b>	<b>4,022.75</b>

Contractual maturities of financial liabilities 31 <sup>st</sup> March, 2021	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest obligations)	384.17	1,034.36	2,171.70	448.97	4,039.20
Lease Liability	13.16	3.99	0.31	7.36	24.82
Other financial liabilities	36.83	-	-	74.27	111.10
Trade payables	531.48	-	-	-	531.48
<b>Total non-derivative financial liabilities</b>	<b>965.64</b>	<b>1,038.35</b>	<b>2,172.01</b>	<b>530.60</b>	<b>4,706.60</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (C) Market risk

#### (i) Foreign currency risk

The Company deals with foreign currency loan, trade payables etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company 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 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<sup>st</sup> March, 2022

	USD (in Crores)		EUR (in Crores)		DKK (in Crores)		JPY (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	Amount in foreign currency	Amount in local currency
<b>Financial assets</b>								
Trade receivables	-	-	-	-	-	-	-	-
Advance to Vendors*	0.05	3.79	0.00	0.10	0.00	0.02	-	-
<b>Financial liabilities</b>								
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>0.05</b>	<b>3.79</b>	<b>0.00</b>	<b>0.10</b>	<b>0.00</b>	<b>0.02</b>	<b>-</b>	<b>-</b>

#### As at 31<sup>st</sup> March, 2021

	USD (in Crores)		EUR (in Crores)		GBP (in Crores)		JPY (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	Amount in foreign currency	Amount in local currency
<b>Financial assets</b>								
Trade receivables	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>								
Trade payables	-	-	0.00	0.05	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>-</b>	<b>-</b>	<b>(0.00)</b>	<b>(0.05)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Amount is below the rounding off norm adopted by the Company

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### 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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>USD sensitivity</b>		
INR/USD appreciates by 5% (31 <sup>st</sup> March, 2021 - 5%)@	(0.19)	-
INR/USD depreciates by 5% (31 <sup>st</sup> March, 2021 - 5%)@	0.19	-
<b>EUR sensitivity</b>		
INR/EUR appreciates by 5% (31 <sup>st</sup> March, 2021 - 5%)@	(0.01)	0.00
INR/EUR depreciates by 5% (31 <sup>st</sup> March, 2021 - 5%)@	0.01	(0.00)
<b>DKK sensitivity</b>		
INR/DKK appreciates by 5% @	(0.00)	-
INR/DKK depreciates by 5% @	0.00	-
<b>GBP sensitivity</b>		
INR/GBP appreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	-	-
INR/GBP depreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	-	-
<b>JPY sensitivity</b>		
INR/JPY appreciates by 5% (31 <sup>st</sup> March, 2021 - 5%)@	-	-
INR/JPY depreciates by 5% (31 <sup>st</sup> March, 2021 - 5%)@	-	-

@ Holding all other variables constant

### (ii) 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<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, 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.

#### (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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	1,695.72	1,832.02
<b>Total borrowings</b>	<b>1,695.72</b>	<b>1,832.02</b>

#### (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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Interest expense rates – increase by 50 basis points (50 bps)#	-	-
Interest expense rates – decrease by 50 basis points (50 bps)#	-	-

# Holding all other variables constant

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (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.

#### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity.

Particulars	Impact on equity	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Share price - Increase 5%	3.69	3.87
Share price - Decrease 5%	(3.69)	(3.87)

### Note 39: 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.

### Geographical information

#### (a) Revenue from external customers:

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
India	3,539.56	2,415.21
Others	-	-
	<b>3,539.56</b>	<b>2,415.21</b>

### Note 40:

The Company has considered possible effects that may result from the ongoing COVID 19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID 19 variants, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID 19 variants on the Company's financial statements may differ from that estimated as at the date of approval of the same.

### Note 41: Related party transactions

#### List of Related Parties and relationship

##### A) Subsidiary

Cygnit Industries Limited

##### B) Joint Venture

Gondkhari Coal Mining Limited

##### C) Post Retirement Benefit Plan

B.K. Birla Group of Companies Provident Fund Institution

Birla Industries Provident Fund Institution

KICM Gratuity Fund

Kesoram Superannuation Fund

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### D) Key Management Personnel & Directors

Smt. Manjushree Khaitan [Chairman]  
 Mr. P Radhakrishnan [Whole Time Director & CEO]  
 Mr. Suresh Sharma [Chief Financial Officer]  
 Mr. Akash Ghuwalewala [Company Secretary] (resigned w.e.f 14<sup>th</sup> June, 2021)  
 Mr. Raghuram Nath [Company Secretary] (appointed w.e.f 15<sup>th</sup> June, 2021)  
 Mrs. Mangala Radhakrishna Prabhu [Independent Director] (appointed w.e.f 14<sup>th</sup> May, 2021)  
 Mr. Satish Narain Jajoo [Additional Director] (appointed w.e.f 12<sup>th</sup> August, 2021)  
 Mr. Lee Seow Chuan [Independent Director]  
 Ms. Jikyeong Kang [Independent Director]  
 Mr. Kashi Prasad Khandelwal [Independent Director]  
 Mr. Bhaskar Neogi [Nominee Director] (resigned w.e.f 17<sup>th</sup> June, 2021)  
 Mr. Sudip Banerjee [Independent Director]

### E) Others

#### A. Entity Controlled, Joint Control by Key Management Personnel

MSK Travels and Tours Limited  
 Aditya Marketing & Mfg Limited  
 Arbela Trading and Services Private Limited  
 Usinara Trading and Services Private Limited  
 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

### (A) The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction/ Relationship	2021-2022	2020-2021
<b>Interest Income:</b>		
Subsidiary	14.30	32.67
<b>Management Service Income:</b>		
Subsidiary	0.97	3.47
<b>Rent Received:</b>		
Subsidiary	0.14	0.14
Others	0.01	-
<b>Reimbursement of Expenses:</b>		
Subsidiary	0.09	-
Others	-	-
<b>Loan Repayment</b>		
Subsidiary	0.55	82.13
<b>Loan Given</b>		
Subsidiary	8.15	246.35
<b>Conversion of Loan to Investment</b>		
Subsidiary	-	496.49
<b>Impairment Provision</b>		
Subsidiary	154.25	78.95
<b>Sale of Raw Material</b>		
Subsidiary	5.53	-

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Nature of Transaction/ Relationship	2021-2022	2020-2021
<b>Provident Fund Contribution</b>		
Post Retirement Benefit Plan	2.07	2.61
<b>Gratuity Claimed</b>		
Post Retirement Benefit Plan	4.15	4.82
<b>Gratuity Contribution</b>		
Post Retirement Benefit Plan	3.56	5.53
<b>Superannuation Contribution</b>		
Post Retirement Benefit Plan	0.02	0.02
<b>Upkeep, Rent, Electricity, Generator facility</b>		
Others	0.26	0.29
<b>Tour &amp; Travel Services</b>		
Others	0.57	0.41
<b>Receipt of ICD</b>		
Others	50.00	50.20
<b>Repayment of ICD</b>		
Others	-	50.20
<b>Adjustment of ICD against Rights Issue</b>		
Others	50.00	-
<b>Interest Expense</b>		
Others	4.58	1.48
<b>Interest Payment</b>		
Others	-	1.48
<b>Adjustment of Interest liability against Rights Issue (including TDS)</b>		
Others	4.58	-
<b>Expenditure-Other Services</b>		
Others	0.66	0.37

### (B) Outstanding balances

Nature of Transaction/ Relationship	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Payable/ (Receivable) :</b>		
Others	-	1.11
Post Retirement Benefit Plan	(0.27)	1.59
<b>Loan Receivable</b>		
Subsidiary	138.42	129.46
Joint Venture**	6.17	6.17
<b>Interest Payable</b>		
Others	0.46	-
<b>Interest Receivable</b>		
Subsidiary	16.04	1.74
Joint Venture**	0.62	0.62
<b>Investment in Shares</b>		
Subsidiary [net of impairment loss]	306.22	460.47
<b>Advance Receivable</b>		
Joint Venture **	0.32	0.32

\*\* Outstanding balance of ₹ 7.11 Crores receivable from Joint Venture has been fully provided for. Refer Note 7 (c).

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (C) Compensation of KMP of the Company

- (i) The following transactions were carried out with the KMP in the ordinary course of business. The details of remuneration paid to key management personnel is provided in Note 25.

Particulars	2021-2022	2020-2021
Sitting fees to Director	0.68	1.01
Reimbursement of Expenses	0.05	0.04
Repayment of Loan from Director	-	20.73

- (ii) Outstanding balances

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Remuneration	-	0.23
Loan from Director	-	-

Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given and investment made are mentioned in the respective notes of Non Current Investments (refer note 6) and Non Current Loans and Advances (refer note 7).

### Note 42: Key Ratios

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	% Variance	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	0.86	0.64	34.19	Due to growth in Revenue along with increase in production and improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted an improvement in the ratio.
(b) Debt-Equity Ratio	Total Debt (Non-current borrowings + Current Borrowings + Total Lease Liability)	Shareholder's Equity	2.81	5.33	(47.27)	Increase in Shareholder's Equity post current year shares issue and also reduction in borrowings due to prepayment of debts from the proceeds of Rights issue and internal accrual which has resulted in the improvement of the ratio.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	% Variance	Reason for Variance
(c) Debt Service Coverage Ratio	Net profit after taxes + Exception items + Non-cash operating expenses (depreciation) + Finance costs + Other adjustments (loss on sale of PPE)	Interest payments+ Long-term Principal Repayment+ Lease Payments	0.97	1.70	(42.79)	Prepayment of debts from the proceeds of Rights issue and internal accrual has resulted in decline in the ratio.
(d) Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	(0.27)	0.89	(130.59)	Reduction in Net Income (PAT) due to higher finance cost burden inspite of better operating margins and also first time recognition of deferred tax asset in previous year. All these factors has led to worsening of the ratio in the current year.
(e) Inventory Turnover Ratio	Sale of Products	Average Inventory	29.06	22.25	30.63	Revenue growth and efficient inventory operations during the year has led to faster inventory churning and thereby the inventory turnover ratio has been improved.
(f) Trade Receivables Turnover Ratio	Sale of Products	Average Trade Receivables	11.93	10.84	10.09	
(g) Trade Payables Turnover Ratio	Cost of Good sold (comprises of Purchases including Lime stone raising costs + Packing, carriage and shipping + Power & Fuel)	Average Trade Payables	4.81	2.95	63.02	Increase in purchases in line with Revenue growth and efficient payable management during the year has led to faster creditors churning and thereby the payable turnover ratio has been improved.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	% Variance	Reason for Variance
(h) Net Capital Turnover Ratio	Sale of Products	Working Capital	(26.58)	(7.20)	269.16	Due to growth in Revenue along with increase in production and improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted reduction in negative working capital and an improvement in the ratio.
(i) Net Profit Ratio(%)	Net Profit after taxes	Sale of Products	(3.67%)	6.91%	(153.14)	Reduction in Net Income (PAT) due to increase in finance cost and recognition of impairment on subsidiary investment inspite of better operating margins
(j) Return on Capital Employed	Earnings before interest and taxes (Loss before taxes + Finance costs)	"Capital employed (Tangible Net worth + Total Debt)"	0.15	0.05	206.11	Increase in earnings due to better operating margins in line with Revenue growth and also prepayment of debts from Rights Issue and internal accruals. All these factors have contributed to a better ratio.

Note : 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.

### Note 43: Code on Social Security

During the previous year ended 31<sup>st</sup> March, 2021 the Central Government has published "The Code on Social Security, 2020" and "Industrial Relations Code, 2020" ("the Codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the codes thereunder and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

### Note 44: Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have 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:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have 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:
- 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,
- (vii) The Company have not 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

**Note 45:** Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

\* Amount is below the rounding off norm adopted by the Company

**In terms of our report attached**

For **DELOITTE HASKINS & SELLS**  
*Chartered Accountants*  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
*Partner*

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

**Suresh Sharma**  
*Chief Financial Officer*

**Raghuram Nath**  
*Company Secretary*

**For and on behalf of the Board**

**Manjushree Khaitan**  
*Chairman*

**P. Radhakrishnan**  
*Whole-time Director & CEO*

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3. Celebrating Anniversaries and Birthdays

6. Encouraging women entrepreneurs



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# CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To The Members of KESORAM INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **KESORAM INDUSTRIES LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiary together referred to as "the Group") which includes the Group's share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary, and joint venture referred to in the Other Matters section below, 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2022, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Recoverability of deferred tax assets (DTA) recognized on carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances (Recognised in the books of the Parent)</b></p> <p>The Parent has recognised ₹ 272.45 Crores as DTA, as at 31<sup>st</sup> March, 2022, relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances.</p> <p>The Parent exercises significant judgement in assessing the recoverability of DTA relating to these items. In estimating the recoverability of DTA, management uses inputs such as internal business and tax projections over a 10 year period.</p> <p>Recoverability of DTA on carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances is sensitive to the assumptions used by management in projecting the future taxable income, the reversal of deferred tax liabilities which can be scheduled, and tax planning strategies.</p> <p>Refer note 2.16 "Taxes on Income" for accounting policies, note 2.23 in "Use of estimates &amp; critical accounting judgements" related to taxes, note 18 "Deferred Tax Assets/ Liabilities" and note 30 "Income tax expense" for disclosures related to taxes of the Consolidated Financial Statements.</p>	<p><b>Principal audit procedures performed</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding of controls performed by the management to assess the recoverability of the DTA relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances.</li> <li>We evaluated Design and Operating Effectiveness of the management controls over the process for determining the recoverability of the DTA relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances which included amongst others controls over the assumptions and judgments used in the projections of future taxable income.</li> <li>To assess the Parent's ability to estimate future taxable income, we compared the Parent's previous forecasts to actual results.</li> <li>We involved our tax professionals with specialized skills and knowledge to assist in evaluating taxation related matters including the Parent's tax planning strategies and interpretation of tax laws.</li> <li>We performed a sensitivity analysis over the key assumptions to assess their impact on the Parent's determination that the DTA relating to carry-forwards tax losses, unabsorbed depreciation and provision for loans and advances.</li> <li>We evaluated the adequacy of disclosures in the financial statements related to deferred tax in notes 2.16, 2.23, 18 and 30 respectively of the consolidated financial statements.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of Directors and the following Annexures thereto, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiary and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other

auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary and joint venture is traced from their financial statements audited by the other auditors.

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.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial



position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 Directors of the Parent, as aforesaid.

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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with SAs, we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the

other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements of 1(one) subsidiary whose financial statements reflect total assets of ₹ 667.84 Crores as at 31<sup>st</sup> March, 2022, total revenues of ₹ 85.70 Crores and net cash inflows amounting to ₹ 8.20 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 of ₹ NIL for the year ended 31<sup>st</sup> March, 2022, as considered in the consolidated financial statements, in respect 1 (one) joint venture, whose financial statements have 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 these subsidiary and joint venture and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, and its joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. 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 the separate financial statements of the subsidiary and joint venture referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the

directors of the Group companies, its joint venture company incorporated in India is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary company and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures
  - ii) the Group, its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company and joint venture company incorporated in India, except in case of Parent Company the amount pertaining to Unpaid dividend of ₹ 0.02 Crores and the related equity shares which has not been transferred. Based on the information and records available with the Parent, all these relates to the disputed matters with several shareholders.
  - iv) a. The respective Managements of the Company and its subsidiary which are companies incorporated in India, whose

financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose

financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies

(Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Cygnat Industries Limited	U74900WB2015PLC206720	Subsidiary	Clause (i)(c), (iii)(f), (vii)b, (xvii)
Gondkhari Coal Mining Limited	U10100DL2009PLC191466	Joint Venture	Clause (iv), (xvii)

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**  
Partner

Membership No. 054785  
UDIN: 22054785AGUABT5099

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Kesoram Industries Limited** (hereinafter referred to as "Parent") and its subsidiary company, which includes internal financial controls over financial reporting of its joint venture, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary company, its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary company and its joint ventures, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the

criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one (1) subsidiary company, and one (1) joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**  
*Chartered Accountants*  
(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**  
*Partner*

Membership No. 054785  
UDIN: 22054785AGUABT5099

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	1,970.05	2,045.07
(b) Right of use Assets	3A	33.68	33.98
(c) Capital work-in-progress	4A	48.95	32.81
(d) Other intangible assets	4	1.10	1.69
(e) Equity accounted investments	5	-	-
(f) Financial assets			
(i) Investments	6	73.84	77.42
(ii) Loans	7	-	-
(iii) Other financial assets	8	18.04	7.59
(g) Income tax asset (net)		5.00	7.05
(h) Deferred tax assets (net)	18	272.45	261.62
(i) Other non-current assets	9	13.81	5.54
<b>Total non-current assets</b>		<b>2,436.92</b>	<b>2,472.77</b>
<b>(2) Current assets</b>			
(a) Inventories	10	180.43	137.21
(b) Financial assets			
(i) Trade receivables	11	320.26	304.93
(ii) Cash and cash equivalents	12	121.96	97.45
(iii) Other bank balances	13	57.21	14.49
(iv) Loans	7	135.45	132.08
(v) Other financial assets	8	22.75	13.28
(c) Other current assets	9	158.00	59.29
<b>Total current assets</b>		<b>996.06</b>	<b>758.73</b>
<b>Total assets</b>		<b>3,432.98</b>	<b>3,231.50</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14 (a)	244.41	164.81
(b) Share application money pending allotment	14 (a)	1.06	-
(c) Other equity	14 (b)	265.14	32.67
<b>Total equity</b>		<b>510.61</b>	<b>197.48</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	1,732.50	1,941.07
(ii) Lease Liability		1.69	5.72
(iii) Other financial liabilities	16	87.21	74.27
(b) Provisions	17	28.18	28.00
(c) Other Non-current liabilities	19	0.41	0.37
<b>Total non-current liabilities</b>		<b>1,849.99</b>	<b>2,049.43</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	162.15	77.26
(ii) Lease Liability		5.66	11.99
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		28.45	26.12
Total outstanding dues of creditors other than micro enterprises and small enterprises		560.41	556.70
(iv) Other financial liabilities	16	81.82	57.61
(b) Provisions	17	17.48	34.19
(c) Income tax liabilities (net)		0.20	0.20
(d) Other current liabilities	19	216.21	220.52
<b>Total current liabilities</b>		<b>1,072.38</b>	<b>984.59</b>
<b>Total liabilities</b>		<b>2,922.37</b>	<b>3,034.02</b>
<b>Total equity and liabilities</b>		<b>3,432.98</b>	<b>3,231.50</b>
Notes forming part of the Financial Statements	1 - 45		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

For and on behalf of the Board

**Suresh Sharma**  
Chief Financial Officer

**Manjushree Khaitan**  
Chairman

**Raghuram Nath**  
Company Secretary

**P. Radhakrishnan**  
Whole-time Director & CEO

**Consolidated Statement of Profit and Loss** for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars		Notes	2021-2022	2020-2021
I	Revenue from operations	21	3,605.88	2,652.77
II	Other income	22	36.59	72.16
III	<b>Total Income (I+II)</b>		<b>3,642.47</b>	<b>2,724.93</b>
IV	<b>Expenses:</b>			
	(a) Cost of materials consumed	23	392.54	325.49
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(14.43)	33.38
	(c) Power & Fuel		1,138.85	647.62
	(d) Packing, Carriage and Shipping		1,063.83	810.85
	(e) Employee benefit expense	25	183.36	215.55
	(f) Depreciation and amortisation expense	26	111.76	117.96
	(g) Finance costs	27	501.69	275.80
	(h) Other expenses	28	329.73	244.34
	<b>Total Expenses</b>		<b>3,707.33</b>	<b>2,670.99</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(64.86)</b>	<b>53.94</b>
VI	<b>Exceptional Items</b>	29	(22.35)	(220.88)
VII	<b>Loss before tax (V+VI)</b>		<b>(87.21)</b>	<b>(166.94)</b>
VIII	<b>Tax expense:</b>	30		
	(1) Current tax charge / (credit) (in respect of earlier year)		-	(43.87)
	(2) Deferred tax charge / (credit)		(9.87)	(263.18)
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(77.34)</b>	<b>140.11</b>
X	<b>Other Comprehensive Income-</b>			
	<b>Items that will not be reclassified to Profit or Loss (net)</b>			
	Remeasurement of post-employment benefit plans		3.59	3.85
	Fair value changes of investments in equity shares		(2.25)	7.90
	Tax relating to items that will not be reclassified to the statement of Profit and Loss		0.96	(1.57)
	<b>Total other comprehensive income/(loss)</b>		<b>2.30</b>	<b>10.18</b>
XI	<b>Total comprehensive income/(loss) for the year (IX+X)</b>		<b>(75.04)</b>	<b>150.29</b>
XII	<b>Earnings per share</b>	31		
	Basic (₹)		(3.86)	8.84
	Diluted (₹)		(3.86)	8.84
XIII	<b>Notes forming part of the Financial Statements</b>	1 - 45		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

**Suresh Sharma**  
Chief Financial Officer

**Raghuram Nath**  
Company Secretary

For and on behalf of the Board

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO



## Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) before tax	(87.21)	(166.94)
Adjustments for:		
Depreciation and amortisation	111.76	117.96
Provision for bad and doubtful debts (written back)	0.84	3.02
Inventory provision w/off	-	4.05
Capital Work-in-Progress written off	0.31	-
Provision for doubtful advances	1.63	-
Finance costs	501.69	275.80
Exchange loss/(gain) on foreign currency fluctuation*	(0.09)	(0.00)
Exceptional Items	-	220.88
Loss on sale of property, plant and equipment (Net)	0.15	(0.27)
Liabilities/Provision no longer required written back	(17.93)	(4.75)
Interest income	(16.57)	(55.04)
Dividend income from long term investment (other than trade)	(0.02)	(0.02)
<b>Operating profit/(loss) before working capital changes</b>	<b>494.56</b>	<b>394.69</b>
<b>Changes in Working Capital:</b>		
Increase / (decrease) in Non Current /Current financial and other liabilities/ provisions	(40.09)	(13.62)
(Increase) / decrease in Non Current /Current financial and other assets	(89.32)	(143.82)
(Increase) / decrease in inventories	(43.24)	20.95
<b>Cash Generated from Operations</b>	<b>321.91</b>	<b>258.20</b>
Direct Taxes paid (net of refunds)	2.00	0.65
<b>Net cash generated from operating activities</b>	<b>323.91</b>	<b>258.85</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of property, plant and equipment/Capital Advance given	(35.62)	(27.86)
Proceeds from sale of property, plant and equipment (ROU)	0.70	1.65
Loan to body corporate	(18.56)	(126.56)
Repayment of Loan by body corporate	20.29	0.27
Interest received	16.24	6.06
Deposit made with bank	(46.37)	(3.99)
Dividend income from long term investment (other than trade)	0.02	0.02
<b>Net cash used in investing activities</b>	<b>(63.30)</b>	<b>(150.41)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares [**]	334.05	-
Finance cost paid	(255.09)	(483.50)
Payment of Lease obligations	(14.14)	(14.44)
Proceeds from		
- Long term borrowings	31.70	2,240.81
- Short term borrowings	52.85	268.97
Repayment of		
- Long term borrowings	(372.28)	(1,307.74)
- Short term borrowings	(1.45)	(503.46)

**Consolidated Statement of Cash Flows** for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Net cash (used in)/generated from financing activities</b>	<b>(224.36)</b>	<b>200.64</b>
Net decrease in cash and cash equivalents	36.25	309.08
Add: Adjustment on account of loan settlement through issue of Equity Shares & OCRPS	-	66.30
Cash and cash equivalents at the beginning of the year	97.45	9.65
Less: Cash credits at the beginning of the year	(11.74)	(299.32)
<b>Adjusted cash &amp; cash equivalents at the beginning of the year</b>	<b>85.71</b>	<b>(223.37)</b>
Adjusted cash & cash equivalents at the end of the year	121.96	85.71

\*\* Net proceeds of ₹ 334.05 Crores is after netting of share issue expense [excluding GST] of ₹ 11.83 Crores and conversion of ICD and accrued interest on ICD amounting to ₹ 54.13 Crores.

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Cash and Cash Equivalents comprise :</b>		
Cash on hand	0.06	0.03
Balances with banks on current account	103.23	73.49
Balances with banks on Cash Credit Accounts	2.96	-
Deposit with original maturity for less than three months	15.71	23.93
Cash credits at the end of the year	-	(11.74)
	<b>121.96</b>	<b>85.71</b>

\* Amount is below the rounding off norm adopted by the Group

**Notes:**

- The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".
- Disclosure for non-cash transactions

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Issue of Equity shares for settlement of loan	-	144.44
Issue of Optionally Convertible Redeemable Preference Shares for settlement of loan (recognised at fair value of ₹ 74.07 Crores)	-	448.97
Issue of equity shares to Manav Investment & Trading Co Ltd against loan received	54.13	-
<b>Total</b>	<b>54.13</b>	<b>593.41</b>

**In terms of our report attached**

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 11<sup>th</sup> April, 2022

**Suresh Sharma**  
Chief Financial Officer

**Raghuram Nath**  
Company Secretary

**For and on behalf of the Board**

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### A. Equity share capital\* As on 31<sup>st</sup> March, 2022

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
164.81	-	164.81	79.60	244.41

### As on 31<sup>st</sup> March, 2021

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
142.59	-	142.59	22.22	164.81

\*Refer Note 14 (a)

### B. Other equity

Particulars	Notes	Share application money pending allotment	Securities Premium	Capital reserve - Development grant / subsidy	Capital reserve - amalgamation reserve	Capital reserve - business combination	Capital Redemption Reserve	General reserve	Others	Retained earnings	FVOCI - equity instruments ^	Total other equity
<b>Balance at 1<sup>st</sup> April, 2021</b>		-	923.49	0.15	2.91	41.51	3.59	224.00	7.31	(1,226.38)	56.09	<b>32.67</b>
Changes in accounting policy or prior period item		-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>		-	923.49	0.15	2.91	41.51	3.59	224.00	7.31	(1,226.38)	56.09	<b>32.67</b>
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	<b>(77.34)</b>	-	<b>(77.34)</b>
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	-	3.59	(1.29)	<b>2.30</b>
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	-	-	<b>(73.75)</b>	(1.29)	<b>(75.04)</b>
Issue of equity shares	14 (b)	1.06	307.50	-	-	-	-	-	-	-	-	<b>307.50</b>
<b>Balance as at 31<sup>st</sup> March, 2022</b>		<b>1.06</b>	<b>1,230.99</b>	<b>0.15</b>	<b>2.91</b>	<b>41.51</b>	<b>3.59</b>	<b>224.00</b>	<b>7.31</b>	<b>(1,300.13)</b>	<b>54.80</b>	<b>265.14</b>

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Notes	Share application money pending allotment	Securities Premium	Capital reserve - Development grant / subsidy	Capital reserve - amalgamation reserve	Capital reserve - business combination	Capital Redemption Reserve	General reserve	Others	Retained earnings	FVOCI - equity instruments ^	Total other equity
Balance at 1 <sup>st</sup> April, 2020		-	801.27	0.15	2.91	41.51	3.59	224.00	7.31	(1,368.77)	48.19	(239.84)
Changes in accounting policy or prior period item												-
Restated balance at the beginning of the current reporting period			801.27	0.15	2.91	41.51	3.59	224.00	7.31	(1,368.77)	48.19	(239.84)
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	140.11	-	140.11
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	-	2.28	7.90	10.18
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	-	-	142.39	7.90	150.29
Issue of equity shares	14 (b)	-	122.22	-	-	-	-	-	-	-	-	122.22
Balance as at 31 <sup>st</sup> March, 2021		0.00	923.49	0.15	2.91	41.51	3.59	224.00	7.31	(1,226.38)	56.09	32.67

^ represents gain on sale of shares transferred from Fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings.

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay  
Partner

Place: Kolkata  
Date: 1<sup>th</sup> April, 2022

For and on behalf of the Board

Manjushree Khaitan  
Chairman

P. Radhakrishnan  
Whole-time Director & CEO

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 1. Group Information

The Consolidated financial statements comprises of the financial statements of Kesoram Industries Limited (the Holding Company) its joint venture and its subsidiary (collectively referred to as 'the Group'). The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements".

The consolidated financial statements as at 31<sup>st</sup> March 2022 present the financial position of the Group.

The consolidated financial statements for the year ended 31<sup>st</sup> March 2022 were approved by the Board of Directors and authorised for issue on 11<sup>th</sup> April 2022.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable. The Group adopted Ind AS from 1<sup>st</sup> April 2017.

Up to the year ended 31<sup>st</sup> March 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is 1<sup>st</sup> April 2016.

##### (ii) Historical cost convention

The consolidated 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.

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.

#### 2.2 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.

#### 2.3 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity.

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

### 2.4 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

### 2.5 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 Group 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.

### 2.6 Property, plant and equipment

- a) 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.
- b) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- c) Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.18 below] incurred during construction/installation period relating to items or projects in progress.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

d) 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.

e) 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 (in 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

### 2.7 Intangible assets

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 (in years)
Software	3 Years

### 2.8 Impairment

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.

### 2.9 Lease

Effective April 1, 2019, the Group had adopted Ind AS 116 – Leases using the modified retrospective method. Under modified retrospective approach, the Group had recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17. The weighted average incremental borrowing rate for leases initially recognised upon the first-time application of Ind AS 116 was 13.21%. The Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The adoption of Ind AS 116 did not had any material impact on Statement of Profit and Loss and earnings per share in the previous year.

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

over the lease term. When the lease liability is remeasured due to change in contract terms, a corresponding change is made to the carrying amount of right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset is reduced to zero.

### As a lessor:

In respect of assets given on operating lease, the lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. There is no change in accounting as a lessor due to adoption of Ind AS 116 Leases.

### 2.10 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Group. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

### 2.11 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.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### (a) Financial assets

##### (i) 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.

##### (ii) 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.

##### (iii) Financial assets at amortised cost

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.

##### (iv) Financial assets measured at fair value

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.

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.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

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).

### (v) 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.

### (vi) De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

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.

## (b) Financial liabilities and equity instruments

### (i) Classification as debt or equity

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.

### (ii) 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.

### (iii) Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as 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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

- 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 27) 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.

### (iv) 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.

### (v) 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.

### (vi) 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.

### (vii) 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.

## 2.12 Employee Benefits

### (a) 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.

### (b) 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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

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.

### (c) **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.

### (d) **Ind AS 19 – Plan Amendment, Curtailment or Settlement:**

The amendment require an entity to use updated assumptions to determine current service costs and net interest for the remainder of the period after a plan amendment, curtailment or settlement, and to recognize in the Statement of Profit and Loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

## 2.13 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

## 2.14 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.

### (i) **Provision for restoration and 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### (ii) Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

**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 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.

### 2.15 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.

### 2.16 Taxes on Income

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### 2.17 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.

#### (a) Sales 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.

#### (b) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

#### (c) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

#### (d) Rental income

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

#### (e) Unfulfilled performance obligations

The Group provides certain benefits to customers for purchasing products from the Group. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/ disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

### 2.18 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 2.19 Foreign currency transactions and translations

#### (i) Functional and presentation currency

The consolidated 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 consolidated financial statements.

#### (ii) 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.

### 2.20 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

### 2.21 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

### 2.22 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 39 for segment information presented. The company accounts for intersegment sales and transfers at cost.

### 2.23 Use of estimates and critical accounting judgements

In preparation of the consolidated 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.

### 2.24 Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Group does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

Note 3: Property, plant and equipment  
(All amounts in Rupees Crores, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST		DEPRECIATION			NET BLOCK As at 31 <sup>st</sup> March, 2022	
	As at 1 <sup>st</sup> April 2021	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March, 2022	Provided during the Year		Deletion during the Year
Land:							
- Freehold	745.14	-	-	745.14	-	-	-
Buildings	411.92	-	-	411.92	14.55	-	88.80
Plant and Equipments	1,348.27	20.83	2.02	1,367.08	77.10	1.45	484.86
Furniture and Fixtures	9.64	0.13	0.04	9.73	0.86	0.03	5.77
Office Equipment	6.72	1.26	0.11	7.87	0.97	0.08	5.53
Vehicles	14.83	0.22	0.93	14.12	1.51	0.70	9.06
Railway Siding	17.47	-	-	17.47	1.63	-	9.36
Bearer plant	0.10	-	-	0.10	-	-	-
<b>Total</b>	<b>2,554.09</b>	<b>22.44</b>	<b>3.10</b>	<b>2,573.43</b>	<b>96.62</b>	<b>2.26</b>	<b>603.38</b>

Particulars	GROSS BLOCK - AT COST		DEPRECIATION			NET BLOCK As at 31 <sup>st</sup> March, 2021	
	As at 1 <sup>st</sup> April 2020	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March, 2021	Provided during the Year		Deletion during the Year
Land:							
- Freehold	745.14	-	-	745.14	-	-	-
Buildings	411.92	-	-	411.92	14.57	-	74.25
Plant and Equipments	1,345.35	6.57	3.64	1,348.27	80.89	3.02	409.21
Furniture and Fixtures	9.65	0.02	0.02	9.64	0.94	0.01	4.94
Office Equipment	5.79	1.11	0.18	6.72	0.84	0.17	4.64
Vehicles	17.02	0.60	2.79	14.83	2.02	2.07	8.25
Railway Siding	17.47	-	-	17.47	1.63	-	7.73
Bearer plant	0.10	-	-	0.10	-	-	-
<b>Total</b>	<b>2,552.44</b>	<b>8.30</b>	<b>6.63</b>	<b>2,554.09</b>	<b>100.89</b>	<b>5.27</b>	<b>509.02</b>

(i) Refer note 15 for Property, plant and equipment pledged as security.

(ii) Contractual obligations

Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) All the title deeds for the immoveable property are in the name of the Company.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 3A: Right to Use Asset

Particulars	GROSS BLOCK - AT COST			AMORTISATION				NET BLOCK	
	As on 1 <sup>st</sup> April 2021	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2022	Up to 1 <sup>st</sup> April 2021	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2022
Leasehold Land	24.60	11.98	-	36.58	6.63	2.33	-	8.96	27.62
Building	8.03	0.91	0.49	8.45	4.97	1.38	0.43	5.92	2.53
Vehicle	3.25	1.40	0.06	4.59	2.02	1.58	0.03	3.57	1.02
Plant & Machinery	24.07	-	-	24.07	12.35	9.21	-	21.56	2.51
<b>Total</b>	<b>59.95</b>	<b>14.29</b>	<b>0.55</b>	<b>73.69</b>	<b>25.97</b>	<b>14.50</b>	<b>0.46</b>	<b>40.01</b>	<b>33.68</b>

Particulars	GROSS BLOCK - AT COST			AMORTISATION				NET BLOCK	
	As on 1 <sup>st</sup> April 2020	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2021	Up to 1 <sup>st</sup> April 2020	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021
Leasehold Land	8.41	16.19	-	24.60	0.35	6.28	-	6.63	17.97
Building	6.84	1.76	0.57	8.03	2.93	2.24	0.20	4.97	3.06
Vehicle	1.68	1.57	-	3.25	1.03	0.99	-	2.02	1.23
Plant & Machinery	20.02	4.05	-	24.07	4.99	7.36	-	12.35	11.72
<b>Total</b>	<b>36.95</b>	<b>23.57</b>	<b>0.57</b>	<b>59.95</b>	<b>9.30</b>	<b>16.87</b>	<b>0.20</b>	<b>25.97</b>	<b>33.98</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Note 4 : Other Intangible Asset

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST		AMORTISATION				NET BLOCK As at 31 <sup>st</sup> March 2022		
	As at 1 <sup>st</sup> April 2021	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2022	Upto 1 <sup>st</sup> April 2021	Provided during the Year		Deletion during the Year	Upto 31 <sup>st</sup> March 2022
Software	3.06	-	0.64	2.42	1.37	0.64	0.69	1.32	1.10
<b>Total</b>	<b>3.06</b>	<b>-</b>	<b>0.64</b>	<b>2.42</b>	<b>1.37</b>	<b>0.64</b>	<b>0.69</b>	<b>1.32</b>	<b>1.10</b>

Particulars	GROSS BLOCK - AT COST		AMORTISATION				NET BLOCK As at 31 <sup>st</sup> March 2021		
	As at 1 <sup>st</sup> April 2020	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2021	Upto 1 <sup>st</sup> April 2020	Provided during the Year		Deletion during the Year	Upto 31 <sup>st</sup> March 2021
Software	1.27	1.79	-	3.06	1.17	0.20	-	1.37	1.69
<b>Total</b>	<b>1.27</b>	<b>1.79</b>	<b>-</b>	<b>3.06</b>	<b>1.17</b>	<b>0.20</b>	<b>-</b>	<b>1.37</b>	<b>1.69</b>

### Note 4A : Capital Work-in-Progress

Particulars	As on 31 <sup>st</sup> March 2022				As on 31 <sup>st</sup> March 2021					
	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	19.73	3.83	2.54	12.70	38.80	4.91	4.38	7.32	10.04	26.65
- Projects temporarily suspended [Note 4A.2]	0.04	1.16	1.61	7.34	10.15	0.16	0.56	1.58	3.86	6.16
<b>Total</b>	<b>19.77</b>	<b>4.99</b>	<b>4.15</b>	<b>20.04</b>	<b>48.95</b>	<b>5.07</b>	<b>4.94</b>	<b>8.90</b>	<b>13.90</b>	<b>32.81</b>

### Note 4A.1: Capital Work-in-Progress whose completion is overdue or has exceeded its cost compared to its original plan

Particulars	As on 31 <sup>st</sup> March 2022				As on 31 <sup>st</sup> March 2021					
	To be Completed In				To be Completed In					
	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
- Limestone Crushing Plant	-	-	-	-	-	3.05	-	-	-	3.05
- Railway Sleepers	3.79	-	-	-	3.79	3.79	-	-	-	3.79
- Injapally Village Shifting Exp.	11.78	-	-	-	11.78	6.25	-	-	-	6.25
- Others	0.35	1.25	-	-	1.60	0.35	-	1.16	-	1.51
<b>Total</b>	<b>15.92</b>	<b>1.25</b>	<b>-</b>	<b>-</b>	<b>17.17</b>	<b>13.44</b>	<b>-</b>	<b>1.16</b>	<b>-</b>	<b>14.60</b>

The delay in completion of the above projects is mainly due to the pandemic situation which was prevailing in the past two years and the Group has reassessed the completion of the projects.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 4A.2: Details of Projects temporarily suspended

Particulars	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
CRM Web Application Development	-	0.16
Railway Track Shifting	0.60	0.60
LSSR Shed Extension	0.01	0.11
Acid Absorption Crystallizer	3.80	0.78
New electrical changeover system	2.04	2.04
Upgradation of TP Line	2.41	2.04
Others	1.29	0.43
<b>Total</b>	<b>10.15</b>	<b>6.16</b>

### Note 5: Equity accounted investments

#### Joint venture:

- (i) The Group holds 45.46% of the total equity share capital and voting rights in Gondhkari 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.
- (ii) The Group has no material joint venture as at 31<sup>st</sup> March 2022. 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	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Carrying value of the Group's interest in joint venture:	-	-

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
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>

- (iii) Share of unrecognised losses in respect of equity accounted joint venture amounted to ₹ 0.01 Crore for the year ended 31<sup>st</sup> March 2022 (2020-21: ₹ 0.01 Crore). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at 31<sup>st</sup> March 2022 is ₹ 0.58 Crore (31<sup>st</sup> March 2021: ₹ 0.57 Crore).

- (iv) The Group has fully impaired its equity accounted joint venture.

### Financial Assets

#### Note 6: Investments

Particulars	Face value	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>A. Investments carried at fair value through other comprehensive income:</b>			
<b>Investments in Equity shares</b>			
<b>(i) Quoted</b>			
496,100 ( 31 <sup>st</sup> March, 2021: 496,100) shares of HGI Industries Ltd. \$	10	0.00*	0.00*
4,996,986 ( 31 <sup>st</sup> March, 2021: 4,996,986) shares of Kesoram Textile Mills Limited #	2	20.18	20.18
<b>Total</b>		<b>20.18</b>	<b>20.18</b>
<b>(ii) Unquoted</b>			
30,000 ( 31 <sup>st</sup> March, 2021: 30,000) shares of Birla Buildings Ltd	10	48.40	52.28
10,000 ( 31 <sup>st</sup> March, 2021: 10,000) shares of Coromandel Stampings & Stones Ltd \$	10	0.00*	0.00*
143,000 ( 31 <sup>st</sup> March, 2021: 143,000) shares of Kesoram Services Limited (erstwhile Kesoram Insurance Broking Services Ltd)	10	1.06	1.03

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Face value	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
10,455 ( 31 <sup>st</sup> March, 2021: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-
10 ( 31 <sup>st</sup> March, 2021: 10) shares of Meghdoot Co-operative Housing Society Ltd \$	100	0.00*	0.00*
7,231 ( 31 <sup>st</sup> March, 2021: 7,231) shares of Padmavati Investment Ltd	10	3.65	3.36
18,800 ( 31 <sup>st</sup> March, 2021: 18,800) shares of Vasavadatta Services Ltd	10	0.54	0.56
<b>Total</b>		<b>53.65</b>	<b>57.23</b>
<b>B. Investments carried at amortised cost:</b>			
NSC savings certificate ^		0.01	0.01
		<b>0.01</b>	<b>0.01</b>
<b>Total Investments</b>		<b>73.84</b>	<b>77.42</b>

(i) The carrying value and market value of quoted and unquoted investments are as below:

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>(a) Quoted</b>		
Carrying value	20.18	20.18
Market value	20.18	20.18
<b>(b) Unquoted</b>		
Carrying value	53.66	57.24

# market values in cases of some quoted investments are not available, hence the fair value has been considered as market values in such cases

\$ 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.

^ pledged with govt authorities.

\* Amount is below the rounding off norm adopted by the Group

### Note 7: Loans

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>A. Non-current</b>		
Credit impaired		
(a) Loan to related parties	7.11	7.11
Less: Allowance for credit loss	(7.11)	(7.11)
	-	-
(b) Loan to others [Refer Note (a) below]	519.67	498.22
Less: Impairment Loss on Loan to Body Corporate	(519.67)	(498.22)
	-	-
	-	-
<b>B. Current</b>		
Unsecured, considered good		
(a) Loan to employees	0.50	0.04
(b) Loan to others	134.95	132.04
	<b>135.45</b>	<b>132.08</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note:

(a) Loan has been provided to Birla Tyres Limited, a body corporate, pursuant to the scheme of arrangement and post demerger is repayable on demand and carrying an interest rate of 5.93% p.a. During the current year, the parent company has accounted for ₹ 26.45 Crores as interest income on this loan which has been provided for on prudent basis as the particular asset is already impaired.

(b) Loans & Advances granted to Promoters, Directors, KMPs & Related Parties

Particulars	Amount of loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
-Promoters	NA	NA	NA	NA
-Directors	NA	NA	NA	NA
-KMPs	NA	NA	NA	NA
<b>-Related Parties</b>				
(a) Loan to joint venture company (*)- without specifying any terms or period of repayment	-	-	-	-
(b) Loan to body corporate controlled by KMP- without specifying any terms or period of repayment	1.23	1.14	0.19%	0.18%

\* Loan of ₹ 7.11 Crores given to Joint Venture has been fully provided for.

### Note 8: Other financial assets

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-current</b>		
Deposit with original maturity for more than 12 months ^	7.55	4.11
Security deposits	10.05	3.42
Interest accrued on deposits	0.44	0.06
	<b>18.04</b>	<b>7.59</b>
<b>Current</b>		
Security deposits	9.62	4.11
Balance with body corporates	10.63	10.63
Less: Allowances for doubtful advances	(10.63)	(10.63)
Interest accrued on deposits	0.17	0.11
Others	12.96	9.06
	<b>22.75</b>	<b>13.28</b>

^ ₹ 4.10 Crore (FY 2021-2022), ₹ 3.97 Crore (FY 2020-2021), represents the deposits pledged for DSRA for secured borrowings (Refer note 15). Balance held as lien by bank against bank guarantees

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 9: Other assets

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
Capital advances	11.83	3.83
Prepaid expenses	1.98	1.71
	<b>13.81</b>	<b>5.54</b>
<b>Current</b>		
Balance with statutory/government authorities	15.36	17.83
Prepaid expenses	8.33	4.27
Advance to vendors	113.57	68.78
Less: Allowances for doubtful advances	(32.61)	(32.61)
Receivable from Gratuity Fund (Refer Note 25)	0.58	-
Claim Receivable *	52.27	0.29
Others	2.08	0.88
Less: Allowances for doubtful receivables	(1.58)	(0.15)
	<b>158.00</b>	<b>59.29</b>

\* Pursuant to Circular no 14 of 2017 (dated 30.03.2017) of the Ministry of Railways, the Company had entered into a Long Term Tariff Contract (LTTTC) 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 of ₹ 42.59 Crores under Claim Receivable for FY 2021-22.

### Note 10: Inventories

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Raw materials	25.47	14.96
Work-in-progress	17.50	17.02
Finished goods	38.12	24.26
Stock-in-trade	-	0.06
Stores and spare parts*	99.34	80.91
	<b>180.43</b>	<b>137.21</b>
<b>Included above, goods-in-transit:</b>		
Raw materials	7.04	1.48
Finished goods	15.94	5.43
Stores and spare parts	0.33	9.18
	<b>23.31</b>	<b>16.09</b>

\* The stores & spares inventory balance is net of provision of ₹ 5.92 Crores (31<sup>st</sup> March 2021: Provision of ₹ 4.05 Crores) towards slow moving, non-moving and obsolete stock.

### Note 11: Trade receivables

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Current</b>		
Trade Receivables		
(a) Secured, considered good	30.32	28.56
(b) Unsecured, considered good	293.67	279.24
Less: Allowance for Expected Credit Loss	(3.73)	(2.87)
(c) Credit impaired	7.28	7.46
Less: Allowance for credit impaired	(7.28)	(7.46)
	<b>320.26</b>	<b>304.93</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Aging of Trade Receivables	31 <sup>st</sup> March 2022						
Particulars	Outstanding for following periods from due date of Payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
(i) Secured - considered good	26.28	3.41	-	-	-	0.01	29.70
(ii) Unsecured - considered good	269.87	19.62	1.92	1.80	0.42	0.04	293.67
Disputed Trade Receivables							
(i) Secured - considered good	-	-	-	0.01	0.09	0.52	0.62
(ii) Unsecured - credit impaired	-	-	0.41	1.86	0.86	4.15	7.28
<b>Total Debtors</b>	<b>296.15</b>	<b>23.03</b>	<b>2.33</b>	<b>3.67</b>	<b>1.37</b>	<b>4.72</b>	<b>331.27</b>
Less: Allowance for Loss	-	-	-	-	-	-	(11.01)
<b>Net Debtors</b>	<b>296.15</b>	<b>23.03</b>	<b>2.33</b>	<b>3.67</b>	<b>1.37</b>	<b>4.72</b>	<b>320.26</b>

Aging of Trade Receivables	31 <sup>st</sup> March 2021						
Particulars	Outstanding for following periods from due date of Payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
(i) Secured - considered good	22.08	5.03	0.23	0.07	0.03	-	27.44
(ii) Unsecured - considered good	255.13	20.52	1.00	2.17	0.42	-	279.24
Disputed Trade Receivables							
(i) Secured - considered good	-	0.02	0.37	0.13	0.36	0.24	1.12
(ii) Unsecured - credit impaired	-	0.56	0.79	0.39	2.00	3.72	7.46
<b>Total Debtors</b>	<b>277.21</b>	<b>26.13</b>	<b>2.39</b>	<b>2.76</b>	<b>2.81</b>	<b>3.96</b>	<b>315.26</b>
Less: Allowance for Loss	-	-	-	-	-	-	(10.33)
<b>Net Debtors</b>	<b>277.21</b>	<b>26.13</b>	<b>2.39</b>	<b>2.76</b>	<b>2.81</b>	<b>3.96</b>	<b>304.93</b>

### Note 12: Cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Cash and cash equivalents</b>		
Cash on hand	0.06	0.03
<b>Balances with bank</b>		
On Current accounts	103.23	73.49
On Cash Credit Accounts #	2.96	-
<b>Others</b>		
Deposit with original maturity less than three months	15.71	23.93
	<b>121.96</b>	<b>97.45</b>

# Includes ₹ 0.05 Crore (31<sup>st</sup> March, 2021: NIL) available for restricted use. The restrictions pertains to demand from Government Authorities for levy of interest on outstanding forms.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 13: Other bank balances

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Deposit with original maturity for more than three months but less than twelve months	57.19	14.47
On unpaid dividend accounts	0.02	0.02
	<b>57.21</b>	<b>14.49</b>

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Deposits more than three months includes:-		
- Deposits pledged with the sales tax authorities	-	0.01
- Held as lien by bank against bank guarantees	56.90	14.44

### Note 14: Equity share capital and other equity

#### Note 14 (a): Equity share capital

##### Authorised equity share capital

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
60,00,00,000 Equity Shares of ₹ 10 each [2020-21: 60,00,00,000 shares]	600.00	600.00
60,00,00,000 Equity Shares of ₹ 10 each [2020-21: 60,00,00,000 shares]	600.00	600.00
	<b>1,200.00</b>	<b>1,200.00</b>

##### Issued, subscribed and paid-up equity share capital

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
24,40,24,163 Equity Shares of ₹ 10 each fully paid up (31 <sup>st</sup> March 2021: 16,48,11,341 Equity Shares of ₹ 10 each fully paid up)	244.02	164.81
7,84,933 Equity Shares of ₹ 5 each partly paid up (31 <sup>st</sup> March 2021: Nil Equity Shares of ₹ 5 each fully paid up)	0.39	-

##### (i) Movement in equity share capital

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	164.81	142.59
Fresh shares issued	79.60	22.22
<b>Closing balance</b>	<b>244.41</b>	<b>164.81</b>

- a. During the financial year 2021-22, subscription for Rights issue of 7,99,97,755 equity shares of ₹ 10 each for cash at a premium of ₹ 40 per share aggregating to ₹ 399.99 Crore was opened, on which ₹ 25 per share was payable on application and remaining ₹ 25 per share on first and final call within six months from the date of allotment. The issue was oversubscribed and allotment of the partly paid up equity shares of ₹ 5 each was made on 21<sup>st</sup> October 2021 and the trading of the said partly paid up equity shares was available from 28<sup>th</sup> October, 2021 to 30<sup>th</sup> November 2021. The first and final call for the aforesaid partly-paid up shares was made 3 times and the last date for payment was 19<sup>th</sup> March, 2022. First and final call money for 7,96,35,460 shares was received and the allotment for 7,92,12,822 was made till 31<sup>st</sup> March, 2022 and for 422,638 shares on 6<sup>th</sup> April 2022. Out of the aforesaid allotted shares the trading of the 7,86,35,199 equity shares commenced by 31<sup>st</sup> March, 2022 and 5,28,551 shares on 4<sup>th</sup> April, 2022 and the balance 4,71,710 shares will take place in due course. For the remaining 3,62,295 partly paid up shares the Board Committee has decided to give a last and final reminder to the shareholders for payment of their first and final call money. First and final call money on 422,638 has been received which has been shown under share application money pending allotment of ₹ 1.06 Crores. There is no deviation in use of proceeds from the objectives as stated in the Offer Document for rights issue.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

b. During the previous year, the Company issued 2,22,21,262 Equity Shares face value of ₹ 10 each to the previous lenders on a preferential basis on 8<sup>th</sup> March, 2021 at the price determined in accordance with the applicable law @ ₹ 65 per share (including securities premium of ₹ 55 per share). Refer Note 29 (a).

### c. Utilisation of Proceeds from Rights Issue

The proceeds from the rights issue [refer (a) above] have been utilised towards the object stated in the Offer Letter in the following manner:

Particulars	Funds Utilised
Scheduled part redemption of NCDs	55.00
Repayment of ICD including interest for Manav Investment & Trading Co (net of TDS)	54.13
Redemption of Optionally Convertible Debentures in part	245.00
General Corporate Purposes *	33.13
Issue Expenses (including GST)	12.73
<b>Total</b>	<b>399.99</b>

\* The above figure includes unutilised & unreceived amount of ₹ 1.97 Crores as on 31<sup>st</sup> March, 2022.

### Terms and rights attached to equity shares

The Group has two classes of equity shares having a par value of ₹ 10 per share and partly paid up shares of ₹ 5 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.

### (ii) Details of shareholders holding more than 5% shares in the Group

Shareholder	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Number of shares	% holding	Number of shares	% holding
Manav Investment & Trading Co. Ltd	5,43,19,456	22.26%	3,39,66,691	20.61%
Pilani Investments and Industries Corporation Limited	4,63,48,750	18.99%	2,73,38,750	16.59%
Axis Bank Limited	1,27,77,710	5.24%	1,27,77,710	7.75%
	<b>11,34,45,916</b>	<b>46.49%</b>	<b>7,40,83,151</b>	<b>44.95%</b>

### (iii) Details of shareholdings by the Promoter/ Promoter Group

Promoter/ Promoter Group Name	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021		% Change during the year *
	Number of shares	% holding	Number of shares	% holding	
<b>Promoter</b>					
Manav Investment & Trading Co. Ltd	5,43,19,456	22.26%	3,39,66,691	20.61%	59.92%
Pilani Investments and Industries Corporation Limited	4,63,48,750	18.99%	2,73,38,750	16.59%	69.54%
Manjushree Khaitan (Chairman)	10,69,723	0.44%	7,20,158	0.44%	48.54%

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Promoter/ Promoter Group Name	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021		% Change during the year *
	Number of shares	% holding	Number of shares	% holding	
<b>Promoter Group</b>					
Century Textiles and Industries Ltd	76,00,502	3.11%	51,16,800	3.10%	48.54%
Aditya Marketing and Manufacturing Pvt. Ltd.	36,37,913	1.49%	24,49,111	1.49%	48.54%
Padmavati Investment Pvt. Ltd.	28,20,948	1.16%	18,99,115	1.15%	48.54%
Birla Institute of Technology and Science	15,15,806	0.62%	15,15,806	0.92%	0.00%
Birla Education Trust	9,54,171	0.39%	9,54,171	0.58%	0.00%
Prakash Educational Society	9,10,922	0.37%	9,10,922	0.55%	0.00%
Late Basant Kumar Birla	5,97,868	0.25%	4,02,496	0.24%	48.54%
Birla Educational Institution	3,62,643	0.15%	3,62,643	0.22%	0.00%
Vidula Jalan	1,71,381	0.07%	1,15,377	0.07%	48.54%
Rajashree Birla	4,827	0.00%	3,250	0.00%	48.52%
Vasavadutta Bajaj	8,541	0.00%	5,750	0.00%	48.54%
Kumar Mangalam Birla	445	0.00%	300	0.00%	48.33%
	<b>12,03,23,896</b>	<b>49.30%</b>	<b>7,57,61,340</b>	<b>45.96%</b>	<b>58.82%</b>

\* % change during the year has been computed on the basis of the number of shares at the beginning of the year.

### Note 14 (b): Other Equity

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Securities Premium	1,230.99	923.49
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
Fair value through other comprehensive income (FVOCI)- equity instruments	54.80	56.09
Others	7.31	7.31
Retained earnings	(1,300.12)	(1,226.38)
<b>Total Other Equity</b>	<b>265.14</b>	<b>32.67</b>

#### (i) Securities Premium

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	923.49	801.27
Increase/(decrease) during the year [Refer Note 14(a)]	307.50	122.22
<b>Closing balance</b>	<b>1,230.99</b>	<b>923.49</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (ii) Capital reserve

#### (a) Development grant/subsidy

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	0.15	0.15
Transfer pursuant to the scheme of arrangement	-	-
<b>Closing balance</b>	<b>0.15</b>	<b>0.15</b>

#### (b) Amalgamation reserve

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
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 reserve arising on business combination

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	41.51	41.51
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>41.51</b>	<b>41.51</b>

### (iii) Capital redemption reserve

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	3.59	3.59
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>3.59</b>	<b>3.59</b>

### (iv) General reserve

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	224.00	224.00
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>224.00</b>	<b>224.00</b>

### (v) Fair value through other comprehensive income (FVOCI)- equity instruments

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	56.09	48.19
Change in fair value of FVOCI equity instruments net of taxes	(1.29)	7.90
Transfer to equity	-	-
<b>Closing balance</b>	<b>54.80</b>	<b>56.09</b>

### (vi) Other reserves

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	7.31	7.31
Increase/(decrease) during the year	-	-
<b>Closing balance</b>	<b>7.31</b>	<b>7.31</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (vii) Retained earning

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening balance	(1,226.38)	(1,368.77)
Net profit/(loss) for the year	(77.34)	140.11
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurement of post-employment benefit obligation, net of tax	3.59	2.28
Transfer to equity	-	-
<b>Closing balance</b>	<b>(1,300.12)</b>	<b>(1,226.38)</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 Companies Act, 2013 (the "Companies Act").

#### (ii) Capital reserve

- Certain grants of capital nature had been credited to Capital Reserve.
- The Company has recognised profit on account of amalgamation in capital reserve.
- Capital reserve arising on business combination being gain on bargain purchase recognised directly 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 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

#### (v) 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.

#### (vi) Other reserves

Others primarily include:

- Amounts appropriated out of profit or loss for doubtful debts and contingencies.
- Share buyback reserve has been created as per the Companies Act, 1956.
- Reserve which has arisen on forfeiture of shares.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Financial Liabilities

#### Note 15: Borrowings

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
<b>(a) Secured</b>		
<b>At Amortised Cost</b>		
<b>Term Loans:</b>		
<b>From Bank</b>		
Indian rupee loan [Refer Note (a) below]	67.16	47.41
<b>From others</b>		
16,035 Senior Secured, Listed and Rated Redeemable Non-Convertible Debentures [face value of ₹ 9,65,700 each] (as at 31 <sup>st</sup> March, 2021: ₹ 10,00,000 each) [Refer note (b) below]	1,463.53	1,384.66
4,599 Secured Optionally Convertible Debentures [face value of ₹ 3,27,400 each] (as at 31 <sup>st</sup> March, 2021: ₹ 10,00,000 each) [Refer note (b) below]	138.49	370.29
Indian rupee loan [Refer Note (c) below]	130.97	126.60
<b>(b) Unsecured</b>		
<b>At Fair Value through Profit &amp; Loss Account</b>		
4,48,97,195 Zero Coupon Optionally Convertible Redeemable Preference Shares [face value of ₹ 100 each]- recognised at fair value [Refer Note (b) below]	90.70	74.07
	<b>1,890.85</b>	<b>2,003.03</b>
Less: Current maturities of long term borrowings (Refer below)	(158.35)	(61.96)
Add: Interest accrued on long term borrowings	-	-
	<b>1,732.50</b>	<b>1,941.07</b>
<b>Current</b>		
<b>(a) Secured</b>		
Current maturities of Optionally Convertible Debentures	138.49	61.96
Current maturities of Other Long Term Loans	19.86	-
<b>Working Capital Loan</b>		
<b>From Bank</b>		
Overdraft / Cash Credit [Refer Note (d) below]	-	11.72
<b>(b) Unsecured</b>		
<b>Working Capital Loan</b>		
<b>From Bank</b>		
Overdraft / Cash Credit	-	0.02
<b>From others</b>		
Inter corporate deposit	3.00	3.00
	<b>161.35</b>	<b>76.70</b>
Add: Interest accrued on short term borrowings	0.80	0.56
	<b>162.15</b>	<b>77.26</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Cash and cash equivalents	121.96	97.45
Non-current borrowings	(1,732.50)	(1,941.07)
Current borrowings	(162.15)	(77.26)
<b>Total</b>	<b>(1,772.69)</b>	<b>(1,920.88)</b>

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
<b>Net debt as at 1<sup>st</sup> April 2021</b>	<b>97.45</b>	<b>(1,941.07)</b>	<b>(77.26)</b>	<b>(1,920.88)</b>
Net increase in cash and cash equivalents during the year	36.25	-	-	36.25
Repayment of Borrowing		317.28	56.45	373.73
Receipt of the Borrowings	-	(31.70)	(52.85)	(84.55)
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(11.74)	-	11.74	-
Interest expenses	-	(488.54)	2.07	(486.47)
Interest paid	-	253.17	1.92	255.09
Changes in current maturities of long-term debt	-	158.35	(158.35)	-
<b>Non-cash movements:</b>				
Issue of equity shares to Manav Investment & Trading Co Ltd against loan	-	-	54.13	54.13
<b>Net debt as at 31<sup>st</sup> March, 2022</b>	<b>121.96</b>	<b>(1,732.50)</b>	<b>(162.15)</b>	<b>(1,772.69)</b>

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
<b>Net debt as at 1<sup>st</sup> April, 2020</b>	<b>9.65</b>	<b>(1,414.13)</b>	<b>(628.48)</b>	<b>(2,032.96)</b>
Cash flows	309.08	(933.07)	234.50	(389.49)
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(287.58)	-	287.58	-
Interest expenses	-	(185.77)	(63.77)	(249.54)
Interest paid	-	329.05	152.67	481.72
Conversion of accrued interest to Loan	-	(45.55)	-	(45.55)
Unamortised processing cost charged off	-	(33.21)	-	(33.21)
Changes in current maturities of long-term debt and interest accrued on them	-	(109.23)	(61.96)	(171.19)
<b>Non-cash movements:</b>				
Issue of OCRPS and Equity shares for loan settlement	66.30	450.84	2.20	519.34
<b>Net debt as at 31<sup>st</sup> March, 2021</b>	<b>97.45</b>	<b>(1,941.07)</b>	<b>(77.26)</b>	<b>(1,920.88)</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Nature of Security	Repayment terms
IndusInd Bank Ltd	43.46	47.41	Second Charge over Current Assets of the Subsidiary. Pledge on 43,25,000 (free) and 1,02,38,787 (lock in till 30.06.2021) number of shares of Birla Tyres Limited held by Manav Investment and Trading Company Limited.	48 equal monthly instalments after 1 year moratorium. Rate of interest 8.75% linked to external benchmark [Repo rate]
IndusInd Bank Ltd	23.70	-	Second Charge over Current Assets of the Subsidiary. Pledge on 1,45,63,787 of shares of Birla Tyres Limited held by Manav Investment and Trading Company Limited.	48 equal instalments payable on the last day of the month after the 24 <sup>th</sup> month of First Availment. Rate of interest 8.75% linked to external benchmark [Repo rate]
	<b>67.16</b>	<b>47.41</b>		

(b) Repayment terms and nature of securities given for borrowings from Others are as follows:

Others	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Nature of Security	Repayment terms
Non-Convertible Debenture	1,463.53	1,384.66	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.	Redeemable in 12 instalments by 28 <sup>th</sup> February 2026 starting from November 2021. Tenure of instrument 4 years 11 months and 12 days from the date of allotment i.e. 16th March, 2021. Cash coupon rates: 1-18months @9.1% pa; 19-36months @11.3%pa; 37-60months @ 13.1%pa; XIRR of 20.75% excluding additional interest 1 and taxes. First instalment for ₹ 55 Crores was paid in November'21 and the next instalment is due in August'23 for ₹ 30.47 Crores.
Optionally Convertible Debenture	138.49	370.29	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.	Redeemable in August 2022. Tenure of instrument 17 months and 15 days from the date of allotment i.e. 16th March, 2021. Cash coupon rate @8.7% pa is applicable; XIRR of 20.75% excluding additional interest 1 and taxes. Prepayment of ₹ 309.33 Crores was made till March 2022.
Zero Coupon Optionally Convertible Redeemable Preference Shares	90.70	74.07	Nil	Redeemable in 5 equal instalments starting from FY 2027-28
	<b>1,692.72</b>	<b>1,829.02</b>		

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

(c) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

Financial Institution	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Nature of Security	Repayment terms
West Bengal Infrastructure Development Finance Corporation Ltd.	130.97	126.60	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 Deposit for an amount equivalent to three months interest has to be maintained with WBIDFC.	By way of ballooning repayment commencing from 31.03.2021 for a tenure of 10 years. Interest rate 10.95% p.a.
	<b>130.97</b>	<b>126.60</b>		

The Group has not defaulted in the repayment of borrowings during the current year.

(d) Repayment terms and nature of securities given for short term borrowings

- 1 Secured by way of first charge on the current assets of the wholly owned subsidiary.
- 2 The cash credit and working capital demand loans are repayable on demand.

### Note 16: Other financial liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
Security deposits	87.21	74.27
	<b>87.21</b>	<b>74.27</b>
<b>Current</b>		
Capital creditors	11.72	1.09
Retention & Earnest deposits	11.75	10.08
Other payables	27.79	29.19
Security deposits	30.54	17.23
Unpaid dividends *	0.02	0.02
	<b>81.82</b>	<b>57.61</b>

\* Note: 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.

### Note 17: Provisions

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for leave encashment (unfunded)	16.72	17.69
<b>(b) Others</b>		
Decommissioning obligations	11.46	10.31
<b>Total non-current provisions</b>	<b>28.18</b>	<b>28.00</b>
<b>Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for gratuity (Refer Note 25)	-	1.82
Provision for leave encashment (unfunded)	2.56	3.25
Others	0.17	2.22



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>(b) Others</b>		
Provision for contingencies	-	1.71
Provision for disputed statutory dues	14.75	25.19
<b>Total current provisions</b>	<b>17.48</b>	<b>34.19</b>

### (i) Movement in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2021</b>	<b>10.31</b>	<b>1.71</b>	<b>25.19</b>
Charged/(credited) to profit or loss:			
Additional provision recognised	-	-	-
Unused amounts reversed	-	(1.71)	(10.44)
Amounts used during the year	-	-	-
Unwinding of Discount	1.15	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>11.46</b>	<b>-</b>	<b>14.75</b>

Movements in each class of provision during the previous year, are set out below:

Particulars	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2020</b>	<b>9.28</b>	<b>1.21</b>	<b>22.63</b>
Charged/(credited) to profit or loss:			
Additional provision recognised	-	-	2.56
Unused amounts reversed	-	-	-
Amounts used during the year	-	0.50	-
Unwinding of discount	1.03	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>10.31</b>	<b>1.71</b>	<b>25.19</b>

### Note 18: Deferred Tax Assets / Liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Deferred Tax Liabilities</b>		
Timing Difference - Property, plant and equipment	253.54	265.69
Timing Difference - Investments	14.22	15.18
Timing Difference - Amortisation of Debenture interest	17.41	67.33
Other	9.68	13.18
<b>Gross Deferred Tax Liability</b>	<b>294.85</b>	<b>361.38</b>
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	217.32	219.68
Capital losses	33.56	33.56
Business losses	142.55	201.01
Items allowable for tax purpose on payment	16.72	22.34
Provisions	147.33	139.64
Others	9.82	6.77
<b>Gross Deferred Tax Asset</b>	<b>567.30</b>	<b>623.00</b>
<b>Net Deferred Tax Assets</b>	<b>272.45</b>	<b>261.62</b>

The Parent Company has recognised net deferred tax asset considering that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 19: Other liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Non-current</b>		
Advance received from Employees	0.41	0.37
	<b>0.41</b>	<b>0.37</b>
<b>Current</b>		
Deferred revenue	14.88	24.19
Advance from customers	48.79	35.95
Statutory dues	120.18	139.05
Advance received from Employees	0.36	0.94
Other payables	32.00	20.39
	<b>216.21</b>	<b>220.52</b>

### Note 20: Trade payables

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Current</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	28.45	26.12
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	-	-
(ii) Others	522.09	528.93
(c) Employee benefits payable	38.32	27.77
	<b>588.86</b>	<b>582.82</b>

Aging of Trade Payables	As on 31 <sup>st</sup> March 2022				
	Particulars	< 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	25.22	3.22	0.01	-	28.45
(ii) Other Creditors	480.50	26.50	7.67	5.62	520.29
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	1.80	1.80
(v) Employee's benefits payable (undisputed)	30.72	5.57	0.31	1.72	38.32
<b>Total</b>	<b>536.44</b>	<b>35.29</b>	<b>7.99</b>	<b>9.14</b>	<b>588.86</b>

Aging of Trade Payables	As on 31 <sup>st</sup> March 2021				
	Particulars	< 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	26.12	-	-	-	26.12
(ii) Other Creditors	457.84	51.75	13.14	4.37	527.10
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	0.03	1.80	1.83
(v) Employee's benefits payable (undisputed)	19.54	1.67	1.26	5.30	27.77
<b>Total</b>	<b>503.50</b>	<b>53.42</b>	<b>14.43</b>	<b>11.47</b>	<b>582.82</b>

Note: Aging has been considered from the date of transaction

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 21: Revenue from operations

Particulars	2021-2022	2020-2021
<b>Revenue from contracts with customers #</b>		
Sale of Products	3,599.43	2,647.67
Other operating revenue	6.45	5.10
	<b>3,605.88</b>	<b>2,652.77</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<sup>st</sup> March, 2022

Particulars	India	Outside India	Total
Cement	3,530.22	-	3,530.22
Rayon, TP and chemicals	69.21	-	69.21
	<b>3,599.43</b>	<b>-</b>	<b>3,599.43</b>

##### Year ended 31<sup>st</sup> March, 2021

Particulars	India	Outside India	Total
Cement	2,410.28	-	2,410.28
Rayon, TP and chemicals	227.68	9.71	237.39
	<b>2,637.96</b>	<b>9.71</b>	<b>2,647.67</b>

#### B. The Group has recognised the following revenue-related contract liabilities and receivables from contract with customers

Particulars	2021-2022	2020-2021
Contract liabilities – Deferred revenue [Refer Note 19]	14.88	24.19
Contract liabilities - Advance from customers [Refer Note 19]	48.79	35.95
	<b>63.67</b>	<b>60.14</b>

The change in Contract Liabilities are as follows:

Particulars	2021-2022	2020-2021
Contract liabilities - Opening	60.14	46.07
Add: Additions during the year, excluding amounts recognised as revenue during the year	68.99	46.80
Less: Revenue recognised in the current year which was included in Contract Liabilities	(65.46)	(32.73)
<b>Contract Liabilities - Closing</b>	<b>63.67</b>	<b>60.14</b>

Particulars	2021-2022	2020-2021
Trade Receivables- Gross	331.27	315.26
Less: Allowance for doubtful debt	(11.01)	(10.33)
	<b>320.26</b>	<b>304.93</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (i) Revenue recognised in relation to contract liabilities

The following table shows how much of 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	2021-2022	2020-2021
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
Contract liabilities – Deferred revenue	24.19	0.26
Contract liabilities - Advance from customers	41.27	32.47
	<b>65.46</b>	<b>32.73</b>

### Note 22: Other Income

Particulars	2021-2022	2020-2021
Interest income:		
On financial instruments measured at amortised cost	42.64	54.04
On income tax refund	0.39	1.01
Less: Provision for Doubtful Interest Income*	(26.45)	-
Dividend income	0.02	0.02
Miscellaneous Income	19.99	17.09
	<b>36.59</b>	<b>72.16</b>

\* Refer Note 7 (a)

### Note 23: Cost of Materials Consumed

Particulars	2021-2022	2020-2021
<b>Raw Material Consumed</b>		
Opening inventory	14.96	18.94
Add: Purchases	225.18	211.72
Less: Inventory at the end of the year	(25.47)	(14.96)
Add: Lime stone raising cost	177.87	109.79
	<b>392.54</b>	<b>325.49</b>

Particulars	2021-2022	2020-2021
<b>(a) Limestone raising cost include:</b>		
Salaries, Wages, Bonus etc.	12.67	11.37
Contribution to Provident and other Funds	0.53	0.48
Contribution to Gratuity Fund (refer note 25)	0.43	0.47
Workmen and Staff welfare	0.29	0.25
Dead Rent, Royalty etc.	99.41	63.94
Power and Fuel	12.63	4.40
Stores and spares parts consumed	35.08	19.29
Machinery repairs	4.97	3.72
Other repairs	0.39	0.10
Rates and taxes	-	0.15
Insurance	0.03	0.02
Contractors-Transport	9.47	4.72
Miscellaneous	1.97	0.88
	<b>177.87</b>	<b>109.79</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 24: Changes in stock of finished goods, work-in-progress and stock in trade

Particulars	2021-2022	2020-2021
Inventories at the beginning of the year		
- Work-in-progress	17.02	20.82
- Finished Goods	24.27	53.90
- Stock in trade	0.06	0.04
Less: Inventories at the end of the year		
- Work-in-progress	17.50	17.02
- Finished Goods	38.13	24.27
- Stock in trade	-	0.06
Less: Transferred to Capital Jobs	0.15	0.03
	<b>(14.43)</b>	<b>33.38</b>

### Note 25: Employee benefits expense

Particulars	2021-2022	2020-2021
Salaries, wages and bonus	158.87	187.67
Contribution to provident fund	8.66	12.41
Contribution to superannuation fund	0.09	0.08
Contribution to labour welfare fund	-	0.01
Gratuity	3.92	5.20
Contribution under Employees State Insurance Scheme	0.45	0.46
Voluntary separation Scheme	4.27	2.68
Staff welfare expenses	7.10	7.04
<b>Total employee benefits expense</b>	<b>183.36</b>	<b>215.55</b>

During the year, the Company recognised an amount of ₹ 6.35 Crore (2020-21: ₹ 5.35 Crores ) as remuneration to key managerial personnel.

The details of such remuneration is as below:

Particulars	2021-2022	2020-2021
Short term employee benefits	6.15	5.18
Post employment benefits	0.20	0.17
<b>Total employee benefits expense</b>	<b>6.35</b>	<b>5.35</b>

#### (i) Compensated absences

The leave obligations 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 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

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<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 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 <sup>st</sup> March, 2021	63.43	66.31	2.88
as at 31 <sup>st</sup> March, 2022	66.56	68.27	1.71

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount Rate (per annum)	8.50%	8.50%
Expected Rate of Return on Plan Assets (per annum)	8.50%	8.50%

The Group contributed ₹ 2.15 Crore and ₹ 8.62 Crore during the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 respectively to the fund.

### (iii) Defined contribution plan

**Superannuation Fund:** The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary or ₹ 1 lakh, whichever is lower, in case of NPS participating employees and 15% of the basic salary in case of Non NPS participating eligible employees to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Group contributed ₹ 0.02 Crore and ₹ 0.02 Crore during the year ended 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 respectively.

### (iv) 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
1 <sup>st</sup> April, 2021	91.15	89.33	1.82
Current service cost	4.42	-	4.42
Interest expense/(income)	6.19	(6.26)	(0.07)
<b>Total amount recognised in profit or loss</b>	<b>10.61</b>	<b>(6.26)</b>	<b>4.35</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.68)	0.68
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(1.26)	-	(1.26)
Actuarial (gain)/loss from unexpected experience	(4.35)	-	(4.35)
<b>Total amount recognised in other comprehensive income</b>	<b>(5.61)</b>	<b>(0.68)</b>	<b>(4.93)</b>
Employer contributions/ premium paid	-	1.83	(1.83)
Benefit payments	5.33	5.33	-
Settlement Cost	-	-	-
Acquisition adjustment	-	-	-
<b>31<sup>st</sup> March, 2022</b>	<b>90.82</b>	<b>91.40</b>	<b>(0.58)</b>

Particulars	Present value	Fair value of plan	Net amount
<b>1<sup>st</sup> April, 2020</b>	<b>85.56</b>	<b>72.63</b>	<b>12.93</b>
Transferred pursuant to the scheme of arrangement	-	-	-
Current service cost	5.13	-	5.13
Interest expense/(income)	5.48	(4.94)	0.54
<b>Total amount recognised in profit or loss</b>	<b>10.61</b>	<b>(4.94)</b>	<b>5.67</b>
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	8.64	(8.64)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(1.46)	-	(1.46)
Actuarial (gain)/loss from unexpected experience	6.24	-	6.24
<b>Total amount recognised in other comprehensive income</b>	<b>4.78</b>	<b>8.64</b>	<b>(3.86)</b>
Employer contributions/ premium paid	-	12.92	(12.92)
Benefit payments	9.80	9.80	-
Settlement Cost	-	-	-
<b>31<sup>st</sup> March, 2021</b>	<b>91.15</b>	<b>89.33</b>	<b>1.82</b>

### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Discount rate	7.00%	6.80%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2012-2014 ULTIMATE	IALM 2012-2014 ULTIMATE

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	87.07	94.81	87.58	94.96
% change compared to base due to sensitivity	(4.12%)	4.39%	(3.92%)	4.18%
Salary growth rate (-/+ 0.5%)	94.84	87.00	95.00	87.52
% change compared to base due to sensitivity	4.43%	(4.20%)	4.21%	(3.99%)
Attrition rate (-/+ 0.5%)	90.83	90.80	91.16	91.14
% change compared to base due to sensitivity	0.01%	(0.02%)	0.01%	(0.02%)
Life expectancy/ mortality rate (-/+ 10%)	90.85	90.78	91.18	91.13
% change compared to base due to sensitivity	0.03%	(0.04%)	0.03%	(0.03%)

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.

### (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.

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

Expected contributions to post-employment benefits plans for the year ending 31<sup>st</sup> March 2023 is ₹ 7.75 Crores.

The weighted average duration of the defined benefit obligation is 13 years (31<sup>st</sup> March 2021 – 13 years).



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 26: Depreciation and amortisation expense

Particulars	2021-2022	2020-2021
Depreciation on tangible assets	96.62	100.89
Amortisation of intangible & Right to use assets	15.14	17.07
	<b>111.76</b>	<b>117.96</b>

### Note 27: Finance cost

Particulars	2021-2022	2020-2021
Interest expenses	486.82	271.31
Interest on Lease Liabilities	1.59	2.17
Other borrowing costs	13.28	3.45
	<b>501.69</b>	<b>276.93</b>
Less: Interest capitalised	-	(1.13)
	<b>501.69</b>	<b>275.80</b>

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<sup>st</sup> March 2021: 10.50%)

### Note 28: Other expenses

Particulars	2021-2022	2020-2021
Consumption of stores and spare parts	56.22	47.43
Rent	19.25	10.44
Repairs and Maintenance		
Building	6.13	4.48
Plant and Machinery	57.05	43.10
Others	3.45	3.78
Insurance	8.85	7.09
Rates and Taxes	6.91	5.64
Brokerage and Discounts	29.11	17.14
Commission to selling agents	9.15	8.90
Sales Promotion	49.22	21.82
Directors' Fees	0.73	1.04
Debts/ Advances/ Deposits written off	1.27	0.05
Legal & Professional Expenses	38.31	30.86
Provision for doubtful debts	2.47	2.28
Provision for doubtful advances	-	0.20
Loss on property, plant and equipment sold/ discarded (net)	0.15	(0.27)
Payments to the auditor [refer Note (a) below]	2.78	4.21
Foreign currency translation loss (net)	-	0.12
Security Services	6.76	5.85
Miscellaneous expenses [refer Note (b) below]	31.92	30.18
	<b>329.73</b>	<b>244.34</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	2021-2022	2020-2021
(a) Details of auditors' remuneration and out-of-pocket expenses are as below:		
<b>Auditors remuneration and out-of-pocket expenses:</b>		
Audit Fees (including Limited Reviews)	2.34	2.35
Tax Audit Fees	0.33	0.48
Fees for issuing various certificates*	2.05	1.31
Reimbursement of Expenses	0.01	0.07
	<b>4.73</b>	<b>4.21</b>
(b) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	2.35	1.33
(c) Legal & Professional expenses include		
(i) Payment to cost auditor	0.08	0.08

\* The above figure includes ₹ 1.95 Crores for Rights issue certification work transferred to Securities Premium and not charged to Profit & Loss.

### Note 29: Exceptional Items

Particulars	2021-2022	2020-2021
Difference due to Fair Value of OCRPS net of settlement cost [Refer Note (a) below]	-	277.34
Voluntary retirement scheme [Refer Note (b) below]	(22.35)	-
Impairment Loss on Loan to Body Corporate [Refer Note (c) below]	-	(498.22)
	<b>(22.35)</b>	<b>(220.88)</b>

(a) During the previous year, a Resolution Plan ("the Plan") was approved by the lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular 7<sup>th</sup> June 2019. Pursuant to the Plan, the Company had entered into a Settlement Agreement ("the Agreement") with the lenders dated 20<sup>th</sup> February, 2021, which was further amended on 15<sup>th</sup> March, 2021. The Agreement entails settlement of the existing Gross debt aggregating to ₹ 2,181.81 Crores as at 31<sup>st</sup> January, 2021 in the following manner and divided into three parts:

- By issuance of 2,22,21,262 numbers of Equity Shares of face value of ₹ 10 each to the lenders on a preferential basis on 8<sup>th</sup> March, 2021 at the price determined in accordance with the applicable law @ ₹ 65 per share (including securities premium of ₹ 55 per share).
- By issuance of 4,48,97,195 numbers of Zero % Optionally Convertible Redeemable Preference Shares ('OCRPS') of face value of ₹ 100 each issued to the lenders convertible with prior consent of the holder and at the option of the Company during the period of 18 months from the date of allotment, and redeemable at par over the period of five years starting 31<sup>st</sup> March, 2028 in five equal tranches.
- Upfront repayment of Existing facilities to the extent of ₹ 1,670.94 Crores to the lenders.

The Company during the previous year ended 31<sup>st</sup> March, 2021 had issued OCRPS has been initially recognised at fair value in the books. The resultant net gain of ₹ 277.34 Crores, net of settlement costs, as at the date of implementation of the Plan between the carrying amount of the facility before settlement and on fair value of OCRPS / Equity was recognised in 'the Statement of Profit and Loss' as an exceptional item.

(b) During June 2021, due to continuing restriction in logistic activities of non-essential goods on the onset of the second wave of Covid-19 pandemic, the wholly owned Subsidiary of the Company had declared temporary suspension of work at its Rayon Plant, Chemical Division & T.P. Plant situated at Kuntighat (District Hooghly, West Bengal), effective from commencement of 'A' Shift, i.e. 6:30 A.M. of 22<sup>nd</sup> June, 2021 until further notice.

The said Company has executed the Workers Separation Scheme during the temporary suspension. Total 439 employees have availed the Scheme amounting to ₹ 22.35 Crores upto 31<sup>st</sup> March 2022, which has been charged under exceptional items in Profit and Loss Account. The temporary suspension of work at the said Company was lifted with effect from "A" Shift (6.30 am) on 22<sup>nd</sup> December, 2021.

(c) The Company consequent to demerger had an exposure by way of loan to a body corporate as on 31<sup>st</sup> March, 2021. The Company has recognised a provision for impairment on the total exposure of ₹ 498.22 Crores during the previous year, as the said body corporate was going through a Resolution Process and the outcome of the same was dependent on implementation of the Resolution Process. This impairment loss was considered as an exceptional item.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 30: Income tax expense

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.

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>(a) Income tax expense</b>		
Current tax	-	-
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods*	-	(43.87)
<b>Total current tax expense</b>	-	<b>(43.87)</b>
Deferred tax		
Decrease (increase) in deferred tax assets	55.69	(260.08)
(Decrease) increase in deferred tax liabilities	(66.52)	(1.54)
<b>Total deferred tax expense/(benefit)</b>	<b>(10.83)</b>	<b>(261.62)</b>
<b>Income tax expense</b>	<b>(10.83)</b>	<b>(305.49)</b>

\* Adjustments for current tax of prior periods represents write back of excess provision for income tax of earlier years on disposal of pending litigations.

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Deferred tax assets	567.30	623.00
Deferred tax liabilities	(294.85)	(361.38)
<b>Closing Balance</b>	<b>272.45</b>	<b>261.62</b>

Particulars	As at April 01, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022	Not Recognised due to Uncertainty Refer Note (c) below
<b>A. Deferred tax assets</b>					
Unabsorbed depreciation	219.68	(2.36)	-	217.32	68.73
Capital losses	33.56	0.00	-	33.56	20.61
Business losses	201.01	(58.46)	-	142.55	264.72
Provision for doubtful debts	11.63	0.04	-	11.67	-
Provision for doubtful advances	2.01	(0.03)	-	1.98	-
Other Provisions	126.81	7.06	-	133.87	-
Items allowable for tax purpose on payment basis	25.48	(2.58)	-	22.90	-
Others	2.82	0.63	-	3.45	-
Elimination Impact for Subsidiary	-	-	-	-	(156.12)
	<b>623.00</b>	<b>(55.70)</b>	-	<b>567.30</b>	<b>197.94</b>
<b>B. Deferred tax liabilities</b>					
Difference between book balance and tax balance of property, plant and equipment	265.68	(12.14)	-	253.54	-
Difference between fair value of investment and indexed cost of acquisition	15.18	-	(0.96)	14.22	-
Difference on account of amortisation of Debenture interest	67.33	(49.92)	-	17.41	-
Others	13.19	(3.51)	-	9.68	-
	<b>361.38</b>	<b>(65.57)</b>	<b>(0.96)</b>	<b>294.85</b>	-
<b>Net deferred tax assets / (liabilities) (A-B)</b>	<b>261.62</b>	<b>9.87</b>	<b>0.96</b>	<b>272.45</b>	<b>197.94</b>

Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	As at April 01, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021	Not Recognised due to Uncertainty Refer Note (c) below
<b>A. Deferred tax assets</b>					
Unabsorbed depreciation	17.07	202.61	-	219.68	61.55
Capital losses	34.05	(0.49)	-	33.56	20.61
Business losses	121.92	79.09	-	201.01	203.23
Provision for doubtful debts	15.15	(3.52)	-	11.63	-
Provision for doubtful advances	2.49	(0.48)	-	2.01	-
Other Provisions	138.99	(12.18)	-	126.81	-
Items allowable for tax purpose on payment basis	31.15	(5.67)	-	25.48	-
Others	2.10	0.72	-	2.82	-
Minimum alternate tax (MAT) credit entitlement	-	-	-	-	-
Elimination Impact for Subsidiary	-	-	-	-	(117.30)
	<b>362.92</b>	<b>260.08</b>	<b>-</b>	<b>623.00</b>	<b>168.09</b>
<b>B. Deferred tax liabilities</b>					
Difference between book balance and tax balance of property, plant and equipment	347.18	(81.50)	-	265.68	-
Difference between fair value of investment and indexed cost of acquisition	13.62	-	1.56	15.18	-
Difference on account of amortisation of Debenture interest	-	67.33	-	67.33	-
Others	2.12	11.07	-	13.19	-
	<b>362.92</b>	<b>(3.10)</b>	<b>1.56</b>	<b>361.38</b>	<b>-</b>
<b>Net deferred tax assets / (liabilities) (A-B)</b>	<b>-</b>	<b>263.18</b>	<b>(1.56)</b>	<b>261.62</b>	<b>168.09</b>

## (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Profit before tax	(87.21)	(166.94)
<b>Tax</b>	<b>(25.40)</b>	<b>(43.45)</b>
Deferred tax asset not recognised	30.57	(1.57)
Exempt income	-	-
Deductions claimed in tax	-	-
Weighted deductions available in tax	-	-
Permanent differences	0.36	17.70
Others (including difference in tax rates)	(5.53)	27.32
<b>Total income tax expense/(credit)</b>	<b>0.00</b>	<b>-</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (c) Tax losses

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Unused tax losses for which no deferred tax has been recognised:		
- Tax losses		
- Business loss	993.26	761.11
- Capital loss: Short term	117.95	117.95
- Capital loss: Long term	-	-
Unabsorbed tax depreciation	236.04	211.36
Elimination Impact for Subsidiary	(620.32)	(466.07)
Potential tax benefit on Business loss	333.45	264.78
Potential tax benefit on Capital loss short term	20.61	20.61
Potential tax benefit on Capital loss long term	-	-
Elimination Impact for Subsidiary	(156.12)	(117.30)
<b>Total</b>	<b>197.94</b>	<b>168.09</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 for a new tax regime as per the provisions of Section 115BAA of the Income Tax Act, 1961. Accordingly, brought forward business losses / unabsorbed depreciation has been reinstated while computing deferred tax assets. However, the Wholly Owned Subsidiary has continued in the old tax regime.

### Note 31: Earnings per share

Particulars		2021-2022	2020-2021
<b>(a) Basic -</b>			
Number of equity shares at the beginning of the year		16,48,11,341	14,25,90,079
Number of equity shares at the end of the year		24,40,24,163	16,48,11,341
Weighted average number of equity shares outstanding during the year (*)	(A)	20,01,31,405	15,85,67,203
Nominal value of each equity Share (₹)		10	10
Profit / (Loss) for the year (₹ in Crore) Continuing Operation	(B)	(77.34)	140.11
Earnings per share (Basic) (₹)	(B/A)	(3.86)	8.84
<b>(b) Diluted</b>			
Weighted average number of equity shares outstanding during the year*		20,01,31,405	15,85,67,203
Earnings per share (Diluted) (₹)		(3.86)	8.84

\* Basic and diluted earnings/(loss) per share for the previous year have been retrospectively adjusted for the bonus element in respect of the Rights Issue made during the current year. Refer Note 14 (a).

### Note 32: Contingent liabilities

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>(a) Guarantees given -</b>		
(i) to excise authorities	0.06	0.06
<b>(b) Claims against the Group not acknowledged as debts :</b>		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	169.16	213.49
(ii) Others	0.01	0.01
<b>(c) Income Tax matters</b>	15.92	15.43
	<b>185.15</b>	<b>228.99</b>

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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 33: Capital and other commitments

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 3.01 Crore (31 <sup>st</sup> March 2021: ₹ 1.75 Crore)]	26.07	3.60
	<b>26.07</b>	<b>3.60</b>

**Note 34:** 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	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	27.10	25.91
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.35	0.21
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	-	0.10
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
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		

### Note 35: Lease Disclosure

1. The following is the break-up of current and non-current lease liabilities as at March 31<sup>st</sup>, 2022.

Particulars	2021-22	2020-21
Current Lease Liability	5.66	11.99
Non Current Lease Liability	1.69	5.72
	<b>7.35</b>	<b>17.71</b>

2. The following is the movement in lease liabilities during the year ended March 31<sup>st</sup>, 2022:

Particulars	2021-22	2020-21
Opening Balance	17.71	23.24
Additions during the year	2.45	7.38
Finance cost accrued during the period	1.59	2.17
Deletions	0.26	0.53
Payment of lease liabilities	14.14	14.55
<b>Closing Balance</b>	<b>7.35</b>	<b>17.71</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

	Particulars	2021-2022	2020-2021
3.	Expense pertaining to leases which has been identified as Short Term	17.22	7.09
4.	Expense pertaining to leases which has been identified as Low Value	0.11	0.09

5. Contractual maturities of lease liabilities as at March 31<sup>st</sup>, 2022 on an undiscounted basis

The table below provides details regarding the contractual maturities of lease liabilities as at March 31<sup>st</sup>, 2022 on an undiscounted basis:

Particulars	2021-2022	2020-2021
Less than one year	5.24	13.66
One to five years	1.27	4.76
More than five years	7.21	7.36

### Note 36: Capital management

#### (a) Risk management

The capital structure of the Group consists of debt, cash and cash equivalents 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.

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.

### Note 37: Fair Value measurements

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.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

#### Financial instruments by category

Particulars	31 <sup>st</sup> March, 2022			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	121.96	121.96	121.96
Other bank balances	-	-	57.21	57.21	57.21
Trade receivables	-	-	320.26	320.26	320.26
Loans	-	-	135.45	135.45	135.45
Investments	-	73.83	0.01	73.84	73.84
Other financial assets	-	-	40.79	40.79	40.79
<b>Total financial assets</b>	-	<b>73.83</b>	<b>675.68</b>	<b>749.51</b>	<b>749.51</b>
<b>Financial liabilities</b>					
Borrowings	90.70	-	1,803.95	1,894.65	1,894.65
Trade and other payables	-	-	588.86	588.86	588.86
Lease Liability	-	-	7.35	7.35	7.35
Other financial liabilities	-	-	169.03	169.03	169.03
<b>Total financial liabilities</b>	<b>90.70</b>	-	<b>2,569.19</b>	<b>2,659.89</b>	<b>2,659.89</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2021			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	97.45	97.45	97.45
Other bank balances	-	-	14.49	14.49	14.49
Trade receivables	-	-	304.93	304.93	304.93
Loans	-	-	132.08	132.08	132.08
Investments	-	77.41	0.01	77.42	77.42
Other financial assets	-	-	20.87	20.87	20.87
<b>Total financial assets</b>	-	<b>77.41</b>	<b>569.83</b>	<b>647.24</b>	<b>647.24</b>
<b>Financial liabilities</b>					
Borrowings	74.07	-	1,944.26	2,018.33	2,018.33
Trade and other payables	-	-	582.82	582.82	582.82
Lease Liability	-	-	17.71	17.71	17.71
Other financial liabilities	-	-	131.88	131.88	131.88
<b>Total financial liabilities</b>	<b>74.07</b>	-	<b>2,676.67</b>	<b>2,750.74</b>	<b>2,750.74</b>

### (i) 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.

Particulars	31 <sup>st</sup> March, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments	-	-	73.83	73.83
	-	-	<b>73.83</b>	<b>73.83</b>
<b>Financial liabilities:</b>				
Borrowings	-	90.70	-	90.70
	-	<b>90.70</b>	-	<b>90.70</b>

Particulars	31 <sup>st</sup> March, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments	-	-	77.41	77.41
	-	-	<b>77.41</b>	<b>77.41</b>
<b>Financial liabilities:</b>				
Borrowings	-	74.07	-	74.07
	-	<b>74.07</b>	-	<b>74.07</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (ii) Valuation technique used to determine fair value

- (a) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- (b) 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.
- (c) 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.
- (d) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- (e) 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.

### Note 38: Financial risk management

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:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

#### (A) 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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Trade receivables	320.26	304.93
Loan	135.45	132.08
Other financial assets	40.79	20.87
<b>Total</b>	<b>496.50</b>	<b>457.88</b>

Other receivables 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.

#### i) 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. 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

The Group's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

The Group is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2021-2022	2020-2021
<b>Opening balance</b>	<b>10.33</b>	<b>8.37</b>
Acquired in business combination	-	-
Charge/(Release) to statement of profit and loss	2.47	2.28
Utilised during the year	(1.79)	(0.32)
<b>Closing balance</b>	<b>11.01</b>	<b>10.33</b>

### (B) Liquidity risk

Liquidity risk refers to the risk that 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 Group 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.

#### (i) 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 31 <sup>st</sup> March, 2022	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest obligations)	389.96	905.45	1,718.62	519.89	<b>3,533.92</b>
Lease Liability	5.22	0.88	0.40	7.21	<b>13.71</b>
Other financial liabilities	82.62	-	-	87.21	<b>169.83</b>
Trade payables	588.86	-	-	-	<b>588.86</b>
<b>Total non-derivative financial liabilities</b>	<b>1,066.66</b>	<b>906.33</b>	<b>1,719.02</b>	<b>614.31</b>	<b>4,306.32</b>

Contractual maturities of financial liabilities 31 <sup>st</sup> March, 2021	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings (including interest obligations)	402.84	1,078.07	2,220.44	525.97	<b>4,227.32</b>
Lease Liability	13.66	4.45	0.31	7.36	<b>25.78</b>
Other financial liabilities	58.17	-	-	74.27	<b>132.44</b>
Trade payables	582.82	-	-	-	<b>582.82</b>
<b>Total non-derivative financial liabilities</b>	<b>1,057.49</b>	<b>1,082.52</b>	<b>2,220.75</b>	<b>607.60</b>	<b>4,968.36</b>

### (C) Market risk

#### (i) Foreign currency risk

The group deals with foreign currency loan, trade payables 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### 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<sup>st</sup> March, 2022

Particulars	USD (in Crores)		EUR (in Crores)		DKK (in Crores)		JPY (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	Amount in foreign currency	Amount in local currency
<b>Financial assets</b>								
Trade receivables	-	-	-	-	-	-	-	-
Advance to Vendors*	0.05	3.79	0.00	0.27	0.00	0.02	-	-
<b>Financial liabilities</b>								
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>0.05</b>	<b>3.79</b>	<b>0.00</b>	<b>0.27</b>	<b>0.00</b>	<b>0.02</b>	-	-

As at 31<sup>st</sup> March, 2021

Particulars	USD (in Crores)		EUR (in Crores)		GBP (in Crores)		JPY (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	Amount in foreign currency	Amount in local currency
<b>Financial assets</b>								
Trade receivables	0.01	0.53	-	-	-	-	-	-
Advance to Vendors*	0.00	0.00	-	-	-	-	-	-
<b>Financial liabilities</b>								
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	0.00	0.05	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>0.01</b>	<b>0.53</b>	<b>(0.00)</b>	<b>(0.05)</b>	-	-	-	-

\* Amount is below the rounding off norm adopted by the Group

### 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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>USD sensitivity</b>		
INR/USD appreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	(0.19)	(0.03)
INR/USD depreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	0.19	0.03
<b>EUR sensitivity</b>		
INR/EUR appreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	(0.01)	0.00
INR/EUR depreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	0.01	(0.00)
<b>DKK sensitivity</b>		
INR/DKK appreciates by 5% @	(0.00)	-
INR/DKK depreciates by 5% @	0.00	-

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	Impact on profit before tax/equity	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>JPY sensitivity</b>		
INR/JPY appreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	-	-
INR/JPY depreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	-	-
<b>GBP sensitivity</b>		
INR/GBP appreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	-	-
INR/ GBP depreciates by 5% (31 <sup>st</sup> March 2021 - 5%)@	-	-

@ Holding all other variables constant

### (ii) 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 long-term 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<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021, 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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Variable rate borrowings	67.16	47.41
Fixed rate borrowings	1,826.69	1,970.36
<b>Total borrowings</b>	<b>1,893.85</b>	<b>2,017.77</b>

#### (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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Interest expense rates – increase by 50 basis points (50 bps)#	(0.34)	(0.24)
Interest expense rates – decrease by 50 basis points (50 bps)#	0.34	0.24

# 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### (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 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Share price - Increase 5%	3.69	3.87
Share price - Decrease 5%	(3.69)	(3.87)

### Note 39: 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 the segmental information for the year ended and as of 31<sup>st</sup> March, 2022 is as follows:

Particulars	Cement	Rayon, TP and chemicals	Total
<b>Segment Revenue</b>			
Revenue	3,539.56	66.32	3,605.88
	<b>3,539.56</b>	<b>66.32</b>	<b>3,605.88</b>
Segment Results [Profit/(Loss) before interest and tax and exceptional items]	461.87	(38.32)	423.55
Finance cost			(488.41)
Exceptional items (refer note 29)			(22.35)
<b>Profit/(Loss) Before Tax</b>			<b>(87.21)</b>
Segment Assets	2,765.16	667.82	3,432.98
Segment Liabilities	2,619.61	302.76	2,922.37
Segment Capital Expenditure	33.18	2.44	35.62
Segment Depreciation and amortisation	90.73	21.03	111.76
Non cash expenditure other than depreciation and amortisation included in segment expense			(15.15)

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Summary of the segmental information for the year ended and as of 31<sup>st</sup> March, 2021 is as follows:

Particulars	Cement	Rayon, TP and chemicals	Total
<b>Segment Revenue</b>			
Revenue	2,415.21	237.56	2,652.77
	<b>2,415.21</b>	<b>237.56</b>	<b>2,652.77</b>
Segment Results [Profit/(Loss) before interest and tax]	360.78	(34.48)	326.30
Finance cost			(272.36)
Exceptional items (refer note 29)		-	(220.88)
<b>Profit/(Loss) Before Tax</b>			<b>(166.94)</b>
Segment Assets	2,516.28	715.22	3,231.50
Segment Liabilities	2,765.85	268.17	3,034.02
Segment Capital Expenditure	20.57	7.29	27.86
Segment Depreciation and amortisation	96.21	21.75	117.96
Non cash expenditure other than depreciation and amortisation included in segment expense			2.32

### Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
India	3,605.88	2,643.06
Others	-	9.71
	<b>3,605.88</b>	<b>2,652.77</b>

None of the customers of the Group accounts for more than 10% of the revenues as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021.

**Note 40:** The Group has considered possible effects that may result from the ongoing COVID 19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID 19 variants, the Group has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID 19 variants on the Group's financial statements may differ from that estimated as at the date of approval of the same.

### Note 41: Related party transactions

#### List of Related Parties and relationship

##### A) Joint Venture

Gondkhari Coal Mining Limited

##### B) Post Retirement Benefit Plan

B.K. Birla Group of Companies Provident Fund Institution.

Birla Industries Provident Fund Institution.

KICM Gratuity Fund

Kesoram Superannuation Fund

##### C) Key Management Personnel/Directors

Smt. Manjushree Khaitan [Chairman]

Mr. P Radhakrishnan [Whole Time Director & CEO]

Mr. Suresh Sharma [Chief Financial Officer]

Mr. Akash Ghuwalewala [Company Secretary] (resigned w.e.f 14<sup>th</sup> June, 2021)

Mr. Raghuram Nath [Company Secretary] (appointed w.e.f 15<sup>th</sup> June, 2021)

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Mrs. Mangala Radhakrishna Prabhu [Independent Director] (appointed w.e.f 14<sup>th</sup> May, 2021)  
 Mr. Satish Narain Jajoo [Additional Director] (appointed w.e.f 12<sup>th</sup> August, 2021)  
 Mr. Lee Seow Chuan [Independent Director]  
 Ms. Jikyeong Kang [Independent Director]  
 Mr. Kashi Prasad Khandelwal [Independent Director]  
 Mr. Bhaskar Neogi [Nominee Director] (resigned w.e.f 17<sup>th</sup> June, 2021)  
 Mr. Sudip Banerjee [Independent Director]

### D) Others

#### A. Entity Controlled, Joint Control by Key Management Personnel

MSK Travels and Tours Ltd  
 Aditya Marketing & Manufacturing Private Limited  
 Arbela Trading and Services Private Limited  
 Usinara Trading and Services Private Limited  
 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

#### (A) The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction/ Relationship	2021-2022	2020-2021
<b>Provident Fund Contribution</b>		
Post Retirement Benefit Plan	7.05	15.55
<b>Gratuity Claimed</b>		
Post Retirement Benefit Plan	5.34	9.80
<b>Gratuity Contribution</b>		
Post Retirement Benefit Plan	4.74	11.54
<b>Superannuation Contribution</b>		
Post Retirement Benefit Plan	0.02	0.02
<b>Upkeep, Rent, Electricity, Generator facility</b>		
Others	0.26	0.29
<b>Tour &amp; Travel Services</b>		
Others	0.57	0.49
<b>Loan Repaid</b>		
Others	-	4.09
<b>Loan Given</b>		
Others	-	1.11
<b>Receipt of ICD</b>		
Others	50.00	50.20
<b>Repayment of ICD</b>		
Others	-	50.20
<b>Adjustment of ICD against Rights Issue</b>		
Others	50.00	-
<b>Interest Expense</b>		
Others	4.58	1.78
<b>Interest Income</b>		
Others	0.12	0.03
<b>Interest Received</b>		
Others	0.03	-

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

Nature of Transaction/ Relationship	2021-2022	2020-2021
<b>Interest Payment</b>		
Others	-	1.76
<b>Adjustment of Interest liability against Rights Issue (including TDS)</b>		
Others	4.58	-
<b>Expenditure-Other Services</b>		
Others	0.66	0.37

### (B) Outstanding balances

Nature of Transaction/ Relationship	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Payable:</b>		
Others	0.32	1.42
Post Retirement Benefit Plan	(0.03)	3.22
<b>Interest Payable:</b>		
Others	0.46	-
<b>Loan Receivable</b>		
Joint Venture**	6.17	6.17
Others	1.11	1.11
<b>Interest Receivable</b>		
Joint Venture**	0.62	0.62
Others	0.12	0.03
<b>Advance Receivable</b>		
Joint Venture**	0.32	0.32

\*\* Outstanding balance of ₹ 7.11 Crores receivable from Joint Venture has been fully provided for. Refer Note 7 (b).

### (C) Compensation of KMP of the Company

(i) The following transactions were carried out with the KMP in the ordinary course of business.

The details of remuneration paid to key management personnel is provided in Note 25.

Particulars	2021-2022	2020-2021
Sitting fees to Director	0.72	1.04
Reimbursement of Expenses	0.05	0.04
Repayment of Loan from Director	-	20.73

(ii) Outstanding balances

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Remuneration	-	0.23
Loan from Director	-	-

\* Amount is below the rounding off norm adopted by the Group



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

### Note 42: Statement of net assets, and profit or loss attributable to owners and non-controlling interest

Name of the entity	2021-2022							
	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
Holding Company	606.28	118.74%	(130.01)	168.11%	0.97	42.17%	(129.04)	171.97%
Kesoram Industries Limited								
Subsidiary	210.55	41.24%	(101.58)	131.34%	1.33	57.83%	(100.25)	133.60%
Cygnnet Industries Limited								
Total Eliminations	(306.22)	(59.97%)	154.25	(199.46%)	-	0.00%	154.25	(205.57%)
<b>Total</b>	<b>510.61</b>	<b>100.00%</b>	<b>(77.34)</b>	<b>100.00%</b>	<b>2.30</b>	<b>100.00%</b>	<b>(75.04)</b>	<b>100.00%</b>

Name of the entity	2020-2021							
	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
Holding Company	347.16	175.79%	166.94	119.15%	8.42	82.71%	175.36	116.68%
Kesoram Industries Limited								
Subsidiary	310.79	157.38%	(105.77)	(75.49%)	1.76	17.29%	(104.01)	(69.21%)
Cygnnet Industries Limited								
Total Eliminations	(460.47)	(233.17%)	78.95	56.34%	-	0.00%	78.95	52.53%
<b>Total</b>	<b>197.48</b>	<b>100.00%</b>	<b>140.11</b>	<b>100.00%</b>	<b>10.18</b>	<b>100.00%</b>	<b>150.29</b>	<b>100.00%</b>

### Note 43: Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have 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
- (vi) The Group have 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,

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rupees Crores, unless otherwise stated)

(vii) The Group have not 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.

### Note 44: Code on Social Security

During the previous year ended 31<sup>st</sup> March, 2021 the Central Government has published "The Code on Social Security, 2020" and "Industrial Relations Code, 2020" ("the Codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the codes thereunder and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

**Note 45:** Figures for the previous year have been regrouped/reclassified wherever necessary to confirm to current period's classification.

\* Amount is below the rounding off norm adopted by the Group

### In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Suresh Sharma**  
Chief Financial Officer

**Raghuram Nath**  
Company Secretary

### For and on behalf of the Board

**Manjushree Khaitan**  
Chairman

**P. Radhakrishnan**  
Whole-time Director & CEO

Place: Kolkata

Date: 11<sup>th</sup> April, 2022





## 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.net, shareddepartment@kesoram.net

**ATTENDANCE SLIP****103<sup>rd</sup> ANNUAL GENERAL MEETING ON 17<sup>th</sup> JUNE, 2022**

1. Name of the Member(s) :
2. Registered Address :
3. E-mail ID :
4. Registered Folio/ DP ID & Client ID No :
5. No. of Equity Share(s) held :

I/We hereby record my/our presence at the 103<sup>rd</sup> Annual General Meeting of the Company held on Friday, the 17<sup>th</sup> June, 2022 at 11.30 A.M. at 'Kala-Kunj', 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 103<sup>rd</sup> Annual General Meeting dated 28<sup>th</sup> April, 2022. The e-Voting period starts from 9:00 A.M. on 13<sup>th</sup> June, 2022 and ends at 5:00 P.M. on 16<sup>th</sup> June, 2022. 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.net, shareddepartment@kesoram.net

**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]

**103<sup>rd</sup> ANNUAL GENERAL MEETING ON 17<sup>th</sup> JUNE, 2022**

1. Name of the Member(s) :
2. Registered Address :
3. E-mail ID :
4. Registered Folio/ DP ID & Client ID No :
5. No. of Equity Share(s) held :

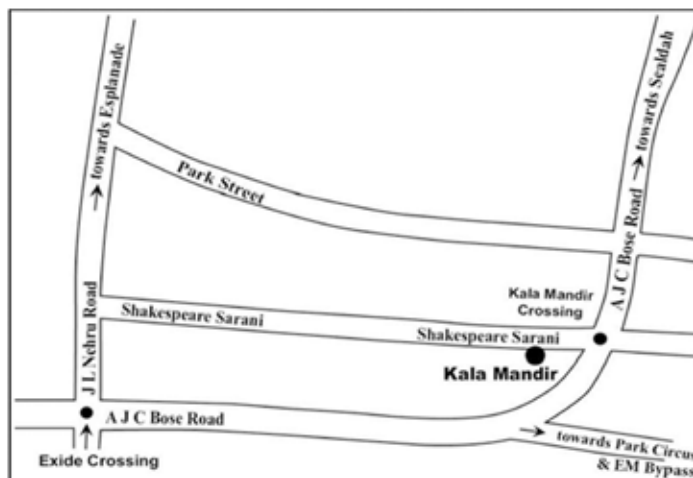
I/We, being the member(s) of.....shares of the above named Company, hereby appoint:

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 103<sup>rd</sup> Annual General Meeting of the Company, to be held on Friday, the 17<sup>th</sup> day of June, 2022 at 11.30 A.M. at 'Kala-Kunj', 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-Kunj'(within the premises of 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, 2022 as well as the Audited Consolidated Financial Statements and Report of Auditors thereon for the year ended 31 <sup>st</sup> March, 2022.	
2.	To appoint a Director in place of Manjushree Khaitan (DIN: 00055898), who retires by rotation and being eligible, offers herself for re-appointment	
3.	To appoint Auditors and to fix their remuneration and, in this regard to consider and, if thought fit, to pass the following as an Ordinary Resolution	
4.	Ratification of Remuneration of Cost Auditor	
5.	Appointment of Mr. Satish Narain Jajoo as an Independent Director of the Company	
6.	Change of position of Director Dr Jikyeong Kang from Independent Director to Non-Executive Non-Independent Director	
7.	Re-appointment of Radhakrishnan Padmalochanan as a Whole-time Director of the Company, for a period of three years effective 8 <sup>th</sup> August, 2022	
8.	Acceptance of Deposits from Public and/or Members of the Company	
9.	Enhancement of Borrowing Limits from ₹ 6000 crores to ₹ 6500 crores	
10.	Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company	

Signed this ..... day of ....., 2022

Folio / DP ID / Client ID ..... Signature of Shareholder(s) .....

Signature of Proxyholder(s) .....

Affix  
Revenue  
Stamp

- Notes :
- 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.
  - For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the Annual General Meeting dated 28<sup>th</sup> April, 2022.
  - 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.

# Festivities

The flavours of festivals are celebrated and wishes shared across network.



# Wishes round the Year





**KESORAM INDUSTRIES LTD.**  
[kesocorp.com](http://kesocorp.com)