

KIL/SE/Reg. 34(1)/2021-2022

Dated: 1<sup>st</sup> July, 2021

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 Equity Scrip Code – 502937) (BSE NCD Scrip Code – 973060)	(NSE Symbol – KESORAMIND)	(CSE Scrip code – 10000020)

**Subject: Annual Report and Accounts for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Notice of the Annual General Meeting.**

Dear Sirs,

Pursuant to the provision of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed a copy of the Annual Report and Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Notice dated 14<sup>th</sup> May, 2021 convening the 102<sup>nd</sup> Annual General Meeting of the Members of Kesoram Industries Limited scheduled to be held on Friday, 23<sup>rd</sup> July, 2021 at 3:00 P.M. (IST), through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

This is for your putting on the website of the Exchange for the information of the Investors at large.

Thanking you,

Yours faithfully,

**For Kesoram Industries Limited**

**Raghuram Nath**  
**Company Secretary & Compliance Officer**

Encl: As above

102<sup>nd</sup>  
Annual Report  
& Accounts 2021



Tribute to Basant Kumar Birla, our past Chairman.



We fondly remember the immense contribution made by our past Chairman. He was instrumental and was immensely successful in growing Kesoram Industries Limited into a conglomerate and inculcated the spirit of agility to adapt to the environment and cross the milestone of 100 years.

He was a people's man and a great leader who inspired his team. When we reflect upon him as a people's leader we can't but reminisce his apt quote

*"All my executives are excellent people. I don't have any complaints against any of them... They are very honest, They are very efficient, and they are very sincere... They are part of my family"*

We are well past his first death anniversary, fresh remains the imprint he has made on all our minds and hearts, it is sure to remain so in the years to come.

Each and everything he dealt with, be it the animate human hearts or the inanimate Institution, offices, plants, home resonate and hum B.K. Birla is "A Legend forever"



**K KESORAM**





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## CHAIRMAN'S MESSAGE

Your Company's good financial results this year bear testimony to our sharpened focus in Cement business. Although the performance was impacted by Covid 19 lockdowns at the start of the year and liquidity constraints throughout the year, but our operational measures helped us achieve superior results.

We are happy to inform that we have resolved our liquidity issues at the end of last year and expect no working capital challenges in the current year.

There are still uncertainties about how the pandemic will impact in days to come. We have geared ourselves to strive for even better operational performance through several initiatives.

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

**Bhaskar Niyogi**

DIN: 03494944

**Mangala Radhakrishna Prabhu**

DIN: 06450659

**P. Radhakrishnan**

*Whole-time Director & CEO*

DIN: 08284551

**Suresh Sharma**  
*Chief Financial Officer*

**Akash Ghuwalewala**  
*Company Secretary*

## Registered Office

Birla Building  
9/1, R.N. Mukherjee Road  
Kolkata – 700 001  
Phone No.: +91 33 22435453 / 22429454 / 22135121  
Fax No.: +91 33 22109455, CIN: L17119WB1919PLC003429  
Website: [www.kesocorp.com](http://www.kesocorp.com); E-mail: [corporate@kesoram.net](mailto:corporate@kesoram.net)

## Bankers

ICICI Bank Ltd.  
IndusInd Bank Ltd.  
Punjab National 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  
E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

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 Tuesday, 20<sup>th</sup> July, 2021.

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## NOTICE

### TO THE MEMBERS

NOTICE is hereby given that the **One Hundred and Second Annual General Meeting (AGM)** of **KESORAM INDUSTRIES LIMITED** will be held at 3.00 P.M. on Friday, 23<sup>rd</sup> day of July, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

#### 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, 2021 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, 2021 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.

#### Special Business:

#### 3. To ratify the remuneration of Cost Auditors

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 and ratifies a remuneration of ₹ 4.11 Lakhs (excluding applicable Taxes and reimbursement of actual travelling and other out of pocket expenses) payable to M/s. Mani & Co., Cost Accountants, for conducting the audit of the Company's cost accounting records for the Financial Year 2020 - 21".

#### 4. To amend the Articles of Association of the Company

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

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013 the articles of association of the Company be amended by insertion of the following new article, numbered as 208 in the articles of association of the Company.

#### 208. Debentures

##### A. Definitions and Interpretation

On and from the Effective Date, capitalized terms in this Article 208 shall have the following meaning:

'Debentures' shall mean the NCDs and OCDs.

'Debenture Documents' shall mean the documents executed in relation to the Debentures.

'Debenture Trustee' shall mean the trustee(s) appointed in relation to each issuance of the Debentures.

'Effective Date' shall mean the date on which the Debentures are issued by the Company.

Should the provisions contained in any other Article be in conflict with the provisions of the Article 208, the provisions contained in this Article 208 shall prevail over such other Article.

##### B. Issue of Debentures

The Company has issued / will be issuing in total:

- (i) 17,175 (seventeen thousand one hundred and seventy five) rated, listed, secured, redeemable non-convertible debentures of face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each (hereinafter referred to as "NCDs"), aggregating to INR 1717,50,00,000 (Indian Rupees One Thousand Seven Hundred and Seventeen Crore and Fifty Lakhs) in 3 (three) tranches in terms of the debenture trust deed dated March 10, 2021 for the issue of the NCDs; and
- (ii) 4,599 (Four Thousand Five Hundred and Ninety Nine) unlisted, secured, redeemable optionally-convertible debentures of face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each (hereinafter referred to as "OCDs"), aggregating to INR 459,90,00,000 (Indian Rupees Four Hundred and Fifty Nine Crore and Ninety Lakhs) in a single tranche, in terms of the debenture trust deed dated March 10, 2021 for the issue of the OCDs.

##### C. Rights of the Debenture Holders

Terms of the Debentures, including rights, benefits and privileges of the holders of NCDs and OCDs as set out in the Debenture Documents is deemed to be included and set out herein by reference.

**D. Nominee Director and Observers**

- (i) In addition to the rights set out in (ii) below, the Debenture Holders (or any persons/trustees acting on their behalf) shall have the right to jointly appoint, remove, re-appoint and substitute from time to time, ONE nominee director and/or TWO observers on the Board of Directors of the Company in accordance with the Debenture Documents.
- (ii) In addition to (i) above, the Debenture Holders shall have the right to appoint additional nominee director(s) to the Board of Directors of the Company in accordance with applicable law and regulations.
- (iii) The nominee director(s) and observer(s) so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares.
- (iv) Any appointment, removal or replacement of a nominee director/ observer appointed as aforesaid, shall be made in writing by the Debenture Holders (or any persons/trustees acting on their behalf) and be served on the Company.
- (v) The nominee director(s) and observer(s) so appointed shall be entitled to the rights and privileges provided to the other directors on the Board of Directors of the Company, including receiving of notices and copies of the minutes.

**E. Conversion rights in case of OCDs**

- (i) In case of OCDs, the holders thereof shall upon occurrence of an event of default in relation to the OCDs, have the absolute right to convert at their option, whole or part of the debenture obligations (which shall include all amounts due under the OCDs including coupon and redemption premium) in relation to the OCDs, to fully paid-up equity shares of the Company by issuing a notice of conversion.
- (ii) Upon receipt of the conversion notice by the Company, and in compliance with Applicable Law:
  - (a) In case a public announcement is issued with respect to an open offer made by the Debenture Holders to the public shareholders of the company pursuant to the Notice of Conversion in terms of the SEBI Takeover Regulations ("Open Offer"), the Company shall, and shall cause the Directors, Officers, employees and advisors of the Company, as the case may be, to, promptly, provide the Debenture Holders with such assistance and information as is reasonably required by the Debenture Holders in connection with the Open Offer, including providing true, up to date and accurate information (and the documents available to it in support of such information) and other documents requested by Debenture Holders promptly and in any event no later than 2 (two) business days from the date of receipt of request from Debenture Holders or their authorized representatives, which are necessary in connection with the Open Offer or for the purposes of preparation of documents in connection with the Open Offer.
  - (b) Immediately on issuance of a notice of conversion by the OCD holders (or any persons/trustees acting on their behalf), the Company shall, within 10 days, issue and allot the requisite number of fully paid-up equity shares to the OCD holders at the price and on the terms agreed in the Debenture Documents and take all necessary steps to obtain approvals of stock exchanges and other governmental and regulatory authorities to ensure that the equity shares allotted to the OCD Debenture Holders are listed on the relevant stock exchanges.
  - (c) The conversion right as aforesaid may be exercised by the OCD holders on one or more occasions.
- (iii) The equity shares allotted pursuant to conversion shall rank pari passu in all respect with the existing equity shares of the Company, save and except dividends for the financial year in which the equity shares are issued where dividends shall be paid proportionately for that financial year.
- (iv) The Company shall, at all times, maintain sufficient authorized equity share capital for the above purpose.

**F. Variation in terms of the Debt Resolution Plan**

The Company has issued zero coupon Optionally Convertible Redeemable Preference Shares ("OCRPS") to a consortium of lenders comprising of State Bank of India, Axis Bank Limited, South Indian Bank Limited, IndusInd Bank Limited, ICICI Bank Limited, West Bengal Infrastructure Development Finance Corporation Limited, Karur Vysya Bank Limited, Lakshmi Vilas Bank Limited (Successor DBS Bank), Yes Bank Limited and Punjab National Bank Limited ("Existing Lenders") in accordance with the resolution plan approved by the Existing Lenders under the Prudential Framework for Resolution of Stressed Assets Directions, 2019 issued by Reserve Bank of India vide its Circular

No. RBI/2018-19/203DBR.No.BP.BC.45/21.04.048 /2018-19 dated 7<sup>th</sup> June, 2019. On and from the Effective Date, the Company shall obtain a prior written consent of the Debenture Trustees for amending/altering/modifying the terms of the OCRPS issued by the Company to the Existing Lenders.

**G. Additional Capital**

On and from the Effective Date, the Company shall not issue any additional capital instrument, including any security convertible into equity shares of the Company, unless the same is approved by the Debenture Trustee or otherwise permitted under the Debenture Documents.

**H. Transfer of securities pursuant to invocation of security**

A request for transfer of securities pursuant to invocation of rights by the Debenture Holders (or any persons/trustees acting on their behalf), in relation to a pledge, lien, charge, encumbrance or security interest created over securities issued by the Company shall be duly recognized and taken on record by the Company, the directors and all its shareholders without any delay, demur or objection in accordance with applicable laws and regulations.

**RESOLVED FURTHER** that anyone of the Directors or the Company Secretary be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this Resolution”.

**5. To appoint Mangala Radhakrishna Prabhu (DIN: 06450659) as Independent Director 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 Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable provisions, if any, Mangala Radhakrishna Prabhu (DIN: 06450659), who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> May, 2021 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 14<sup>th</sup> May, 2021.

**RESOLVED FURTHER** that anyone of the Directors or the Company Secretary be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this Resolution”.

**Registered Office:**

9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
14<sup>th</sup> May, 2021

**By Order of the Board**

**Akash Ghuwalewala**  
*Company Secretary*

**Notes:**

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circular Nos. 14/2020, No. 17/2020, No. 20/2020, No. 22/2020, No. 33/2020, No. 39/2020 and No. 02/2021 dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020, 15<sup>th</sup> June, 2020, 28<sup>th</sup> September, 2020, 31<sup>st</sup> December, 2020 and 13<sup>th</sup> January, 2021 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021, has allowed companies to conduct their Annual General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the Members at their AGM and accordingly, the 102<sup>nd</sup> Annual General Meeting (the "AGM") of Kesoram Industries Limited (the "Company") will be held through VC or OAVM on Friday, the 23<sup>rd</sup> July, 2021 at 3.00 P.M (IST) in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "SEBI LODR").
2. In terms of SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021 respectively, the requirement of sending proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of SEBI LODR, has been dispensed with. Therefore, the facility to appoint proxy by the Members will not be available and consequently, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice conveying the 102<sup>nd</sup> AGM of the Company.
3. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item Nos. 3, 4 and 5 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 also annexed to this notice.
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 requested to send a certified copy of the Board Resolution 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). Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate authorization letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [rbajaj@rpaonline.in](mailto:rbajaj@rpaonline.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
7. As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, the matters of Special Business as appearing at Item Nos. 3, 4, and 5 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 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. In accordance with the MCA Circular dated 5<sup>th</sup> May, 2020 and SEBI circular dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 102<sup>nd</sup> AGM along with the Annual Report 2020-21 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). Pursuant to the Circulars mentioned above, the Company has not printed the Annual Reports and hence no hard copies of the Annual Report will be provided.

**11. Instructions for attending the AGM through VC / OAVM are given below:**

The Company will hold the AGM through VC facility without physical presence of the Members. Members will be able to attend the AGM through VC or OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.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.nsd.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 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 102<sup>nd</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 [sharedepartment@kesoram.net](mailto:sharedepartment@kesoram.net) on or before 5.00 p.m. (IST) on Tuesday, 20<sup>th</sup> July, 2021. 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 [sharedepartment@kesoram.net](mailto:sharedepartment@kesoram.net) on or before 5.00 p.m. (IST) on Tuesday, 20<sup>th</sup> July, 2021. Only those Members who have preregistered 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.

14. 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, 16<sup>th</sup> July, 2021**, 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.

**15. 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 voting through remote e-Voting (before and during the AGM) will be available, the process and manner of remote e-Voting will be as follows:

The voting period begins from **9.00 A.M. (IST) on Tuesday, 20<sup>th</sup> July, 2021** and ends at **5.00 P.M. (IST) on Thursday, 22<sup>nd</sup> July, 2021**. 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, 16<sup>th</sup> July, 2021**, 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 unavailable as the Meeting is being held through VC facility.

In terms of SEBI circular no. SEBI/HO/CFD/TMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-Voting facility has to be provided by listed companies and 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:

**A. Login method for Individual Shareholders holding securities in demat mode is given below:**

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

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>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. 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>2. 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>3. 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>4. 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>

Type of Shareholders	Login Method
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 Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode**

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

- i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

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)
16. 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.



**Casting vote electronically and joining General Meeting on NSDL e-Voting system**

1. After successful login at Step 1, Members will be able to see all the companies "EVEN" in which they are holding shares and whose voting cycle and General Meeting is in active status.
2. Members have to select "EVEN" of company for which they wish to cast their vote during the remote e-Voting period and casting their vote during the General Meeting. For joining virtual meeting, Members need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Then Members will be ready for e-Voting as the Voting page opens.
4. Members can cast their vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which they wish to cast their vote and proceed with clicking on "Submit" and also "Confirm" when prompted.

17. 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.
18. **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 [sharedepartment@kesoram.net](mailto:sharedepartment@kesoram.net). The same will be replied by the company suitably.
19. Pursuant to the amendments in the SEBI LODR and subsequent notification issued by SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In this regard, SEBI has clarified by a Press Release No. PR/No: 12/2019 dated 27<sup>th</sup> March, 2019, that the said amendments do not prohibit an investor from holding the shares in physical form and the investor has the option of holding shares in physical form even after 1<sup>st</sup> April, 2019. However, any investor who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to 1<sup>st</sup> April, 2019 and returned to the investors due to deficiency in the documents, may be re-submitted for transfer even after 1<sup>st</sup> April, 2019 provided it is submitted alongwith the necessary documents including PAN card details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/ MIRSD/DOS3/CIR/P/2018/139 dated 6<sup>th</sup> November, 2018.
20. Members holding shares in physical form are requested to notify change of address, if any, along with address proof i.e. Voter Identity Card, Aadhaar Card, Electric/Telephone Bill, Driving License, Passport and Bank Statement to the Registrar and Share Transfer Agent. In case the shares are held in dematerialised form, then this information should be passed on to the respective Depository Participant(s) and not to the Registrar and Share Transfer Agent.
21. **Procedure for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**
  - a) 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).

- b) E-mail addresses of Members as advised to Registrar and Share Transfer Agent where shares are held in physical mode or registered with Depositories where shares are held in the electronic mode will be deemed to be the Member's registered e-mail address for serving Company documents / notices 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.
- c) Alternatively, Members may also send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring User Id and Password and registration of e-mail addresses for e-Voting for the Resolutions set out in this Notice:
- In case shares are held in physical form, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self- attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
  - In case shares are held in Demat form, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
22. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Foliros into one Folio for their own convenience.
23. As per the provisions of the Act, the facility for making / varying / cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form SH-13** and any variation / cancellation thereof can be made by giving notice in **Form SH-14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Registrar and Share Transfer Agent or from the Website or the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)**.
- 24.
- a) 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 (the date of the last Annual General Meeting) on the website of the Company [www.kesocorp.com](http://www.kesocorp.com) and also on the website of the Ministry of Corporate Affairs.
- b) The Members / claimants whose shares, unclaimed dividend etc. have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees. The Member / claimant can file only one consolidated claim in a Financial Year as per IEPF Rules.
- c) 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.
25. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter, it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for transferee(s) to furnish a copy of PAN Card to the Registrar and Share Transfer Agent for registration of such transfer of shares. SEBI on 28<sup>th</sup> March, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. This measure was to come into effect from 5<sup>th</sup> December, 2018 but the deadline was extended and the aforesaid requirement of transfer of securities only in demat form has come into force from 1<sup>st</sup> April, 2019. Hence, Members holding shares in the electronic form are requested to submit their PANs to their Depository Participant(s) with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the Registrar and Share Transfer Agent.
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 [sharedepartment@kesoram.net](mailto:sharedepartment@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 17<sup>th</sup> July, 2021 to 23<sup>rd</sup> July, 2021 (both days inclusive) for the purpose of AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item Number 3**

Upon the recommendation of the Audit Committee, the Board had appointed Mani & Co., Cost Accountants, to audit the Company's cost accounting records for the Financial Year ended 31<sup>st</sup> March, 2021 at a total remuneration of ₹ 4.11 lakhs 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.

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

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 4**

In terms of the Debenture Trust Deeds, the Company has to, inter alia, amend the Articles of Association of the Company.

In terms of the provisions of Section 14 of the Companies Act, 2013 read with Rules made thereunder, a company may, by special resolution, alter its Articles of Association.

Copies of documents relevant to this Resolution including a copy of the amended Articles of Association of the Company shall be made available for inspection at the registered office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of this Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of this Annual General Meeting.

Item No. 4 of the Notice convening the Company's One Hundred and Second Annual General Meeting ("AGM") has accordingly been proposed and the Board commends this Special Resolution to Shareholders for acceptance.

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**

Mrs. Mangala Radhakrishna Prabhu (DIN: 06450659), was appointed as an Additional Director of the Company at a Meeting of the Board of Directors held on 14<sup>th</sup> May, 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 Mrs. Prabhu is a person of integrity and possesses the relevant expertise and experience for being appointed as Director with designation as an Independent Director of the Company.

In the opinion of the Board, Mrs. Prabhu fulfills the conditions specified in the Companies Act, 2013 ("the Act") and the Rules made thereunder and that she is independent of the Management.

Mrs. Prabhu has furnished to the Board the requisite declarations contemplated under Section 149(7) of the Act stating that she is an Independent Director within the meaning of Section 149(6) of the Act and she is not disqualified from being appointed as Director in terms of Section 164(2) of the Act. In view of the above, approval of Members is sought, through an Ordinary Resolutions, to appoint her as Director with designation as an Independent Director for an initial term of five years commencing from 14<sup>th</sup> May, 2021.

Brief particulars of Mrs. Prabhu is appended as Annexure A to the Notice of 102<sup>nd</sup> Annual General Meeting.

Mrs. Prabhu, as an Independent Director, shall also abide by the Code for Independent Directors specified in Schedule IV of the Act, and shall be governed and guided in the manner similar to the other Independent Directors of the Company.

Formal letter of appointment will be issued to Mrs. Prabhu as an Independent Director upon her appointment at this meeting. The terms and conditions of the appointment shall be open for inspection at the Registered Office of the Company by any Member during normal business hours and shall also be posted on the Company's website.

The Board is of the opinion that it would be in the interest of the Company to appoint Mrs. Prabhu as an Independent Director and the Resolution under Item No. 5 has been proposed. The Board commends the Resolution to Members for acceptance.

The appointment of Mrs. Prabhu being based on the recommendation of the Nomination and Remuneration Committee duly constituted under Section 178(1) of the Companies Act, 2013 and she being an Independent Director, no deposit under the Act, is applicable. Further, the Company has received a Notice from a shareholder proposing her name as an Independent Director.

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.

**Registered Office:**

9/1, R. N. Mukherjee Road,  
Kolkata - 700 001  
14<sup>th</sup> May, 2021

**By Order of the Board**

**Akash Ghuwalewala**  
*Company Secretary*

## Annexure A

### Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Manjushree Khaitan	Mangala Radhakrishna Prabhu
Date of Birth	24.12.1955	15.04.1955
Nationality	Indian	Indian
Date of appointment on the Board	30.10.1998	14.05.2021
Qualifications	Post Graduate in English Literature	M.Com, LL.B., CAIIB
Expertise in specific functional area	Management	Banking Professional
Number of shares held in the Company	7,20,158 Equity Shares	-
List of Directorships held in other Companies*	Zenith Distributors and Agents Ltd. Manjushree Plantations Ltd. Birla Tyres Ltd. Birla Tyre Radials Ltd.	Ladderup Finance Ltd. Aspira Pathlab & Diagnostics Ltd. Bharat Oman Refineries Ltd. Star Agriwarehousing and Collateral Management Ltd. Staragri Finance Ltd. Fort Finance Ltd. Anand Housing Finance Ltd. Siyaram Silk Mills Ltd.
Number of Board Meetings attended during the Financial Year 2020-21	9	-
Chairman/Member in the Committees of the Board of Companies in which she is a Director**	Chairman – Nil Member – Nil	Chairman: Audit Committee and Stakeholders Relationship Committee of Aspira Pathlab & Diagnostics Ltd. Member: Audit Committee of Siyaram Silk Mills Ltd.
Relationship between Directors inter-se	None	None
Remuneration details (including Sitting Fees & Commission)	Nil	-

\*Directorship includes Directorship of Public Companies

\*\*Committee Chairmanship/Membership includes only Audit Committee and Stakeholder's Relationship Committee of Public Limited Company

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

The Board presents the Company's One Hundred and Second Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

₹/Crores

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Total Income	2,517.43	2,409.30
Profit / (Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	496.74	307.93
Less: Depreciation and Amortization Expenses (Net of transfer from Revaluation Reserve)	96.21	91.26
Finance Costs	245.81	315.05
	<b>342.02</b>	<b>406.31</b>
Profit / (Loss) before Exceptional Items and Tax	154.72	(98.38)
Exceptional Items	(294.83)	(387.12)
<b>Profit / (Loss) before Tax</b>	<b>(140.11)</b>	<b>(485.50)</b>
Tax Expenses Credit / (charge) – Net	307.05	-
<b>Total Profit / (Loss) for the year</b>	<b>166.94</b>	<b>(485.50)</b>
Other Comprehensive Income (net of tax expense)		
Re-measurement of Post-employment Benefit Obligations	0.52	(3.82)
Fair valuation of Equity Investments	7.90	(7.55)
<b>Total Other Comprehensive Income / (Loss)</b>	<b>8.42</b>	<b>(11.37)</b>
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>175.36</b>	<b>(496.87)</b>

### DIVIDEND

In order to conserve resources in the current uncertain times due to Covid-19 pandemic, the Company has decided to retain the earnings and is not proposing any dividend.

### TRANSFER TO RESERVE

No profit has been transferred to General Reserve.

### SHARE CAPITAL

During the year under review, the Company has issued and allotted 2,22,21,262 Equity Shares of ₹ 10 each to the Lenders at an issue price of ₹ 65/- per Equity Share through Private Placement pursuant to the Debt Resolution Plan by converting their part debt. The Equity Share Capital as on 31<sup>st</sup> March, 2021 stood at ₹ 1,64,81,13,410/-.

The Company has also issued 4,48,97,195 Zero Coupon Optionally Convertible Preference Shares of ₹ 100 each to the Lenders at par through Private Placement pursuant to the Debt Resolution Plan by converting their part debt. The Preference Share Capital as on 31<sup>st</sup> March, 2021 stood at ₹ 4,48,97,19,500/-.

### FUND RAISED THROUGH DEBENTURES

To address the liquidity concerns and for the debt resolution, the Company during the year under review has successfully raised ₹ 1603.50 Crores through Non Convertible Debentures and ₹ 459.90 Crores through Optionally Convertible Debentures, both issued on Private Placement basis.

### DEPOSITS

The Company did not, during the year under report, accept any Deposit within the meaning of Section 73 of the Companies Act, 2013 ("the Act"). There were no Deposits not in compliance with the requirements of Chapter V of the Act.

**GENERAL REVIEW**

The Financial Year ended 31<sup>st</sup> March, 2021 did turnaround quarter on quarter on a sustained basis and ended with a PAT of ₹166.94 crores. Post onetime settlement with the existing lenders out of proceeds of Debentures issued during the year, liquidity pressure on the business eased and aided the company to finish with strong record volume of sales in the month of March 2021.

The cement prices remained largely stable, and your Company was able to sustain better margin compared to previous year with strict cost control measures.

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.

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

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

**RISK MANAGEMENT**

The Company has a robust Business Risk Management framework designed to identify and mitigate risks that has the potential to materially impact its business objectives and maintains a balance between managing risk and exploiting the opportunities.

The approach of Risk Management is defined across the Company at various levels, including documentation and reporting, interspersed with diverse risk models to help identify risk trends, exposure and potential impact analysis at the corporate level.

**GOING CONCERN STATUS**

No 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**

In order to ensure orderly and efficient conduct of business, the Company's management has put in place adequate Internal Financial Control Systems which commensurate with the nature, size and complexity of its business for safeguarding the assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

An external independent firm carries out the Internal Audit of the Company and reports its findings to the Audit Committee on a regular basis. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting.

During the year under review, the Internal Financial Control Audit was carried out by the Statutory Auditors, the Report of which is forming part of this Annual Report.

**EVALUATION OF BOARD PERFORMANCE**

The performance of the Board, its Committees and each Board Member individually was subjected to evaluation during the year by the Board in line with the provisions of Section 178(2) of the Act. A brief statement on the methodology adopted during the year appears in the Corporate Governance Report.

As mandated under the provisions of the Act, a Meeting of all Independent Directors was held during the year.

**NUMBER OF BOARD MEETINGS**

A tentative calendar of Board Meetings to take place in each financial year is prepared and circulated amongst Board Members and Key Management Personnel before the beginning of that financial year. During the year, nine Board Meetings were convened and held. These details appear in the Report on Corporate Governance.

**NOMINATION AND REMUNERATION POLICY**

The Company's Nomination and Remuneration Policy prepared in conformity with the requirements of Section 178(3) of the Act is available on [www.kesocorp.com](http://www.kesocorp.com) and as a result does not form part of this Report.

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.

**AUDIT COMMITTEE**

The Audit Committee was reconstituted during the year under review due to untimely death of Amitabha Ghosh, Chairman of the Committee. Currently, the Committee is chaired by Kashi Prasad Khandelwal, an eminent Chartered Accountant. At present Sudip Banerjee, Lee Seow Chuan, Jikyeong Kang and Bhaskar Niyogi are the other Members of the Committee.



Padmalochanan Radhakrishnan (P. Radhakrishnan), Whole-time Director & CEO and Suresh Sharma, CFO are permanent invitees to the Meetings. The Company Secretary acts as Secretary to the Committee.

There were no instances of any disagreement between the Committee and the Board and all recommendations of the Audit Committee made during the year were accepted by the Board.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company continued to ensure that it was alive towards its societal responsibilities even though under law there were no requirements whatsoever to make any spends on this account.

Consistent with the above, existing initiatives by the Company in the areas of education, health, hygiene, empowerment and community development continued without break.

The Kesoram Football Academy, the soccer nursery promoted by the Company, remains a pivotal Corporate Social Responsibility ("CSR") project. The Company continued with its expenditure for the development of academy in the year under review.

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

A Report on CSR activities as mandated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure IV** to this Report.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions/arrangements entered into by the Company during the financial year were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such related party transactions are placed before the Audit Committee for review/approval. Wherever required, prior approval of the Audit Committee is obtained by way of an omnibus basis for continuous transactions and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Management Personnel or other Designated Persons which could have potential conflict with the interest of the Company at large and, as such, disclosure in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 is not made.

The Company's Related Party Transactions Policy appears on its website at [www.kesocorp.com](http://www.kesocorp.com).

#### **SUBSIDIARY AND JOINT VENTURE COMPANY**

As at 31<sup>st</sup> March, 2021, the Company had a wholly-owned subsidiary, Cygnet Industries Limited ("Cygnet") and a Joint Venture Company, Gondkhari Coal Mining Limited ("Gondkhari")

The Financial Statements of Cygnet as at 31<sup>st</sup> March, 2021 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 turnover of ₹ 237.56 Crores during the financial year 2020-21 as compared to ₹ 316.08 Crores in financial year 2019-20. Sales volume of Rayon dropped in H1 20-21 due to the lockdowns imposed to curtail spread of Covid 19 pandemic.

The Company posted negative Earnings before Interest, Depreciation, Taxation and Amortisations (EBITDA) of ₹ 16.36 Crores during the financial year compared to positive EBITDA of ₹ 8.39 Crores in previous financial year. It's core markets were affected during the lockdown. With the phased reopening of businesses across India, the company demonstrated agility in improving the cash flow.

The Company entered into a 'Product Purchase Agreement' dated 29<sup>th</sup> June, 2020 with Futamura wherein the Company is to supply improved variety of Cellophane reel to Futamura or customers assigned by Futamura. Futamura through a separate 'Technical Assistance Agreement' shall be guiding the Company on improving the quality of the reels manufactured by the Company to match the specified parameters. Out of the various equipment necessary for the improvement in process, Futamura had agreed to supply one Slitting machine for set-up in the Company's premises.

Under the agreement with Futamura the company with renewed vigour took positive strides in the promoting and marketing the coated films of Futamura in India Transfer of technology & trials by customers are under way and we are positive about the results which should help generate consistent orders driven by regulatory changes and enforcement of sustainable & environment friendly packaging materials in the coming years.

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.

However, a Statement containing the salient features of the financial statements of Cygnet, the wholly-owned subsidiary and Gondkhari, Joint Venture Company, in Form AOC-1 appears in **Annexure V** of this Annual Report.

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

Inter Corporate financial exposures as at the year end appears under Note No. 7 to the Financial Statements.

The Company has not made any investment in shares of any body corporate except in its wholly-owned subsidiary during the year of about ₹ 496.49 Crore. No guarantee was issued during the year under review.

#### **VIGIL MECHANISM**

The Whistle Blower Policy of the Company is available on its website at [www.kesocorp.com](http://www.kesocorp.com).

#### **FRAUD REPORTING**

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, 2021 forms part of this Annual Report. The said report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **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, appointed Mani & Co., Cost Accountants, to audit the cost accounting records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2021 at a total remuneration of ₹ 4.11 lakhs, excluding tax and reimbursement of out of pockets. An appropriate Resolution has been incorporated in the Notice convening the Company's One Hundred and Second Annual General Meeting for confirmation and ratification of the remuneration.

#### **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 2020-21. They have submitted their report in MR-3 and the same is enclosed at **Annexure VI**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. However their observations regarding delay/deficiency in complying certain SEBI (LODR) compliances are self-explanatory.

The Company has complied with 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 Section 136 of the Act read with MCA circular dated 5<sup>th</sup> May, 2020 and SEBI circulars dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021, the Annual Report and Accounts are being sent through electronic mode, to those Members whose e-mail addresses are registered with the Company / Depositories, excluding the information on employees particulars as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This information is readily available for inspection by Members at the Company's Registered Office between 3 p.m. and 5 p.m. on all working days (excluding Saturdays) up to the date of the forthcoming Annual General Meeting. Should any Member be interested in obtaining a copy (including through e-mail), s/he should write to the Company Secretary at the Company's Registered Office or request by e-mail at [corporate@kesoram.net](mailto:corporate@kesoram.net).

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

The Company has in place 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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) the Act and, based upon representations from the Management, the Board, 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, 2021 and of the profit 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.

**DIRECTORS**

During the year under review, Amitabha Ghosh (DIN: 00055962) passed away on 15<sup>th</sup> September, 2020. The Board further express their heartfelt condolences for his untimely death and wishes to put on record their sincere and deep appreciation for his invaluable guidance and contribution made during his tenure as Director on the Board of the Company.

Siddhartha Mohanty (DIN: 08058830), Non Executive Nominee Director appointed by Life Insurance Corporation of India resigned from the Board effective from 1<sup>st</sup> February, 2021. The Board wishes to gratefully acknowledge the contributions made by Mr. Mohanty during his tenure as a Director of the Company.

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 as well as the Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Manjushree Khaitan (DIN: 00055898), Director, retires by rotation and, being eligible, offers herself for re-appointment.

Upon the recommendation of the Nomination and Remuneration Committee, Mangala Radhakrishna Prabhu (DIN: 06450659) was appointed as Non Executive Independent Director on the Board of Company effective from 14<sup>th</sup> May, 2021 for a term of 5 years.

Brief profiles of Directors being appointed / re-appointed at the forthcoming One Hundred and Second Annual General Meeting have been given in the Annexure A of the Notice convening the Company's forthcoming Annual General Meeting.

**KEY MANAGERIAL PERSONNEL**

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

P. Radhakrishnan	Whole time Director & Chief Executive Officer (DIN: 08284551)
Gujjula Srinivasa Reddy	Chief Executive Office (From 28 <sup>th</sup> April 2020 till 4 <sup>th</sup> August 2020)
Suresh Sharma	Chief Financial Officer (w.e.f. 4 <sup>th</sup> August, 2020)
Kaushik Biswas	Company Secretary (till 18 <sup>th</sup> January, 2021)
Akash Ghuwalewala	Company Secretary (w.e.f. 19 <sup>th</sup> January, 2021)

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

Information on 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, set out 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)).

**ANNEXURES FORMING PART OF THIS REPORT**

<b>Annexure</b>	<b>Particulars</b>
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 take this opportunity to express their deep sense of gratitude to its investors, lenders, Central and State Governments and the local authorities for their continued co-operation and support. They also would 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. The Directors would also like to thank various stakeholders of the Company including customers, dealers, supplies, transporters, advisors, local community, etc. for their continued committed engagement with the Company. Lastly, the Directors would also like to thank you, the Members of the Company for the confidence and trust reposed in them.

**For and on behalf of the Board**

**Manjushree Khaitan**  
*Chairman*

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

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

## 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, 2021	31 <sup>st</sup> March, 2020
1	EBIDTA	496.74	307.93
2	Finance Cost including interest	245.81	315.05
3	Cash Profit / (Loss)	250.93	(7.12)
4	Depreciation	96.21	91.26
5	Profit / (Loss) Before Tax	154.72	(98.38)
6	Provision for Tax expenses / (Income)	(307.05)	-
7	<b>Profit / (Loss) for the year (before exceptional item)</b>	<b>461.77</b>	<b>(98.38)</b>
8	Exceptional Item	(294.83)	(387.12)
9	<b>Total Profit / (Loss) for the year</b>	<b>166.94</b>	<b>(485.50)</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 84 per cent of the total cement capacity in the country.

Cement production in the country is expected to steadily grow at a Compounded Annual Growth Rate (CAGR) of 5-5.5%, going forward and total production figure should be in excess of 550 million tonnes per annum in less than ten years.

#### 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. In the aftermath of a natural calamity like a pandemic, the disposable income in the hands of the public is likely to get affected, this may have its impact on housing demand growth. In the housing sector institutionalised 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 progressive depletion of reserves of limestone and other flux minerals required for cement manufacture is yet another concern. This is a clear signal for the industry to further gear up identification of fresh reserves. Side by side, there is the imminent need to expand production of blended cement and 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

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.

The Company sharpened its drive on the brand positioning in the primary markets and "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 allocation of ₹ 152,000 crores for roads in the current budget. Out of this budget, ₹ 91,700 crores will go towards national highways which is on target for the completion of 35,000 KM of additions in the next few years. The balance money will be spent by the Ministry of Roads and the Pradhan Mantri Gram Sadak Yojna. This boost to infrastructure, especially roads, is going to be a big boost to cement demand.

### 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.

The Business's brand, 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 busies itself expanding 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 blending 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 manufacture and achieve responsible profitable growth.

### Financial Performance during 2020-21

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:

- A. The Interest Coverage Ratio which stood at 0.69 as at 31<sup>st</sup> March, 2020 improved to 1.63 as at 31<sup>st</sup> March, 2021 due to improvement in operational performance and lower interest expense.
- B. Current Ratio went up from 0.25 as at 31<sup>st</sup> March, 2020 to 0.64 as at 31<sup>st</sup> March, 2021. This is mainly due to improved liquidity availability.
- C. Debt Equity Ratio was down from 67.72 as at 31<sup>st</sup> March, 2020 to 5.28 as at 31<sup>st</sup> March, 2021 due to increase in equity share capital of the Company and better operational performance.
- D. The Net Profit Margin percentage was significantly up from (20.84) as at 31<sup>st</sup> March, 2020 to 6.91 as at 31<sup>st</sup> March, 2021 due to better operational performance and reduction of costs.
- E. The Return on Equity percentage improved significantly from (1774.23) as at 31<sup>st</sup> March, 2020 to 48.09 as at 31<sup>st</sup> March, 2021 due to increase in equity share capital of the Company and better operational performance.

The Net Worth at standalone level as at 31<sup>st</sup> March, 2021 jumped to ₹ 347.16 Crores from ₹ 27.36 Crores in the previous year. This has occurred mainly on account of increase in equity share capital caused by issue of equity shares to the Lenders pursuant to the Debt Resolution Plan and better operational performance.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including:**

Sl. No.	Particulars	2020-21	2019-20	Explanation
i)	Debtors Turnover Ratio	10.86	8.60	Improvement in operational performance
ii)	Inventory Turnover Ratio	2.44	1.87	Improvement in operational performance
iii)	Interest Coverage Ratio	1.63	0.69	Lower interest expense.
iv)	Current Ratio	0.64	0.25	Better liquidity & Reduction of liabilities
v)	Operating Profit	20.57	13.22	Improvement in operational performance
vi)	Debt Equity Ratio	5.28	67.72	Increase in equity share capital of the Company and better operational performance
vii)	Net Profit Turnover	6.91	(20.84)	Better operational performance and reduction of costs
viii)	Return on Equity	48.09	(1774.23)	Increase in equity share capital of the Company and better operational performance

**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, 2021 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: 14<sup>th</sup> May, 2021

## BUSINESS RESPONSIBILITY REPORT(BR)

## 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, 2020 to 31 <sup>st</sup> March, 2021								
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) & Pozzolona 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; Basant Nagar</li> <li>Administrative Offices, Branch Offices, Depots etc. at various locations</li> </ul>								
10	Markets served by the Company	Domestic Market								

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1	Paid-up Capital (INR)	164.81 Crores
2	Total Turnover (INR)	2415.21 Crores
3	Total Profit After Taxes (INR)	166.94 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	N.A. (CSR spent is INR 0.29 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 one 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	-
5	E-mail id	-

#### 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? If yes, specify? (50 words)	-	-	-	-	-	-	-	-	-
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**

1. 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.

2. 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 2020-21. The same will also be available on the website of the Company, i.e. [www.kesocorp.com](http://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, 2021, the Company has received both directly as also through the Regulatory agencies such as SEBI, the Stock Exchanges, 1 complaint which was related to Non-receipt of Share / Debenture Certificate(s). The complaint has been satisfactorily resolved and no complaint was pending / outstanding as on 31<sup>st</sup> March, 2021.

**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 & Pozzolona Portland Cement), 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 2021, Clinker Factor was 94.39% for OPC and 61.91% with fly ash utilization of 34.9% in PPC, thus saving natural resources like limestone. We also co-process plastic, industrial, 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. To save coal, the Company is also co-processing rice husk in its CPP for power generation.

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, 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 standard operating procedures 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 of 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. The Company fulfill fuel requirement majorly by domestic fuel reducing import and saving on foreign currency.

Majority of our PP bag suppliers are in vicinity of plant thus reducing travel time and pollution by vehicles. The Company also encouraged and empowered our PP bag suppliers to achieve ISO 9001:2015 certificate.

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, the Company 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 and business is done only with those vendors who are approved on stringent safety parameters.

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 Pozzolama 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 1603.

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 3078.

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

Number of permanent women employees during the financial year was 22.

**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
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

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

- (a) Permanent Employees
- (b) Permanent Women Employees
- (c) Casual/Temporary/Contractual Employees
- (d) Employees with Disabilities

S. No.	Category of Employees	2020-21	2019-20
1	Permanent Employees	80%	87%
2	Permanent Women Employees	100%	100%
3	Casual/Temporary/Contractual Employees	90%	100%
4	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 for sustainable livelihood like stitching and

tailoring center for ladies, providing them free stitching machines after completion of course, computer training for both gents and ladies. Other initiatives include health care, education, infrastructure development, health check-up camps, providing utensils to schools, plantation, safe and pure drinking water, sports material distribution, installation of street lights in nearby villages etc. The Company also taken care of children of Company employees, depending on the eligibility of such children by providing them training and jobs too.

#### 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 2020-21 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 a 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, 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.

- 100 % utilization of Bed ash & Fly ash generated at our CPP is used in Cement manufacturing process and additionally procuring Fly ash from RTPS/ Adani Power/NTPC / Parli / Ramagundum etc.
- Maximum utilization of AFR 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 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 had 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 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 ₹ 0.29 Crore during the financial year 2020-21 for social welfare, education, health, women empowerment etc.

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

Yes, The Company has taken steps for the same. Has taken certain CSR activities for Covid-19 pandemic in the villages, have distributed Rice, Groceries and Vegetables for the needy people. Distributed Masks, Sanitizers and Sanitizer guns for Old Age Homes and physically challenged and mentally retarded people. The Company has developed plantation at the highway and in nearby villages. The Company people also visit the houses or shops of the students who had completed the courses from our vocational training centre. In order to take informal feedback, we speak to people who are benefited because of our community development activities and they seem to be very satisfied. Depending on such feedback we plan and conduct more such activities.

**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*

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

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021



## REPORT ON CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

### 1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is structured on principles and practices that seeks 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, 2021 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, 2021, the Company had seven Directors, four 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	7,20,158
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
P. Radhakrishnan	Whole-time Director & CEO	Executive	0	0	0	0	Nil

\* 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, 2021:

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.
Bhaskar Niyogi	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	Bhaskar Niyogi
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.	✓	✓	✓	✓	✓	✓	✓
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 2020-21:**

Nine Board Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2021 on 28<sup>th</sup> April, 2020, 30<sup>th</sup> July, 2020, 4<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020, 30<sup>th</sup> November, 2020, 14<sup>th</sup> January, 2021, 19<sup>th</sup> January, 2021, 10<sup>th</sup> February, 2021 and 16<sup>th</sup> March, 2021. The attendance of each Director at these Meetings and at the 101<sup>st</sup> Annual General Meeting ("AGM") held on 29<sup>th</sup> September, 2020 was as follows:

Members	Attendance	
	No. of Board Meetings	AGM
Manjushree Khaitan	9	Yes
Amitabha Ghosh (Deceased on 15 <sup>th</sup> September, 2020)	3	No
Kashi Prasad Khandelwal	9	Yes
Sudip Banerjee	9	Yes
Lee Seow Chuan	9	Yes
Jikyeong Kang	9	Yes
Siddhartha Mohanty (Ceased to be Director on 1st February, 2021)	4	Yes
Bhaskar Niyogi	9	Yes
P. Radhakrishnan	9	Yes

v) **Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2020-21:**

S. No.	Name of the Directors	Sitting fees paid for (₹ in lakhs)	
		Board Meetings	Committee Meetings*
1	Manjushree Khaitan @	-	-
2	Amitabha Ghosh	3.00	3.20
3	Kashi Prasad Khandelwal	9.00	7.40
4	Sudip Banerjee	9.00	5.80
5	Lee Seow Chuan #	13.08	10.17
6	Jikyeong Kang #	13.08	7.85
7	Siddhartha Mohanty §	4.00	3.00
8	Bhaskar Niyogi	9.00	5.00
9	P. Radhakrishnan ^	-	-
	<b>Total</b>	<b>60.16</b>	<b>42.42</b>

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

@ Relinquished her sitting fee.

\$ Fees paid to Life Insurance Corporation of India ("LICI").

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

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

No Commission was paid to the Directors during the Financial Year 2020-21.

**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 previous Annual General Meeting. The total remuneration paid to him during the Financial Year 2020-21 is as under:

Particulars	Amount paid ₹
Gross Salary:	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	2,98,40,461
(b) Value of perquisites	39,600
(c) Others : Contribution to Provident Fund and Superannuation Fund	10,35,000
<b>Total</b>	<b>3,09,15,061</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 2020-21.

**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, 2021. 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.

**3. AUDIT COMMITTEE**

**i) Terms of Reference**

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

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

As on 31<sup>st</sup> March, 2021 the Audit Committee had five Non-executive Directors as Members, out of which four were Independent Directors and one was a Nominee Director. Kashi Prasad Khandelwal chairs the Committee.

Five Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2021 on 30<sup>th</sup> July, 2020 (2 Meetings), 29<sup>th</sup> October, 2020, 10<sup>th</sup> November, 2020 and 10<sup>th</sup> February, 2021.

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

Members	No. of Meetings attended
Amitabha Ghosh, Chairman (till 15 <sup>th</sup> September, 2020)	3
Kashi Prasad Khandelwal, Chairman (from 16 <sup>th</sup> September, 2020)	4
Lee Seow Chuan	4
Siddhartha Mohanty (from 16 <sup>th</sup> September, 2020 till 1 <sup>st</sup> February, 2021)	0
Jikyeong Kang (from 10 <sup>th</sup> February, 2021)	0

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

In addition to the Members of the Audit Committee, these Meetings were attended by the following:

- a) the Statutory Auditors, as and when necessary.
- b) the Internal Auditors, as and when necessary.
- c) the Cost Auditors, as and when necessary.
- d) P. Radhakrishnan, Whole-time Director & Chief Executive Officer
- e) Suresh Sharma, Chief Financial Officer.
- f) Business Heads, and other executives who were considered necessary for providing inputs to the Committee.

Kashi Prasad Khandelwal, Chairman of the Committee (from 16<sup>th</sup> September, 2020) is a senior Chartered Accountant with expert knowledge in finance, accounting and audit. Lee Seow Chuan is a Fellow member of the Association of International Accountants, UK. Sudip Banerjee who is an Economics Graduate from St. Stephen's Delhi and has a Diploma in Management is well versed in Finance. Jikyeong Kang, a doctorate in Marketing, is a respected academic and a known specialist in business management. Bhaskar Niyogi is a post graduate in Economics and holds a Certificate in General Management from IIM Calcutta.

All Members of the Committee are therefore financially literate.

Kashi Prasad Khandelwal, Chairman of the Audit Committee, was present at the Annual General Meeting ("AGM") of the Company held on 29<sup>th</sup> September, 2020 to answer Member's queries.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

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

As on 31<sup>st</sup> March, 2021, the Nomination & Remuneration Committee consisted of three Non-executive Independent Directors as Members.

The Committee met four times during the Financial Year 2020-21 on 28<sup>th</sup> April, 2020, 30<sup>th</sup> July, 2020, 4<sup>th</sup> August, 2020 and 19<sup>th</sup> January, 2021. Kashi Prasad Khandelwal chaired the Meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

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

Members	No. of Meetings attended
Amitabha Ghosh, Chairman (till 15 <sup>th</sup> September, 2020)	3
Kashi Prasad Khandelwal, Chairman (from 16 <sup>th</sup> September, 2020)	4
Lee Seow Chuan	4
Siddhartha Mohanty (from 16 <sup>th</sup> September, 2020 till 1 <sup>st</sup> February, 2021)	0
Jikyeong Kang (from 10 <sup>th</sup> February, 2021)	0

The terms of reference of the Nomination and Remuneration Committee traverses the areas covered Regulation 19 of the LODR Regulations and Section 178 of the Act.

##### ii) 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 the Financial Year.

#### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

As on 31<sup>st</sup> March, 2021, 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 2020-21 on 10<sup>th</sup> November, 2020.

Kashi Prasad Khandelwal, Chairman, chaired the Meeting.

The Company Secretary acts as Secretary to the Committee. 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

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 2020-21:

Nature of Grievances	Complaints received from				Total complaints received during 2020-21	Total complaints redressed	No. of complaints outstanding as on 31 <sup>st</sup> March, 2021
	Investors directly	Stock Exchanges	SEBI "SCORES"	ROC			
Non-receipt of Dividend/ Interest/ Redemption Warrants/NECs	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Share / Debenture Certificate(s)	1	Nil	Nil	Nil	1	1	Nil
Non-receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related grievances	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Report(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Status of Application lodged for Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reason for Non- Allotment of Shares in Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Change of Name on Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>1</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>1</b>	<b>1</b>	<b>Nil</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, 2020	1	5
Shareholders, who approached the Company for transfer/delivery during 2020-21	Nil	Nil
Shares transferred/delivered during the year 2020-21	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, 2021	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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135 of the Act, a Corporate Social Responsibility Committee was first constituted on 29<sup>th</sup> April, 2014. Upon sudden demise of Amitabha Ghosh on 15<sup>th</sup> September, 2020, the Committee was re-constituted effective 16<sup>th</sup> September, 2020 with 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.

## 7. SEPARATE 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 30<sup>th</sup> March 2021. Except Lee Seow Chuan, 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.

## 8. 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).

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

An annual evaluation exercise was carried out by the Board during the year encompassing its own performance, those of its Committees as well as individual Board Members.

The exercise continued to recognise that while Board Members were individuals, the Board or a Committee of the Board was a collective body. It was this collective body that took decisions even though individuals, constituting the collective body, had the right to dissent. Thus, what was put on test in the evaluation exercise this year was, amongst other issues, the extent of perspicacity of each Member, whether sitting as part of the Board or any Committee, to meaningfully contribute to the formulation of Board decisions.

The process was thus intricate and the conclusion arrived at was that each Board Member had harmoniously contributed to complement the role of the collective entity. This had made for the Board as well as each Committee's efficacious functioning during the year.

## 10. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer under Regulation 6 of the LODR Regulations, and other applicable SEBI Regulations and Rules.

## 11. GENERAL BODY MEETINGS

### (A) Details of last three AGMs held:

AGMs	Date of AGM	Location	Time
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.
99 <sup>th</sup> AGM	13 <sup>th</sup> July, 2018	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.

### (B) Special Resolutions passed at previous three AGMs:

#### a) AGM held on 29<sup>th</sup> September, 2020:

Four Special Resolutions were proposed and passed as stated hereunder:

- 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.
- 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.
- 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.
- iv) to re-classify the Authorised Share Capital of the Company.

**b) AGM held on 26<sup>th</sup> July, 2019:**

Four Special Resolutions were proposed and passed as stated hereunder:

- 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.
- 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.
- 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.
- 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.

**c) AGM held on 13<sup>th</sup> July, 2018:**

A Special Resolution appointing Chander Kumar Jain as a Whole-time Director and payment of remuneration for a period of one year effective 4<sup>th</sup> May, 2018 as per the provisions of the Act was passed.

**(C) Postal Ballot:**

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

As at date, no Special Resolution is proposed to be passed through Postal Ballot.

**(D) Extra-Ordinary General Meeting:**

**There were two EGM held on 28<sup>th</sup> December 2020 & 12<sup>th</sup> February 2021 whereat following business were transacted**

**At EGM on 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.

**At EGM on 28<sup>th</sup> December, 2020**

- i) Approval for increase in Authorised Share Capital
- ii) Approval for Conversion of Loan into Equity Shares and Zero Coupon Optionally Convertible Redeemable Preference Shares (OCRPS) as per Resolution Plan
- iii) Approval for issuance of Optionally Convertible Debentures (OCDs) through Private Placement.
- iv) Approval for conversion of Optionally Convertible Debentures (OCDs) to Equity Shares.
- v) 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

**12. 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 and Mangala Radhakrishna Prabhu are appended:

**Manjushree Khaitan (Non Executive, Non Independent) DIN: 00055898:** Manjushree Khaitan, MA (65) 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 7,20,158 Equity Shares of the Company.



**Mangala Radhakrishna Prabhu (Non Executive, Independent) DIN: 06450659:** Mangala Radhakrishna Prabhu, M.Com, LL.B., CAIIB (66), was appointed as an Additional Non Executive Independent Director of this Company on 14<sup>th</sup> May, 2021. She possesses wide experience of 40 years in corporate credit foreign exchange, HR and Branch Banking.

### 13. DISCLOSURES

1. 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).
2. 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.
3. 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.
4. 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.
5. 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, 2021 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 the penalties were imposed by the Stock Exchanges and 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 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. However, the Exchanges upon being requested, has waived those penalties keeping in mind the lockdown period restrictions due to CoVID-19 pandemic.
6. 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. No Risk Management Committee has been constituted since this is not mandated for the Company under the LODR Regulations.
7. As on 31<sup>st</sup> March, 2021, 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).
8. 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.
9. 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.
10. Commodity price risks and foreign exchange risks are hedged from time to time in accordance with a Board approved Hedging Policy.
11. The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of LODR Regulations.
12. 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.
13. 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 news papers 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 2020-21 does not contain any audit qualification.

- d) Separate posts of Chairman and CEO: The Chairman of the Board is a Non Executive Director and her position is separate from that of the CEO.
- e) Reporting of Internal Auditor: The Internal Auditor and an in house team reports to the Audit Committee.

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

The Company has raised funds by way of issuance of Non Convertible Debentures through Private Placement aggregating to ₹ 1,603.50 crores and issuance of Optionally Convertible Debentures through Private Placement aggregating to ₹ 459.90 crores on 16<sup>th</sup> March, 2021. 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.

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

Particulars	Amount utilized (₹ in Crore)
Repayment to existing lenders	1,488.42
Others, including Working Capital requirement	551.05
<b>Total</b>	<b>2,039.47</b>

Out of the total fund raised by the Company, an amount of ₹ 23.93 crores is unutilised as on 31<sup>st</sup> March, 2021.

#### 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 2020-21	Nil
b.	Number of complaints disposed of during the financial year 2020-21	Nil
c.	Number of complaints pending as on end of the financial year 2020-21	Nil

#### 17. MEANS OF COMMUNICATION

##### (I) 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). The Company has not made any presentation to institutional investors or analysts. All official releases and other related information are also displayed on this website.

##### (II) Management Discussion and Analysis:

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

#### 18. GENERAL SHAREHOLDER INFORMATION

##### a) Next AGM

Time	3.00 P.M. (IST)
Day	Friday
Date	23 <sup>rd</sup> July, 2021
Venue	To be held 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) Date of Book Closure**

The register of Members shall remain closed from 17<sup>th</sup> July, 2021 to 23<sup>rd</sup> July, 2021 (both days inclusive) for the purpose of AGM.

**d) 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
	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. Codes:**

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

There are no arrears in payment of Listing Fees.

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

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

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

**g) Stock Market Price Data:**

₹/Share

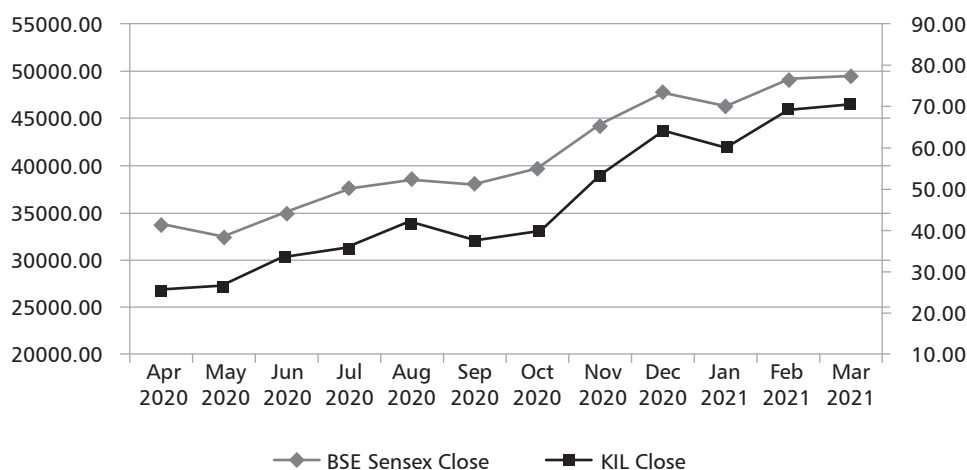
Month	BSE Sensex	Share Price		
	Close	High	Low	Close
April, 20	33,717.62	27.80	18.45	25.55
May, 20	32,424.10	28.20	21.40	26.50
June, 20	34,915.80	39.00	26.20	33.95
July, 20	37,606.89	38.40	32.60	35.25
August, 20	38,628.29	46.50	34.10	41.50
September, 20	38,067.93	46.00	35.00	37.70
October, 20	39,614.07	48.40	37.85	39.90
November, 20	44,149.72	54.20	40.05	52.80
December, 20	47,751.33	67.65	48.50	63.95
January, 21	46,285.77	67.00	59.90	60.25
February, 21	49,099.99	74.30	57.45	69.30
March, 21	49,509.15	89.90	67.75	70.10

Month	NSE Nifty	Share Price		
	Close	High	Low	Close
April, 20	9,859.90	27.25	18.00	25.65
May, 20	9,580.30	28.45	22.15	26.55
June, 20	10,302.10	37.60	26.00	34.05
July, 20	11,073.45	38.40	30.80	35.15
August, 20	11,387.50	46.50	34.60	41.55
September, 20	11,247.55	46.20	34.60	37.70
October, 20	11,642.40	48.50	38.10	40.00
November, 20	12,968.95	54.25	40.00	52.90
December, 20	13,981.75	67.70	48.55	63.65
January, 21	13,634.60	67.05	59.90	60.10
February, 21	14,529.15	74.30	57.45	69.40
March, 21	14,690.70	89.95	67.70	70.25

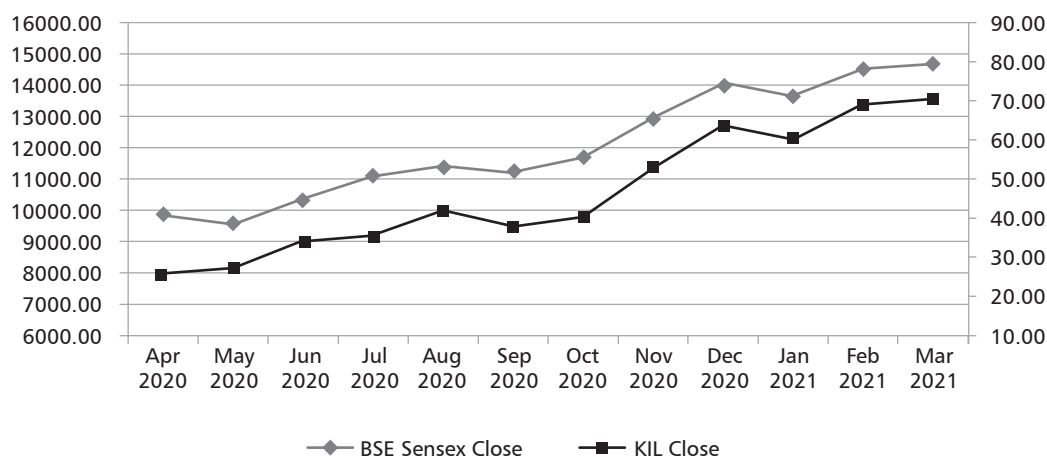
During the year there was no trading on The Calcutta Stock Exchange Ltd. as well as Societe de la Bourse de Luxembourg.

**h) 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 2020-21



Kesoram Industries Limited (KIL) Share Price on NSE vis-a-vis NSE Nifty 2020-21



**i) 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)

**j) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and Company Executives (including Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Committee Meeting as well as Board Meeting.

**k) Distribution of shareholding as on 31<sup>st</sup> March, 2021**

**(a) According to category of holding:**

Category	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
Promoters	15	0.02	7,57,61,340	45.97
Mutual Funds / UTI	10	0.01	12,240	0.01
Financial Institutions & Banks	43	0.05	2,22,38,046	13.49
Foreign Portfolio Investors	5	0.01	41,673	0.03
Insurance Companies	3	0.00	37,67,152	2.29
NRI/OCB's	811	0.93	45,87,867	2.78
Private Body Corporates/Trust	815	0.93	1,40,78,353	8.54
Individuals	85,952	98.05	3,67,75,239	22.31
Unclaimed Suspense A/c	1	0.00	5	0.00
GDRs	1	0.00	70,41,875	4.27
IEPF Authority	1	0.00	3,40,241	0.21
NBFC Registered with RBI	3	0.00	1,67,280	0.10
<b>Total</b>	<b>87,660</b>	<b>100.00</b>	<b>16,48,11,341</b>	<b>100.00</b>

**(b) According to the number of Equity Shares held:**

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
1-100	57,948	66.10	21,76,279	1.32
101-200	9,546	10.90	15,97,034	0.97
201-500	10,196	11.63	37,31,987	2.26
501-1000	4,797	5.47	39,52,132	2.40
1001-5000	4,174	4.76	95,54,246	5.80
5001-10000	517	0.59	39,36,464	2.39
10001 and above	482	0.55	13,98,63,199	84.86
<b>Total:</b>	<b>87,600</b>	<b>100.00</b>	<b>16,48,11,341</b>	<b>100.00</b>

**l) 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.

**m) Dematerialisation of shareholding**

The Company's Equity Shares are compulsorily traded in the dematerialised form. 16,39,22,107 Equity Shares of the Company representing 99.46% of the total Equity Shares issued were held in dematerialised form as on 31<sup>st</sup> March, 2021. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

**n) Outstanding GDRs**

70,41,875 Equity shares of the Company were held as Global Depository Receipts as on 31<sup>st</sup> March, 2021.

**o) Insider Trading**

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

**p) Plant Locations**

Section	Factory Location	City Office	Run under name & style of
Cement	Sedam, Dist. Gulbarga Karnataka-585222 Phone: +91-8441-276005/276391/277403 Fax: +91-8441-276139 E-mail: <i>communication@vasavadattacement.com</i> <b>Storage and Packing Unit :</b> T-3 MIDC Chincholi, Taluk : Mohal Solapur-413255, Maharashtra State	613 to 616, White House, Block III, 6 <sup>th</sup> Floor, 6-3-1192/1/1, Kundanbagh, Begumpet, Hyderabad – 500016 (Telangana) Phone : +91-40-43344555 Fax: +91-40-43344534	Vasavadatta Cement
	Basantnagar, Dist. Karimnagar Telangana-505187 Phone : +91-8728 -228152/228121 Fax: +91-8728-228160 E-mail: <i>communication@kesoramcement.com</i>	613 to 616, White House, Block III, 6 <sup>th</sup> Floor, 6-3-1192/1/1, Kundanbagh, Begumpet, Hyderabad – 500016 (Telangana) Phone : +91-40-43344555 Fax: +91-40-43344534	Kesoram Cement

**q) 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  
Fax No.: +91-33-22109455  
E-mail: *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*

**(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  
 Fax No.: +91 33 22109455  
 E-mail: *corporate@kesoram.net*

**19. CREDIT RATINGS**

Credit Ratings obtained by the Company along with any revisions thereto during the financial year 2020-21 are as follows:-

Rating Agency	Limit	Type	Rating	Date of Rating	Rating Action
CRISIL	₹ 1740 Crores	Non Convertible Debentures	CRISIL D	24 <sup>th</sup> December, 2020	Affirmed
CRISIL	₹ 460 Crores	Optionally Convertible Debentures	CRISIL D	24 <sup>th</sup> December, 2020	Affirmed

**20. 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.

**21. RECONCILIATION OF SHARE CAPITAL AUDIT**

As stipulated by SEBI, a qualified Practising 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.

**22. CERTIFICATES FROM A PRACTISING COMPANY SECRETARY**

- a) The Company has obtained a Certificate from a Practising 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 Practising 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: 14<sup>th</sup> May, 2021

## DECLARATION

All Board Members as on 31<sup>st</sup> March, 2021 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, 2020 to 31<sup>st</sup> March, 2021 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: 14<sup>th</sup> May, 2021

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

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

I have examined all relevant records of **Kesoram Industries Limited (“the Company”)** for the purpose of certifying compliance of conditions of Corporate Governance under Para C & D of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on **31<sup>st</sup> March, 2021**. I have obtained all the information and explanations, which to the best of my 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. My 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 my examination of the records produced, explanation and information furnished, I 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: 14<sup>th</sup> May, 2021

**RITU BAJAJ**  
FCS No. 9913, CP No. 11933  
UDIN: F009913C000301116



**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**

I 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, 2021.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 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	08.07.2014
3	Sudip Banerjee	05245757	08.07.2014
4	Lee Seow Chuan	02696217	08.08.2014
5	Jikyeong Kang	08045661	10.01.2018
6	Bhaskar Niyogi	03494944	07.11.2019
7	Padmalochanan Radhakrishnan	08284551	08.08.2019

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: 14<sup>th</sup> May, 2021

**RITU BAJAJ**  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913C000309454

## 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 (w.e.f. 16.09.2020) 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)
	2019-20	2018-19	2017-18	
Net Profit (Loss)*	(485.52)	(254.30)	(463.56)	(401.13)

\*Dividend income of ₹.0.02 Crore, ₹.0.05 Crore and ₹ 0.05 Crore for the financial years 2019-20, 2018-19 and 2017-18 respectively 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.

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 2019-20, 2018-19 and 2017-18. 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 2020-21 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 (i) Local area or others; (ii) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	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
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.**

*Note: Though The Company is not mandated to spend towards CSR for the year 2020-21 however, as a good corporate citizen, the Company is continuously engaged in CSR activities. During the year under review the Company has also carried out some CSR activities.*

For and on behalf of the Board

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

Manjushree Khaitan  
Chairman

P. Radhakrishnan  
Whole-time Director & CEO

## 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	Cygnet Industries Limited
2.	Date since when the subsidiary was acquired/incorporated	7 <sup>th</sup> May, 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> March, 2021
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	(610.68)
7.	Total Assets	715.37
8.	Total Liabilities	399.50
9.	Investments	0.01
10.	Turnover	237.56
11.	Profit before taxation	(100.78)
12.	Provision for taxation	Nil
13.	Profit after taxation	(100.78)
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, 2021
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	(0.56)
6	Profit / Loss for the year	
	a) Considered in Consolidation	-
	b) Not Considered in Consolidation	(0.01)

**For and on behalf of the Board**

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

**Manjushree Khaitan**  
*Chairman*

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

**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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**  
**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 in electronic mode 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<sup>st</sup> March 2021 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 in electronic mode, for the financial year ended on 31<sup>st</sup> March 2021 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.

In respect of other Acts, Laws and Regulations (given in Annexure I) specifically 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. Due to the outbreak of 2nd wave of Covid-19 pandemic, there has been difficulty in working. With the limited period of time and staff, it was a challenge to cover all aspects of a process in its entirety thoroughly during the time period of an audit.

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

**We further report that the Company has delayed compliance by a period of 12/13 days under regulation 13(3) of SEBI (LODR) Regulations, 2015 for the quarter ended 31<sup>st</sup> March, 2020 and due to which a fine has been levied by the exchanges on the Company. The Company has requested the exchanges for waiver as per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 and the same was granted to the Company by the BSE and NSE on 16<sup>th</sup> October, 2020 and 13<sup>th</sup> November, 2020 respectively.**

**We also report that the Company filed unsigned Financial Results with the exchanges under Regulation 33 of SEBI (LODR) Regulations, 2015 and due to which the BSE levied a fine of an amount of ₹ 11,800 (Rupees Eleven Thousand and Eight Hundred only), which was paid by the Company.**

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: 14<sup>th</sup> May, 2021

**For RP & Associates**

Ritu Bajaj

(Proprietor)

M.No.: FCS 9913

C.P. No.: 11933

ICSI Unique Code No.

F009913C000300797

## '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. The Equal Remuneration Act, 1976,                             |
| 8. Payment of Bonus Act, 1965,  | 19. Workmen's Compensation Act, 1923 & Rules,                     |
| 9. West Bengal Shops and Establishments Act and Rules,  | 20. The Maternity Benefit Act, 1961                               |
| 10. The West Bengal State Tax on Professions, Trades, Callings and Employments Act & Rules,               | 21. The Negotiable Instrument Act, 1881; and                      |
| 11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013,, | 22. Goods and Service Tax Act, 2017                               |
|   | 23. Mines Act 1952 and it's allied Acts and Rules.                |

## '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. Due to Covid-19 and the difficult situation, physical verification of documents was not done. The verification was done on test basis of the data provided to us in electronic mode 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: 14<sup>th</sup> May, 2021

**For, RP & Associates**

Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913C000300797

## 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, 2021.

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. Amitabha Ghosh <sup>'#'</sup> - 1.05:1 Kashi Prasad Khandelwal - 2.77:1 Sudip Banerjee - 2.50:1 Lee Seow Chuan <sup>'\$'</sup> - 3.93:1 Jikyeong Kang <sup>'\$'</sup> - 3.54:1 Siddhartha Mohanty <sup>'@'</sup> - 1.18:1 P. Radhakrishnan - 52.11:1 Bhaskar Niyogi <sup>'&amp;'</sup> - 2.37:1
(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> - (100.00) Amitabha Ghosh <sup>'#'</sup> - (32.61) Kashi Prasad Khandelwal - 15.49 Sudip Banerjee - 10.45 Lee Seow Chuan <sup>'\$'</sup> - 105.13 Jikyeong Kang <sup>'\$'</sup> - 71.43 Siddhartha Mohanty <sup>'@'</sup> - (22.22) P. Radhakrishnan - 3.54 Bhaskar Niyogi <sup>'&amp;'</sup> - 250.00 <b>Key Managerial Person :</b> Kaushik Biswas, CS <sup>'^'</sup> - (57.90) Gujjula Srinivasa Reddy, CEO (Cement Business) <sup>'**'</sup> - N.A. Suresh Sharma, CFO <sup>'***'</sup> - N.A. Akash Ghuwalewala, CS <sup>'****'</sup> - N.A.
(iii)	The percentage increase in median remuneration of employees in the Financial Year.	17.17%
(iv)	The number of permanent employees on the rolls of Company.	1603 employees as on 31.03.2021
(v)	a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year	16.48
	b) Its comparison with the percentile increase in the managerial remuneration.	(27.31)
	c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There are no exceptional circumstances in increase in managerial remuneration.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

\* Relinquished Sitting fees for F.Y. 2020-21

# Deceased on 15.09.2020

\$ inclusive of taxes borne by the Company

@ sitting fees paid to LIC and resigned w.e.f. 01.02.2021

& appointed w.e.f. 07.11.2019

^ Resigned w.e.f. 18.01.2021

\*\* Appointed w.e.f. 28.04.2020 and ceases to be a KMP w.e.f. 04.08.2020

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

\*\*\*\* Appointed w.e.f. 19.01.2021

**On behalf of the Board**

Place: Kolkata

Date: 14<sup>th</sup> May, 2021

**Manjushree Khaitan**

*Chairman*

*DIN: 00055898*

**P. Radhakrishnan**

*Whole-time Director & CEO*

*DIN: 08284551*



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

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

### A. CONSERVATION OF ENERGY:

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

The following measures have been taken by the Businesses in relation to conservation of energy.

Provided ON/OFF control for exhaust fans with Raw Mill-1 Osepa HT Fan GRR cooling blowers such that the Exhaust fans will be switched off automatically when the Rawmill-1 is switched off to reduce power consumption. Replaced 8 nos. of 150W Metal Halide lamps with 35W LED Lamps to reduce power consumption. Motor Pulley replaced for BTDRM-6 compressor operating for blending application in S/Silo 1, 2, 3 & 4 resulting in saving of power. Interlock provided for C-line waste gas GRR cooling blowers 1&2, it will run only in GRR mode and turn off in SRPS mode which will aid power saving. IR Compressor and TC-100 compressors (2 nos.) are used for Rawmill 1, 2 and 3 for DC purging and Under Loading Compressor replaced with suitable compressor both resulting in lower power consumption.

Optimised Thermal power generation frequency from 50 Hz to 49.6 Hz resulting in reduction of Electrical Energy by 3000 Kwh/Day and it has resulted a saving of 55L per annum approximately. Replaced metal fans with FRP fans at units leading to saving in energy consumption. Fixed efficient E-glass epoxy FRP fan blades in U-5 ACC fan-1, 2 & 3 leading to reduced fan power consumption. For efficient energy usage, installed VFD drive for cement mill-4 fly ash bin dust collector fan (11KW). Optimised Cement mill-4 HR baghouse RAL's operation during the year under review. Reduced running hours by 50% for Cement mill-4 Fly ash blower RAL operation (4N109) and de-rated 2 Nos. LT motors at Cement plant – 1 and 3 for better energy efficiency. Optimised idle running hours of fly ash re-circulation system in the Unit no. 3 & 4. Reduced of TG-3 cable losses by laying additional 1No 3cX400Sqmm Cable. Replaced 5 Nos old conventional LT motors with premium energy efficient IE3 motors at Cement plant and double flap in place of RAL-1 & 2 at Raw mill - 3 HR separator discharge, which resulted in energy saving. TG-1 circulating water pump-1,2,3 minimum speed set point reduced from 75% to 70% for optimum power consumption. TG-1 ESP hopper heater set point reduced from 90 Degree Centigrade to 70 Degree Centigrade, installed VFD drive for kiln-3 RA fan and de-rated compressor motor from 15 KW to 7.5 KW at mines, all of the above steps resulted in better energy efficiency.

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

During the year under review, 666 Metric Tonne of Rick Husk used in the Captive Power Plant (CPP). Further, black carbon usage of 11994.87 MT and Plastic waste usage of 6835.18 MT were amongst the steps taken by the Company for tapping alternate sources of energy.

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

₹ 20.00 lakhs

### B. TECHNOLOGY ABSORPTION:

#### i) Efforts made towards technology absorption

Metal Halide lamps replaced with 35W LED Lamps. Motor pulley replaced for BTDRM-6 compressor. Interlock provided for C-Line waste gas fan GRR cooling blowers 1 & 2. Under Loading Compressor replaced with suitable compressor.

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

IRawmill-2 feed belt discharge chute is provided with inspection door for easy removal of chute jamming. Frequent feedback signals problem of proximate switches in CPP is avoided by providing new junction boxes. Kiln-2 PC firing agitator screw chain drive system modified into direct drive system to avoid frequent chain failure. Coal mill-1 Cyclones RAL replaced with new set of RAL to avoid false air entry into the system with direct drive system. Prepared drum motor testing stand to run drum motor in idle condition without time delay. Cement mill-2 Gypsum weighfeeder relays removed and replaced with a mini PLC and connected the external inputs. At LS crusher, laterite hopper is provided with grizzly bars to avoid jamming of hopper discharge chute. Ash transportation system in CPP provided with solenoid valves for conservation of air. Existing Crane-1 overhead cable carrying system modified to avoid frequent failure. Rawmill-2 main motor rotor LR circuit and excitation circuit cables modified as per control

circuits for ease of trouble shooting. Coal crusher push feeder discharge belt take up pulley is provided with fencing. To ease rectification in control circuit problem, in packing plant truckloading machine existing small control junction box replaced with new one and wiring done with ferrule numbers. In Dumper BH-8, the radius rod bearing failure is avoided by welding and machining the rods alongwith bearing seating area. In Dumper BH-2, suspension problem due to internal seal leakage is avoided by replacing seal kit, welding and machining. In Loader-1, the air control valve cum follower body brought into its original shape by welding and grinding to improve the gearing system performance. In Mine Loader A-1 brake trade valve air leakage is arrested by replacing the seal kit. Auto drain valve provided to the receiver tank to drain compressor moisture periodically leading to improvement in dust collector performance. Installed PLC panel by removing switches from control desk for efficient maintenance of switches and easy trouble shooting.

**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	
	2020 – 21	2019 – 20
Foreign exchange earned (F.O.B basis)	Nil	Nil
Foreign exchange outflow	12.73	10.72

**For and on behalf of the Board**

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

**Manjushree Khaitan**  
*Chairman*

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

## SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
a. Net Fixed Assets					
Gross Fixed Assets	2,051.78	2,031.80	3,421.52	3,395.78	2,863.91
Less: Total depreciation	439.03	348.27	372.88	249.75	122.83
	<b>1,612.75</b>	<b>1,683.53</b>	<b>3,048.64</b>	<b>3,146.03</b>	<b>2,741.08</b>
b. Investments	537.88	499.55	507.12	508.41	101.25
c. Other Non Current Assets / (Liabilities) (net)	305.33	357.97	187.94	(119.78)	198.92
d. Other Current Assets / (Liabilities) (net)	(331.20)	(660.69)	(424.12)	580.46	983.40
Capital Employed	<b>2,124.76</b>	<b>1,880.36</b>	<b>3,319.58</b>	<b>4,115.12</b>	<b>4,024.65</b>
e. Less: Loan Funds	1,777.60	1,853.00	2,789.39	3,341.42	3,178.38
Net Worth	<b>347.16</b>	<b>27.36</b>	<b>530.19</b>	<b>773.70</b>	<b>846.27</b>
<b>THEREFORE, COMPANY'S NET WORTH REPRESENTED BY</b>					
a. Equity Share Capital	164.81	142.59	142.59	137.34	117.27
b. Reserve & Surplus	182.35	(115.23)	387.60	636.36	729.00
	<b>347.16</b>	<b>27.36</b>	<b>530.19</b>	<b>773.70</b>	<b>846.27</b>

Figures for previous years 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	2020-2021	2019-2020	2018-19*	2017-18	2016-17
<b>RECEIPTS</b>					
1. Revenue From Operations	2,415.21	2,329.95	3,878.66	3,704.57	4,137.42
2. Other Income	102.22	79.35	109.65	153.23	227.37
<b>Total Receipts (A)</b>	<b>2,517.43</b>	<b>2,409.30</b>	<b>3,988.31</b>	<b>3,857.80</b>	<b>4,364.79</b>
<b>EXPENDITURES</b>					
1. Raw Materials and Finished Goods	264.34	240.85	1,198.35	1,220.46	1,331.02
2. Employee Benefit Expenses	141.23	133.93	271.54	323.41	313.21
3. Other Expenses	1,615.12	1,726.59	2,213.09	2,229.97	2,469.52
4. Finance Costs	245.81	315.05	438.45	421.24	282.10
<b>Total Expenses (B)</b>	<b>2,266.50</b>	<b>2,416.42</b>	<b>4,121.43</b>	<b>4,195.08</b>	<b>4,395.85</b>
<b>GROSS PROFIT (LOSS) (C)= (A)-(B)</b>	<b>250.93</b>	<b>(7.12)</b>	<b>(133.12)</b>	<b>(337.28)</b>	<b>(31.06)</b>
<b>Exceptional Item (D)</b>	<b>(294.83)</b>	<b>(387.12)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GROSS PROFIT (LOSS) post Exceptional Items (C)-(D)</b>	<b>(43.90)</b>	<b>(394.24)</b>	<b>(133.12)</b>	<b>(337.28)</b>	<b>(31.06)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>8.42</b>	<b>(11.37)</b>	<b>1.55</b>	<b>(1.74)</b>	<b>6.27</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(35.48)</b>	<b>(405.61)</b>	<b>(131.57)</b>	<b>(339.02)</b>	<b>(24.79)</b>
<b>APPROPRIATIONS/TRANSFERS</b>					
1. Depreciation (Net)	96.21	91.26	133.08	128.23	123.05
2. Provision for Tax expenses / (income)	(43.87)	-	(11.95)	-	2.33
3. Reversal of MAT Credit Entitlement	-	-	-	-	-
4. Provision for Deferred Tax - charge/ (credit)	(263.18)	-	-	(2.00)	(1.57)
5. Surplus/(Deficit)	175.36	(496.87)	(252.70)	(465.25)	(148.60)
	<b>(35.48)</b>	<b>(405.61)</b>	<b>(131.57)</b>	<b>(339.02)</b>	<b>(24.79)</b>

\* All figures are inclusive of Discontinuing Operation.

Figures for previous years 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<sup>st</sup> March 2021, and 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 2021, and its profit, total comprehensive income, 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, and is having a negative net worth. As on March 31<sup>st</sup>, 2021 the Company has an investment of ₹926.54 crores and outstanding loans of ₹131.20 crores in the said subsidiary and has recognised impairment loss on investment and loan of ₹78.95 Crore during the year ended 31<sup>st</sup> March 2021 (Cumulative impairment loss recognised as on 31<sup>st</sup> March 2021 amounts to ₹466.07 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 in 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 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 coherenced 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 forward tax losses, unabsorbed depreciation and provision for loans and advances</b></p> <p>The Company has recognised ₹261.62 Crores as DTA, as at 31<sup>st</sup> March, 2021, relating to carry forward tax losses, unabsorbed depreciation and provision for doubtful loans and advances.</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 11 year period.</p> <p>Recoverability of DTA on carry forward 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 expenses" 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 forward 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 forward 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 forward 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 standalone financial statements, consolidated 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
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: 21054785AAAACI2319

Place: Kolkata  
 Date: 14<sup>th</sup> May, 2021

## 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 31<sup>st</sup> March, 2021 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 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: 14<sup>th</sup> May, 2021

**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 31<sup>st</sup> March, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants*

(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**

*Partner*

Membership No. 054785

UDIN: 21054785AAAACI2319

## 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)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipments).
- (b) Some of the fixed assets (property, plant and equipments) were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets (property, plant and equipments) at reasonable intervals. 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, comprising all the immovable properties of land and buildings, are held in the name of the Company.
- Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventory, except for goods-in-transit and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except for one loan to Gondkhari Coal Mining Limited a joint venture aggregating ₹ 7.11 crore as on at 31<sup>st</sup> March, 2021, with a maximum amount of ₹ 7.11 crore outstanding during the year, which was granted without any agreement specifying terms and conditions, and is therefore in our opinion prejudicial to the Company's interests.
- (b) In respect of the aforesaid loan of ₹ 7.11 crore, the outstanding towards principal is fully provided for and no interest is being charged. During the year ended 31<sup>st</sup> March 2021, other loan to Cygnet Industries Limited amounting to ₹ 496.48 Crores have been converted into Equity and fresh loan amounting to ₹ 131.20 Crores have been granted which is repayable on demand. The party is regular in repayment of principal and payment of interest as applicable.
- (c) There is no amount overdue for more than 90 days at the balance sheet date, except for an amount aggregating ₹ 7.11 crore which is already 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 grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. 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) The Company has generally been regular in depositing undisputed statutory dues, including

Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities except for Interest on Goods and Service tax though the delays in deposit have not been serious.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except for Goods and Service Tax (including interest) 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	3.06*	2019 – 20	Not Applicable	Partly paid on 6 <sup>th</sup> April, 2021 and 24 <sup>th</sup> April, 2021
The Central, State and Integrated Goods and Service Tax Act, 2017	Interest on unpaid amount of goods and service tax	1.58	2020 – 21	Not Applicable	Not paid till the date

\* Out of the same, ₹ 0.27 crores have been subsequently paid on 06<sup>th</sup> April, 2021 and 24<sup>th</sup> April, 2021.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2021 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	0.64	0.22
Central Excise Act, 1944	Central Excise	Supreme Court	2010	0.08	-
Central Sales Tax Act, 1956	Sales Tax	High Court	2015-16	0.15	0.09
Central Excise Act, 1944	Central Excise	High Court	1994, 2005-2007, 2017	0.50	-
Central Excise Act, 1944	Central Excise	CESTAT	1974-75 to 1997-98, 1998-99, 1999-2000, 2000-2004, 2005-06, 2006-07 & 2007-08, 2008-09, 2009-10, 2010-11 & 2011-12.	5.80	0.86
Central Sales Tax Act, 1956	Sales Tax	CESTAT	2009-10	20.70	3.00
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	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 to 2009-10	0.06	-
Finance Act, 1994	Service Tax	Central Excise & Service Tax Appellate Tribunal, Bangalore	2005-06 to 2016-17	45.67	3.70
Goods and Service Tax Act	Interest on unpaid amount of goods and service tax and penalty	Commissioner (Appeals)	2018-19, 2019-20, 2020-21	74.16	6.23

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount (₹ In crores)	Amount Deposited (₹ In crores)
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	1979-80, 1980-81, 1982-83, 1992-93, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2001-02, 2002-03, 2004-05 & 2005-06, 2011-12, 2012-13, 2013-14 & 2014-15, 2015-16	0.45	0.03
Central Excise Act, 1944	Central Excise	Commissioner	1985-90, 1995-1996, 1999 to 2000 & 2000 to 2001, 2002-03, 2003 - 2005, 2010-11 and 2011-12, 2012-13	14.43	0.02
Central Excise Act, 1944	Central Excise	Assistant Commissioner	1991-94, 1995-96, 1996-97, 1998-99, 1999-00, 2002-03, 2003-04, 2004-05 TO 2005-06, 2016-17	0.89	-
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	-

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

- (viii) A Resolution Plan (“the Plan”) was approved by the lenders and subsequent to the same, the Company has entered into a Settlement Agreement with the banks and financial institutions (together terms as “lenders”) on 20<sup>th</sup> February 2021, pursuant to which debts owed by the Company as on 31<sup>st</sup> January 2021 have been settled through upfront payment of cash, issuance of Equity Shares and issue of Optionally Convertible Redeemable Preference Shares. Accordingly, the default in repayment of borrowings for the year has been made good after the settlement with the lenders. The Company has not defaulted in the repayment of dues to debenture holders.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, 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) According to the information and explanations given to us, the Company has made preferential allotment or private placement of shares, Optionally Convertible Debentures and Optionally Convertible Redeemable Preference Shares during the year under review.
- In respect of the above issue, we further report that:**
- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Abhijit Bandyopadhyay**  
*Partner*

Membership No. 054785  
 UDIN: 21054785AAAACI2319

Place: Kolkata  
 Date: 14<sup>th</sup> May, 2021



## Balance Sheet as at 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	1,567.05	1,645.28
(b) Right of use Assets	4	31.07	24.68
(c) Capital work-in-progress		14.63	13.57
(d) Investments in subsidiary and joint venture	5	460.47	430.05
(e) Financial assets			
(i) Investments	6	77.41	69.50
(ii) Loans	7	131.20	445.91
(iii) Other financial assets	8	3.18	7.61
(f) Income tax asset (net)		6.99	6.83
(g) Deferred tax assets (net)	18	261.62	-
(h) Other non-current assets	9	5.39	5.42
<b>Total non-current assets</b>		<b>2,559.01</b>	<b>2,648.85</b>
<b>(2) Current assets</b>			
(a) Inventories	10	101.50	115.18
(b) Financial assets			
(i) Trade receivables	11	274.96	169.78
(ii) Cash and cash equivalents	12	90.95	3.18
(iii) Other bank balances	13	14.49	6.54
(iv) Loans	7	4.04	4.03
(v) Other financial assets	8	23.83	21.21
(c) Other current assets	9	88.47	62.72
<b>Total current assets</b>		<b>598.24</b>	<b>382.64</b>
<b>Total assets</b>		<b>3,157.25</b>	<b>3,031.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14 (a)	164.81	142.59
(b) Other equity	14 (b)	182.35	(115.23)
<b>Total equity</b>		<b>347.16</b>	<b>27.36</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	1,774.02	1,337.46
(ii) Lease Liability	35	5.31	11.53
(iii) Other financial liabilities	16	74.27	73.57
(b) Provisions	17	23.10	21.34
(c) Other Non-current liabilities	19	0.37	1.36
<b>Total non-current liabilities</b>		<b>1,877.07</b>	<b>1,445.26</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	3.58	515.54
(ii) Lease Liability	35	11.41	10.58
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		15.70	7.87
Total outstanding dues of creditors other than micro enterprises and small enterprises		549.39	576.60
(iv) Other financial liabilities	16	91.27	191.64
(b) Provisions	17	44.12	45.24
(c) Income tax liabilities (net)		0.20	44.71
(d) Other current liabilities	19	217.35	166.69
<b>Total current liabilities</b>		<b>933.02</b>	<b>1,558.87</b>
<b>Total liabilities</b>		<b>2,810.09</b>	<b>3,004.13</b>
<b>Total equity and liabilities</b>		<b>3,157.25</b>	<b>3,031.49</b>
Notes forming part of the Financial Statements	1 - 43		

In terms of our report attached

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

Abhijit Bandyopadhyay  
Partner

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

For and on behalf of the Board

Suresh Sharma  
Chief Financial Officer

Akash Ghuwalewala  
Company Secretary

Manjushree Khaitan  
Chairman

P. Radhakrishnan  
Whole-time Director & CEO

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars		Notes	2020-2021	2019-2020
I	Revenue from operations	21	2,415.21	2,329.95
II	Other income	22	102.22	79.35
III	<b>Total Income (I+II)</b>		<b>2,517.43</b>	<b>2,409.30</b>
IV	<b>Expenses:</b>			
	(a) Cost of materials consumed	23	237.83	246.68
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	26.51	(5.83)
	(c) Employee benefit expense	25	141.23	133.93
	(d) Depreciation and amortisation expense	26	96.21	91.26
	(e) Finance costs	27	245.81	315.05
	(f) Other expenses	28	1,615.12	1,726.59
	<b>Total Expenses</b>		<b>2,362.71</b>	<b>2,507.68</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>154.72</b>	<b>(98.38)</b>
VI	<b>Exceptional Items</b>	29	(294.83)	(387.12)
VII	<b>Loss before tax (V+VI)</b>		<b>(140.11)</b>	<b>(485.50)</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax charge / (credit) (in respect of earlier year)		(43.87)	-
	(2) Deferred tax charge / (credit)	30	(263.18)	-
	<b>Total tax expense</b>		<b>(307.05)</b>	<b>-</b>
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>166.94</b>	<b>(485.50)</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		0.52	(3.82)
	Fair value changes of investments in equity shares		7.90	(7.55)
	<b>Total other comprehensive income/(loss)</b>		<b>8.42</b>	<b>(11.37)</b>
XI	<b>Total comprehensive income/(loss) for the year (IX+X)</b>		<b>175.36</b>	<b>(496.87)</b>
XII	<b>Earnings per share</b>	31		
	Basic (₹)		11.59	(34.05)
	Diluted (₹)		11.59	(34.05)
XIII	<b>Notes forming part of the Financial Statements</b>	1 - 43		

In terms of our report attached

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

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

For and on behalf of the Board

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
Company Secretary

**Manjushree Khaitan**  
Chairman

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

## Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2020-2021	2019-2020
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) before tax	(140.11)	(485.50)
Adjustments for:		
Depreciation and amortisation	96.21	91.26
Advances/deposits written off	-	0.11
Provision for bad and doubtful debts charged/(written back)	2.28	2.18
Inventory provision written off	4.03	-
Provision for doubtful advances	-	0.09
Finance costs	245.81	315.05
Exchange loss/(gain) on foreign currency fluctuation	-	0.01
Exceptional Items	294.83	387.12
Loss on sale of property, plant and equipment (net)	(0.27)	0.67
Liabilities/Provision no longer required written back	(4.47)	(2.16)
Interest income	(83.11)	(68.65)
Dividend income from long term investment (other than trade)	(0.02)	(0.02)
<b>Operating profit before working capital changes</b>	<b>415.18</b>	<b>240.16</b>
<b>Changes in Working Capital:</b>		
Increase / (decrease) in Non Current /Current financial and other liabilities/provisions	(29.13)	242.20
(Increase) / decrease in Non Current /Current financial and other assets	(139.12)	200.36
(Increase) / decrease in inventories	9.65	27.92
<b>Cash Generated from Operations</b>	<b>256.58</b>	<b>710.64</b>
Direct Taxes paid (net of refunds)	(0.84)	47.92
<b>Net cash generated from operating activities - Total</b>	<b>255.74</b>	<b>758.56</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of property, plant and equipment/capital advance given	(20.57)	(22.37)
Proceeds from sale of property, plant and equipment	1.65	0.59
Loan given to subsidiary	(246.35)	(388.94)
Net Loan Received/(Paid) to Body Corporate	(38.55)	(386.87)
Repayment of loans given to subsidiary	82.13	305.40
Interest received	1.04	46.45
Deposit Redemption/(Placed) with bank	(3.99)	(2.73)
Dividend income from long term investment (other than trade)	0.02	0.02
<b>Net cash used in investing activities - Total</b>	<b>(224.62)</b>	<b>(448.45)</b>
<b>C. Cash flow from Financing Activities</b>		
Finance cost paid	(408.76)	(280.28)
Payment of Lease obligations	(13.61)	(7.20)
Proceeds from		
- Long term borrowings	2,063.40	80.00
- Short term borrowings	102.87	1,009.95
Repayment of		
- Long term borrowings	(1,185.18)	(116.40)
- Short term borrowings	(377.56)	(803.83)
<b>Net cash generated from/(used) in financing activities - Total</b>	<b>181.16</b>	<b>(117.76)</b>

**Statement of Cash Flows** for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2020-2021	2019-2020
Net increase/(decrease) in cash and cash equivalents	212.28	192.35
Cash and cash equivalents at the beginning of the year	3.18	18.24
Add: Adjustment on account of loan settlement through issue of Equity Shares & OCRPS	66.30	-
Less: Cash credits at the beginning of the year	(190.82)	(602.50)
Less: Adjustment due to Scheme of Arrangement	-	204.28
<b>Adjusted cash &amp; cash equivalents at the beginning of the year</b>	<b>(121.34)</b>	<b>(379.98)</b>
Cash & cash equivalents at the end of the year	90.93	(187.64)

Particulars	2020-2021	2019-2020
<b>Cash and Cash Equivalents comprise :</b>		
Cash on hand	0.03	0.10
Balances with banks on current account	66.99	3.08
Deposit with original maturity for less than three months	23.93	-
Cash credits at the end of the year	(0.02)	(190.82)
	90.93	(187.64)

**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	2020-2021	2019-2020
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	-
	1,089.90	-

- During the current year the Company has settled all its bank loans and also extinguished the Company's guaranteed loans through issuance of equity shares, optionally convertible redeemable preference shares and upfront cash payment. Refer Note 29 (b) for details.
- The Company has repaid its loans out of the proceeds from the issuance of 16,035, Non-convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 1,603.50 crores and 4,599, Optionally Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 459.90 crores during the year.
- During the current year 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.
- 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

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
Company Secretary

**For and on behalf of the Board**

**Manjushree Khaitan**  
Chairman

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

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### A. Equity share capital

Particulars	Notes	Amount
As at 1 <sup>st</sup> April, 2019		142.59
Changes during the year	14 (a)	-
<b>As at 31<sup>st</sup> March, 2020</b>		<b>142.59</b>
Changes during the year	14 (a)	22.22
<b>As at 31<sup>st</sup> March, 2021</b>		<b>164.81</b>

### B. Other equity

Particulars	Notes	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, 2020</b>		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
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	<b>167.46</b>	<b>7.90</b>	<b>175.36</b>
Issue of equity shares	14 (b)	122.22								122.22
<b>Balance as at 31<sup>st</sup> March, 2021</b>		<b>923.49</b>	<b>0.15</b>	<b>2.91</b>	<b>3.59</b>	<b>224.00</b>	<b>7.31</b>	<b>(1,037.56)</b>	<b>58.46</b>	<b>182.35</b>

\*\* 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.

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	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, 2019		801.27	0.40	2.91	3.59	224.00	7.31	(709.99)	58.11	387.60
Profit/(Loss) for the year		-	-	-	-	-	-	(485.50)	-	(485.50)
Other comprehensive income/ (expense) [net of tax]		-	-	-	-	-	-	(3.82)	(7.55)	(11.37)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	<b>(489.32)</b>	<b>(7.55)</b>	<b>(496.87)</b>
Issue of equity shares and warrants		-	-	-	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement		-	-	-	-	-	-	(81.76)	-	(81.76)
Transfer of losses pursuant to scheme of arrangement		-	-	-	-	-	-	75.80	-	75.80
Transfer within equity	14 (b)	-	(0.25)	-	-	-	-	0.25	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>		<b>801.27</b>	<b>0.15</b>	<b>2.91</b>	<b>3.59</b>	<b>224.00</b>	<b>7.31</b>	<b>(1,205.02)</b>	<b>50.56</b>	<b>(115.23)</b>

\*\* 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: 14<sup>th</sup> May, 2021

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
Company Secretary

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, 2021

### 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 2021 present the financial position of the Company.

The financial statements for the year ended 31<sup>st</sup> March 2021 were approved by the Board of Directors and authorised for issue on 14<sup>th</sup> May 2021.

### 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.

##### (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

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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

### 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<sup>st</sup>, 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.

#### 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



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

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.

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).

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

### (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
- 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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

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 Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### (vi) 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.

### (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.

## 2.8 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.

### (b) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

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, 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

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

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.

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).

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

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 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, 2021

### 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 38 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, 2021

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 Impact of the initial application of new and amended Ind ASs that are effective for the current year

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after 1<sup>st</sup> April 2020.

#### Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30<sup>th</sup> June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30<sup>th</sup> June 2021 and increased lease payments that extend beyond 30<sup>th</sup> June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

### 2.21 Recent Pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

### Note 3: Property, plant and equipment

(All amounts in Rupees crores, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST						DEPRECIATION					NET BLOCK
	As at 1 <sup>st</sup> April 2020	Transfer Out pursuant to the scheme of arrangement	Additions during the Year	Transfer In	Deletion during the Year	As at 31 <sup>st</sup> March 2021	Upto 1 <sup>st</sup> April 2020	Transfer Out pursuant to the scheme of arrangement	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>-</b>	<b>3.24</b>	<b>-</b>	<b>6.62</b>	<b>1,981.68</b>	<b>339.78</b>	<b>-</b>	<b>80.10</b>	<b>5.25</b>	<b>414.63</b>	<b>1,567.05</b>

Particulars	GROSS BLOCK - AT COST						DEPRECIATION					NET BLOCK
	As at 1 <sup>st</sup> April 2019	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Transfer In **	Deletion during the Year	As at 31 <sup>st</sup> March 2020	Upto 1 <sup>st</sup> April 2019	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020
Land :												
- Freehold	861.65	256.65	-	3.55	-	608.55	-	-	-	-	-	608.55
- Leasehold [Refer Note (iii) below]	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	378.88	142.12	1.72	4.41	-	242.89	65.05	35.25	9.38	-	39.18	203.70
Plant and Equipments	1,337.72	257.86	8.33	-	1.81	1,086.38	287.22	74.63	67.79	0.97	279.41	806.97
Furniture and Fixtures	10.35	2.60	0.10	-	-	7.85	3.62	1.05	0.80	-	3.37	4.48
Office Equipment	7.54	2.58	0.26	-	0.07	5.15	4.58	1.80	0.81	0.06	3.53	1.62
Vehicles	18.90	1.35	-	-	0.88	16.67	7.04	0.71	2.33	0.47	8.19	8.48
Railway Siding	17.47	-	-	-	-	17.47	4.42	-	1.68	-	6.10	11.37
Bearer plant	0.10	-	-	-	-	0.10	-	-	-	-	-	0.10
<b>Total</b>	<b>2,632.61</b>	<b>663.16</b>	<b>10.41</b>	<b>7.96</b>	<b>2.76</b>	<b>1,985.06</b>	<b>371.93</b>	<b>113.44</b>	<b>82.79</b>	<b>1.50</b>	<b>339.78</b>	<b>1,645.28</b>

\* Assets transferred pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company"). The scheme was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 08<sup>th</sup> November, 2019 and became effective on 04<sup>th</sup> December, 2019.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

(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) Leasehold Land worth ₹ 0.26 crore had been classified as Right to Use Asset on adoption of INDAS 116 in the previous year. Opening Accumulated Depreciation amounting to ₹ 0.03 crore also had been reclassified. Refer Note 4

(iv) Transfer in (\*\*\*) of Land and Building amounting to ₹ 7.96 crores which has been transferred to the Company by Birla Tyres Ltd post demerger.

### Note 4: Right to Use Asset

Particulars	GROSS BLOCK - AT COST				AMORTISATION				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 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	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>

Particulars	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK
	As on transition to IND AS 116 1 <sup>st</sup> April, 2019	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March, 2020	As on transition to IND AS 116 1 <sup>st</sup> April, 2019	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2020
Leasehold Land	0.26	5.77	-	6.06	0.03	0.12	-	0.15	5.91
Building	4.63	0.78	-	5.41	-	2.32	-	2.32	3.09
Vehicle	1.58	0.10	-	1.68	-	1.03	-	1.03	0.65
Plant & Machinery	-	20.02	-	20.02	-	4.99	-	4.99	15.03
<b>Total</b>	<b>6.50</b>	<b>26.67</b>	<b>-</b>	<b>33.17</b>	<b>0.03</b>	<b>8.46</b>	<b>-</b>	<b>8.49</b>	<b>24.68</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	Face value	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<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, 2020: 43,00,50,000) shares of Cygnet Industries Limited *	10	926.54	430.05
Less: Provision for impairment in value of investments [refer Note 29(a)]		(466.07)	-
<b>(b) Equity Investments in Joint venture - Unquoted</b>			
22,730 (31 <sup>st</sup> March, 2020: 22,730) shares of Gondkhari 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>460.47</b>	<b>430.05</b>

\* During the current year 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, 2021	31 <sup>st</sup> March, 2020
<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, 2020: 496,100) shares of HGI Industries Ltd. \$	10	0.00*	0.00*
4,996,986 (31 <sup>st</sup> March, 2020: 4,996,986) shares of Kesoram Textile Mills Limited #	2	20.18	19.74
<b>Total</b>		<b>20.18</b>	<b>19.74</b>
<b>(ii) Unquoted</b>			
30,000 (31 <sup>st</sup> March, 2020: 30,000) shares of Birla Buildings Ltd	10	52.28	46.38
10,000 (31 <sup>st</sup> March, 2020: 10,000) shares of Coromandel Stampings & Stones Ltd \$	10	0.00*	0.00*
143,000 (31 <sup>st</sup> March, 2020: 143,000) shares of Kesoram Insurance Broking Services Ltd	10	1.03	1.02
10,455 (31 <sup>st</sup> March, 2020: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-
10 (31 <sup>st</sup> March, 2020: 10) shares of Meghdoot Co-operative Housing Society Ltd \$	100	0.00*	0.00*
7,231 (31 <sup>st</sup> March, 2020: 7,231) shares of Padmavati Investment Ltd	10	3.36	1.75
18,800 (31 <sup>st</sup> March, 2020: 18,800) shares of Vasavadatta Services Ltd	10	0.56	0.61
<b>Total</b>		<b>57.23</b>	<b>49.76</b>
<b>Total Investments</b>		<b>77.41</b>	<b>69.50</b>

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

<b>(a) Quoted</b>		
Carrying value	20.18	19.74
Market value	20.18	19.74
<b>(b) Unquoted</b>		
Carrying value	57.23	49.76

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
<b>A. Non-current</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]	131.20	426.64
Less: Impairment Loss on Subsidiary Loan	-	(387.12)
	<b>131.20</b>	<b>39.52</b>
(c) Loan to others [refer Note (b) below]	493.22	406.39
Less: Impairment Loss on Loan to Body Corporate [refer Note 29(c)]	(493.22)	-
	-	406.39
	<b>131.20</b>	<b>445.91</b>
<b>B. Current</b>		
<b>Unsecured, considered good</b>		
(a) Loan to employees	0.04	0.03
(b) Loan to others	4.00	4.00
	<b>4.04</b>	<b>4.03</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.

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, 2021	Maximum balance outstanding during the year	Investment by the loanee in shares of parent Company
Cygnet Industries Limited	Subsidiary	131.20	496.49	-

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 8: Other financial assets

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-current</b>		
Deposit with original maturity for more than 12 months	0.01	3.97
Security deposits	3.17	3.64
	<b>3.18</b>	<b>7.61</b>
<b>Current</b>		
Security deposits	4.06	4.05
Balance with body corporates	10.63	10.63
Interest accrued on deposits	0.08	0.09
Others*	9.06	6.44
	<b>23.83</b>	<b>21.21</b>

\* Held as lien by bank against bank guarantees ₹ 1.40 crores (FY19-20: Nil)

### Note 9: Other assets

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
Capital advances	3.68	4.79
Prepaid expenses	1.71	0.63
	<b>5.39</b>	<b>5.42</b>
<b>Current</b>		
Balance with statutory/government authorities	51.23	43.69
Prepaid expenses	3.35	4.73
Advance to vendors	62.80	44.58
Less: Allowances for doubtful advances	(32.61)	(31.42)
Others	3.85	2.49
Less: Allowances for doubtful advances	(0.15)	(1.35)
	<b>88.47</b>	<b>62.72</b>

### Note 10: Inventories

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Raw materials	9.00	8.34
Work-in-progress	9.41	15.62
Finished goods	16.98	37.31
Stores and spare parts	66.11	53.91
	<b>101.50</b>	<b>115.18</b>
Included above, goods-in-transit:		
Raw materials	0.92	1.05
Finished goods	5.41	-
Stores and spare parts	8.95	1.82
	<b>15.28</b>	<b>2.87</b>

The Company has made provision of ₹ 4.03 crores (31<sup>st</sup> March, 2020: Provision of ₹ 3.38 crores) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 11: Trade receivables

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current</b>		
Trade Receivables		
(a) Secured, considered good	50.38	32.67
(b) Unsecured, considered good	224.58	137.11
(c) Credit impaired	8.65	6.62
	<b>283.61</b>	<b>176.40</b>
Allowance for credit losses	(8.65)	(6.62)
	<b>274.96</b>	<b>169.78</b>

### Note 12: Cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Cash and cash equivalents</b>		
Cash on hand	0.03	0.10
<b>Balances with bank</b>		
In Current accounts	66.99	3.08
<b>Others</b>		
Deposit with original maturity less than three months	23.93	-
	<b>90.95</b>	<b>3.18</b>

### Note 13: Other bank balances

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Deposit with original maturity for more than three months but less than twelve months	14.47	6.45
On unpaid dividend accounts	0.02	0.09
	<b>14.49</b>	<b>6.54</b>

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Deposits more than three months includes:-		
- Deposits pledged with the sales tax authorities	0.01	0.01
- Held as lien by bank against bank guarantees	14.44	6.32

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

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

##### Authorised equity share capital

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
60,00,00,000 Equity Shares of ₹ 10 each [31 <sup>st</sup> March 2020: 55,00,00,000 shares]	600.00	550.00
6,00,00,000 Preference Shares of ₹ 100 each [31 <sup>st</sup> March 2020: 1,50,00,000 shares]	600.00	150.00
	<b>1,200.00</b>	<b>700.00</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
16,48,11,341 Equity Shares of ₹ 10 each fully paid up	164.81	142.59
(31 <sup>st</sup> March 2020: 14,25,90,079 Equity Shares of ₹ 10 each fully paid up)		

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

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	142.59	142.59
Fresh shares issued *	22.22	-
<b>Closing balance</b>	<b>164.81</b>	<b>142.59</b>

\* During the current 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) as more detailed in Note 29(b).

#### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All equity shareholders are entitled to one vote per share. 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, 2021		31 <sup>st</sup> March, 2020	
	Number of shares	% holding	Number of shares	% holding
Manav Investment & Trading Co. Ltd	3,39,66,691	20.61%	3,39,66,691	23.82%
Pilani Investments and Industries Corporation Limited	2,73,38,750	16.59%	2,73,38,750	19.17%
Axis Bank Limited	1,27,77,710	7.75%	-	-
	<b>7,40,83,151</b>	<b>44.95%</b>	<b>6,13,05,441</b>	<b>42.99%</b>

#### Note 14 (b): Other Equity

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Securities Premium	923.49	801.27
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	58.46	50.56
Others	7.31	7.31
Retained earnings	(1,037.56)	(1,205.02)
<b>Total reserves and surplus</b>	<b>182.35</b>	<b>(115.23)</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (i) Securities Premium

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	801.27	801.27
Increase/(decrease) during the year [Refer Note 14(a)]	122.22	-
<b>Closing balance</b>	<b>923.49</b>	<b>801.27</b>

### (ii) Capital reserve

#### (a) Development grant/subsidy

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	0.15	0.40
Transfer in equity	-	(0.25)
<b>Closing balance</b>	<b>0.15</b>	<b>0.15</b>

#### (b) Amalgamation reserve

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
Opening balance	50.56	58.11
Change in fair value of FVOCI equity instruments	7.90	(7.55)
Deferred tax	-	-
Transfer in equity	-	-
<b>Closing balance</b>	<b>58.46</b>	<b>50.56</b>

### (vi) Other reserves

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (vii) Retained earning

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	(1,205.02)	(709.99)
Net profit/(loss) for the year	166.94	(485.50)
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurement of post-employment benefit obligation, net of tax	0.52	(3.82)
Transfer pursuant to scheme of arrangement *	-	(81.76)
Transfer of losses pursuant to scheme of arrangement *	-	75.80
Transfer in equity	-	0.25
<b>Closing balance</b>	<b>(1,037.56)</b>	<b>(1,205.02)</b>

\* Loss arising pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company"). The scheme was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 8<sup>th</sup> November, 2019 and became effective on 4<sup>th</sup> December, 2019.

### 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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Financial Liabilities

#### Note 15: Borrowings

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<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 & Note 29 (b)]	-	1,353.41
<b>From others</b>		-
16,035 Senior Secured, Listed and Rated Redeemable Non-Convertible Debentures [face value of ₹ 10,00,000 each] [Refer note (b) below]	1,384.66	-
4,599 Secured Optionally Convertible Debentures [face value of ₹ 10,00,000 each] [Refer note (b) below]	370.29	-
Indian rupee loan [Refer note (c) below & Note 29 (b)]	-	82.27
<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 29 (b)] [Refer Note (b) below]	74.07	-
	<b>1,829.02</b>	<b>1,435.68</b>
Less: Current maturities of long term borrowings (Refer Note 16)	(55.00)	(124.32)
Add: Interest accrued on long term borrowings	-	26.10
	<b>1,774.02</b>	<b>1,337.46</b>
<b>Current</b>		
<b>(a) Secured</b>		
<b>Working Capital Loan</b>		
<b>From Bank</b>		
Overdraft / Cash Credit [Refer Note (d) below & Note 29 (b)]	-	190.82
Working capital demand loan [Refer Note 29 (b)]	-	290.08
<b>(b) Unsecured</b>		
<b>Term Loan</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
Director	-	20.73
	<b>3.02</b>	<b>504.63</b>
Add: Interest accrued on short term borrowings	0.56	10.91
	<b>3.58</b>	<b>515.54</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
Cash and cash equivalents	90.95	3.18
Non-current borrowings	(1,774.02)	(1,337.46)
Current borrowings	(3.58)	(515.54)
<b>Total</b>	<b>(1,686.65)</b>	<b>(1,849.82)</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	-	(69.32)	-	(69.32)
<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>(3.58)</b>	<b>(1,686.65)</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, 2019</b>	<b>18.24</b>	<b>(2,031.47)</b>	<b>(757.92)</b>	<b>(2,771.15)</b>
Cash flows	192.34	36.40	(206.11)	22.62
Transfer pursuant to the scheme of arrangement	204.28	715.37	45.38	965.03
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(411.68)	-	411.68	-
Interest expenses	-	(176.82)	(138.23)	(315.05)
Interest paid	-	150.61	129.66	280.28
Changes in current maturities of long-term debt and interest accrued on them	-	(31.55)	-	(31.55)
<b>Net debt as at 31<sup>st</sup> March, 2020</b>	<b>3.18</b>	<b>(1,337.46)</b>	<b>(515.54)</b>	<b>(1,849.82)</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
Axis Bank Ltd.	-	731.91	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner: (a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 6 month MCLR plus 2.50% p.a.
ICICI Bank Ltd.	-	184.84	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 28 equal quarterly instalments commencing from the 39 <sup>th</sup> month from the date of disbursement. Interest is payable monthly @ ICICI Bank base rate plus 2.90% p.a. with annual reset.
The South Indian Bank Ltd.	-	224.86	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner: (a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.75% p.a.
The Karur Vysya Bank Ltd.	-	56.29	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner: (a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 1.70% p.a.
The Lakshmi Vilas Bank Ltd.	-	56.31	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner: (a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.65% p.a.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Bank	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
IndusInd Bank Ltd	-	41.75	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments commencing from the 13 <sup>th</sup> month from the date of disbursement. Interest is payable monthly @ 1year MCLR with annual reset.
IndusInd Bank Ltd	-	57.45	First pari passu charge on all fixed assets of Cement Division excluding assets relating to corporate office. Second pari passu charge on current assets of the company excluding assets relating to corporate office. Exclusive charge over land of HHC & KSPF division. Pledge of 1,45,63,787 shares of Kesoram Industries Ltd. held by Manav Investments & Trading Co. Ltd.	36 equal monthly instalments starting from 19-06-2019. Interest payable monthly @ IndusInd Bank 1 year MCLR plus 0.15% p.a.
	-	1,353.41		

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

Others	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
Non-Convertible Debenture	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 2,60,41,587 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% p.a.; 19-36months @11.3% p.a.; 37-60months @13.1% p.a.; XIRR of 20.75% excluding additional interest 1 and taxes
Optionally Convertible Debenture	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 2,60,41,587 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% p.a. is applicable; XIRR of 20.75% excluding additional interest 1 and taxes.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Others	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
Zero Coupon Optionally Convertible Redeemable Preference Shares	74.07	-	Nil	Redeemable in 5 equal instalments starting from FY 2027-28
	<b>1,829.02</b>	-		

(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, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
West Bengal Infrastructure Development Finance Corporation Ltd.	-	56.30	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Axis Bank 6 month MCLR plus 2.50% p.a.
West Bengal Infrastructure Development Finance Corporation Ltd.	-	25.97	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments starting from 30 <sup>th</sup> June 2019 . Interest payable monthly @ IndusInd Bank 1 year MCLR plus 1.25% p.a..
	-	<b>82.27</b>		

(d) Repayment terms and nature of securities given for short term borrowings

- The cash credit and working capital demand loans are repayable on demand.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

### Note 16: Other financial liabilities

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
Security deposits	74.27	73.57
	<b>74.27</b>	<b>73.57</b>
<b>Current</b>		
Current maturities of long-term debt (Refer Note 15)	55.00	124.32
Capital creditors	1.09	4.04
Retention & earnest deposits	9.30	8.82
Other payables	8.64	23.81
Security deposits	17.22	30.51
Unpaid dividends*	0.02	0.09
Unpaid matured deposits and interest accrued thereon	-	0.05
	<b>91.27</b>	<b>191.64</b>

\* Note: There is no liability due which is required to be transferred to Investor Education and Protection Fund.

### Note 17: Provisions

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for leave encashment (unfunded)	12.79	12.06
<b>(b) Others</b>		
Decommissioning obligations	10.31	9.28
<b>Total non-current provisions</b>	<b>23.10</b>	<b>21.34</b>
<b>Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for gratuity (Refer Note 25)	1.46	6.91
Provision for leave encashment (unfunded)	2.91	3.65
Others	2.22	0.21
<b>(b) Others</b>		
Provision for contingencies	12.34	11.84
Provision for disputed statutory dues	25.19	22.63
<b>Total current provisions</b>	<b>44.12</b>	<b>45.24</b>

#### (i) Movement in provisions

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

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1 <sup>st</sup> April, 2020	-	9.28	11.84	22.63
Charged/(credited) to profit or loss:	-	-	-	-
Additional provision recognised	-	-	0.50	2.56
Unused amounts reversed	-	-	-	-
Amounts used during the year	-	-	-	-
Unwinding of discount	-	1.03	-	-
As at 31 <sup>st</sup> March, 2021	-	<b>10.31</b>	<b>12.34</b>	<b>25.19</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2019</b>	20.69	8.34	81.99	22.63
Charged/(credited) to profit or loss:	-	-	-	-
Additional provision recognised	-	-	-	-
Unused amounts reversed	-	-	-	-
Amounts used during the year	-	-	1.21	-
Transfer pursuant to the scheme of arrangement	(20.69)	-	(71.36)	-
Unwinding of discount	-	0.94	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	-	<b>9.28</b>	<b>11.84</b>	<b>22.63</b>

### Note 18: Deferred Tax Asset/Liability

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Deferred Tax Liabilities</b>		
Timing Difference - Property, plant and equipment	215.00	289.76
Timing Difference - Investments	15.18	13.61
Other	79.81	2.02
<b>Gross Deferred Tax Liability</b>	<b>309.99</b>	<b>305.39</b>
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	219.68	17.07
Capital losses	27.20	27.69
Business losses	160.21	77.65
Items allowable for tax purpose on payment basis	22.34	22.69
Provisions	139.64	156.02
Others	2.54	4.27
<b>Gross Deferred Tax Asset</b>	<b>571.61</b>	<b>305.39</b>
<b>Net Deferred Tax Assets</b>	<b>261.62</b>	<b>-</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, 2021	31 <sup>st</sup> March, 2020
<b>Non-current</b>		
Advance received from Employees	0.37	1.36
	<b>0.37</b>	<b>1.36</b>
<b>Current</b>		
Deferred revenue	24.19	12.85
Advance from customers	35.72	32.98
Statutory dues	136.09	107.79
Advance received from Employees	0.94	0.26
Other payables	20.41	12.81
	<b>217.35</b>	<b>166.69</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 20: Trade payables

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	15.70	7.87
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	-	75.16
(ii) Others	529.09	481.79
(c) Employee benefits payable	20.30	19.65
	<b>565.09</b>	<b>584.47</b>

### Note 21: Revenue from operations

Particulars	2020-2021	2019-2020
<b>Revenue from contracts with customers #</b>		
Sale of Products	2,410.28	2,323.35
Other operating revenue	4.93	6.60
	<b>2,415.21</b>	<b>2,329.95</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, 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>

Year ended 31<sup>st</sup> March, 2020

Particulars	India	Outside India	Total
Cement	2,323.35	-	2,323.35
	<b>2,323.35</b>	<b>-</b>	<b>2,323.35</b>

#### B. The Company has recognised the following revenue-related contract liabilities and receivables from contract with customers

Particulars	2020-2021	2019-2020
Contract liabilities - Deferred revenue	24.19	12.85
Contract liabilities - Advance from customers	35.72	32.98
	<b>59.91</b>	<b>45.83</b>

The change in Contract Liabilities are as follows:

Particulars	2020-2021	2019-2020
<b>Contract liabilities - Opening</b>	<b>45.83</b>	<b>43.46</b>
Less: Transferred pursuant to the scheme of arrangement	-	(12.80)
Add: Additions during the year, excluding amounts recognised as revenue during the year	46.81	43.51
Less: Revenue recognised in the current year which was included in Contract Liabilities	(32.73)	(28.34)
<b>Contract Liabilities - Closing</b>	<b>59.91</b>	<b>45.83</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2020-2021	2019-2020
Trade Receivables - Gross	283.61	176.40
Less: Allowance for doubtful debt	(8.65)	(6.62)
	<b>274.96</b>	<b>169.78</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	2020-2021	2019-2020
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
Contract liabilities – Deferred revenue	0.26	15.61
Contract liabilities – Advance from customers	32.47	12.73
	<b>32.73</b>	<b>28.34</b>

### Note 22: Other Income

Particulars	2020-2021	2019-2020
Interest income:		
On financial instruments measured at amortised cost	82.10	65.81
On income tax refund	1.01	2.84
Dividend income	0.02	0.02
Other non operating income	19.09	10.68
	<b>102.22</b>	<b>79.35</b>

### Note 23: Cost of Materials Consumed

Particulars	2020-2021	2019-2020
<b>Raw Material Consumed</b>		
Opening inventory	8.34	81.52
Add : Purchases	128.70	105.77
Less : Inventory at the end of the year	9.00	8.34
Add: Raising lime stone cost	109.79	124.81
Less: Transferred pursuant to the scheme of arrangement*	-	57.08
	<b>237.83</b>	<b>246.68</b>

\* Stock transfer pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company").

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2020-2021	2019-2020
<b>(a) Limestone raising cost include:</b>		
Salaries, Wages, Bonus etc.	11.37	12.99
Contribution to Provident and other Funds	0.48	0.80
Contribution to Gratuity Fund (refer note 25)	0.47	0.77
Workmen and Staff welfare	0.25	0.33
Dead Rent, Royalty etc.	63.94	68.13
Power and Fuel	4.40	6.31
Stores and spares parts consumed	19.29	22.94
Machinery repairs	3.72	3.94
Other repairs	0.10	0.09
Rates and taxes	0.15	0.19
Insurance	0.02	0.01
Contractors-Transport	4.72	7.38
Miscellaneous	0.88	0.93
	<b>109.79</b>	<b>124.81</b>

### Note 24: Changes in stock of finished goods, work-in-progress and stock in trade

Particulars	2020-2021	2019-2020
Inventories at the beginning of the year		
- Work-in-progress	15.62	50.56
- Finished Goods	37.31	84.99
Less: Inventories at the end of the year		
- Work-in-progress	9.41	15.62
- Finished Goods	16.98	37.31
Less: Transferred to Capital Jobs	0.03	0.13
Less: Transferred pursuant to the scheme of arrangement*	-	88.32
	<b>26.51</b>	<b>(5.83)</b>

\* Stock transfer pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company").

### Note 25: Employee benefits expense

Particulars	2020-2021	2019-2020
Salaries, wages and bonus	125.31	118.13
Contribution to provident fund	6.04	6.47
Contribution to superannuation fund	0.08	0.09
Gratuity	3.08	2.32
Contribution under Employees State Insurance Scheme	0.29	0.43
Voluntary separation Scheme	2.67	-
Staff welfare expenses	3.76	6.49
<b>Total employee benefits expense</b>	<b>141.23</b>	<b>133.93</b>

During the year, the Company recognised an amount of ₹ 5.35 crore (2019-20: ₹ 7.80 crores ) as remuneration to key managerial personnel.

The details of such remuneration is as below:

Particulars	2020-2021	2019-2020
Short term employee benefits	5.18	7.21
Post employment benefits	0.17	0.59
<b>Total employee benefits expense</b>	<b>5.35</b>	<b>7.80</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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 2021 and 31<sup>st</sup> March 2020 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, 2020	26.26	26.11	(0.15)
as at 31 <sup>st</sup> March, 2021	25.35	28.60	3.25

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, 2021	31 <sup>st</sup> March, 2020
Discount Rate (per annum)	8.50%	8.50%
Expected Rate of Return on Plan Assets (per annum)	8.50%	8.90%

The Company contributed ₹ 2.61 crore and ₹ 3.36 crore during the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 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, 2021

(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 ₹ 0.10 Crore during the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 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, 2020</b>	<b>48.69</b>	<b>41.78</b>	<b>6.91</b>
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	-	-	-
Acquisition adjustment	-	-	-
<b>31<sup>st</sup> March, 2021</b>	<b>53.07</b>	<b>51.61</b>	<b>1.46</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2019</b>	<b>73.91</b>	<b>68.94</b>	<b>4.97</b>
Transferred pursuant to the scheme of arrangement	(29.75)	(27.74)	(2.01)
Current service cost	3.01	-	3.01
Interest expense/(income)	2.78	(2.70)	0.08
<b>Total amount recognised in profit or loss</b>	<b>5.79</b>	<b>(2.70)</b>	<b>3.09</b>
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.25)	1.25
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	3.31	-	3.31
Actuarial (gain)/loss from unexpected experience	(0.74)	-	(0.74)
<b>Total amount recognised in other comprehensive income</b>	<b>2.57</b>	<b>(1.25)</b>	<b>3.82</b>
Employer contributions/ premium paid	-	2.97	(2.97)
Benefit payments	3.84	3.84	-
Settlement Cost	-	-	-
Disposal/ Transfer of Asset	-	-	-
<b>31<sup>st</sup> March, 2020</b>	<b>48.69</b>	<b>41.78</b>	<b>6.91</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
Discount rate	6.80%	6.60%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2012-2014 ULTIMATE	IALM 2006-2008 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, 2021		31 <sup>st</sup> March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	50.87	55.44	46.75	50.76
% change compared to base due to sensitivity	(4.15%)	4.46%	(3.97%)	4.27%
Salary growth rate (-/+ 0.5%)	55.46	50.83	50.77	46.72
% change compared to base due to sensitivity	4.50%	(4.22%)	4.30%	(4.30%)
Attrition rate (-/+ 0.5%)	53.08	53.06	48.75	48.62
% change compared to base due to sensitivity	0.02%	(0.02)%	0.14%	(0.14%)
Life expectancy/ mortality rate (-/+ 10%)	53.09	53.06	48.94	48.43
% change compared to base due to sensitivity	0.03%	(0.03%)	0.53%	(0.53%)

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, 2021

(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 2021 is ₹ 5.13 crores.

The weighted average duration of the defined benefit obligation is 13 years (31<sup>st</sup> March 2020 – 13 years).

### Note 26: Depreciation and amortisation expense

Particulars	2020-2021	2019-2020
Depreciation on tangible assets	80.10	82.80
Amortisation of intangible & Right to Use assets	16.11	8.46
	<b>96.21</b>	<b>91.26</b>

### Note 27: Finance cost

Particulars	2020-2021	2019-2020
Interest expenses	240.43	307.60
Interest on Lease Liabilities	2.07	2.21
Other borrowing costs	3.31	5.24
	<b>245.81</b>	<b>315.05</b>

### Note 28: Other expenses

Particulars	2020-2021	2019-2020
Consumption of stores and spare parts	29.32	41.81
Power and fuel [refer Note (a) below]	602.22	639.12
Rent	10.32	8.38
Repairs and Maintenance [refer Note (b) below]		
Building	4.09	6.87
Plant and Machinery	36.59	43.08
Others	2.77	2.90
Insurance	6.09	4.61
Rates and Taxes	5.33	4.75
Brokerage and Discounts	17.04	21.42
Packing, Carriage and Shipping [refer Note (c) below]	807.23	821.70
Commission to selling agents	7.38	7.37
Sales Promotion	19.80	41.98
Directors' Fees	1.01	0.71
Debts/ Advances/ Deposits written off	-	0.11
Legal and professional expenses [refer Note (f) below]	30.86	13.51
Provision for doubtful debts	2.28	2.18
Provision for doubtful advances	-	0.09
Loss/ (Profit) on property , plant and equipments sold/discarded (net)	(0.27)	0.67
Payments to the auditor [refer Note (d) below]	3.96	4.02
Foreign currency translation loss (net)	-	0.01
Miscellaneous expenses [refer Note (e) below]	29.10	61.30
	<b>1,615.12</b>	<b>1,726.59</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2020-2021	2019-2020
(a) Power and Fuel includes consumption of stores and spares	589.48	615.29
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	4.03	4.82
(ii) Salaries and Wages	31.95	40.15
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts	74.56	68.25
(ii) Salaries and Wages	16.33	16.07
(d) 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	2.44
Tax Audit Fees	0.45	0.45
Fees for issuing various certificates	1.31	1.07
Reimbursement of Expenses	0.06	0.06
	<b>3.96</b>	<b>4.02</b>
(e) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	1.33	2.39
(f) Legal & Professional expenses include		
(i) Payment to cost auditor	0.05	0.04

### Note 29: Exceptional items

Particulars	2020-2021	2019-2020
Impairment Loss on Subsidiary Loan [refer Note a]	(78.95)	(387.12)
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>(294.83)</b>	<b>(387.12)</b>

- a) The Company had non-current investment of ₹926.54 crore in Cygnet Industries Limited, a wholly owned subsidiary and loan outstanding of ₹131.20 crore as on 31<sup>st</sup> March 2021. During the current year, the Company has carried out an impairment assessment and recognised a further impairment loss of ₹78.95 crore [FY 2019-20: ₹387.12 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 2021. 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) 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 has 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).



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

ii) By issuance of 4,48,97,195 numbers of Zero Coupon 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.

iii) Upfront repayment of Existing facilities to the extent of ₹1,670.94 crores to the lenders. The Company during the year has 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 is recognised in 'the Statement of Profit and Loss' as an exceptional item.

c) The company consequent to demerger in the previous year had recognised an amount recoverable from the resulting company. As on March 31, 2021, the related outstanding balance is ₹493.22 crores. During the year, the Company has recognised a provision for impairment in respect of this outstanding balance, as the resulting company is going through a Resolution Process and the outcome of the same is dependent on implementation of the Resolution Process. This impairment loss has been considered as an exceptional item.

### 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 2021	31 <sup>st</sup> March 2020
<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	(266.22)	139.38
(Decrease) increase in deferred tax liabilities	4.60	(139.38)
<b>Total deferred tax expense/(benefit)</b>	<b>(261.62)</b>	-
<b>Income tax expense</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 2021	31 <sup>st</sup> March 2020
Deferred tax assets	571.61	305.39
Deferred tax liabilities	(309.99)	(305.39)
<b>Closing Balance</b>	<b>261.62</b>	-

Particulars	As at Apr 01, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021	Not Recognised due to Uncertainty
<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	-

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	As at Apr 01, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021	Not Recognised due to Uncertainty
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	-	2.54	-
	<b>305.39</b>	<b>266.22</b>	<b>-</b>	<b>571.61</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	-
Others	15.63	77.80	1.56	94.99	-
	<b>305.39</b>	<b>3.03</b>	<b>1.56</b>	<b>309.99</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>117.30</b>

Particulars	As at Apr 01, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020	Not Recognised due to Uncertainty
<b>A. Deferred tax assets</b>					
Unabsorbed depreciation	101.33	(84.26)	-	17.07	280.17
Capital losses	1.21	26.48	-	27.69	-
Business losses	78.81	(1.16)	-	77.65	106.64
Provision for doubtful debts	61.52	(46.97)	-	14.54	-
Provision for doubtful advances	15.37	(12.88)	-	2.49	-
Other Provisions	20.25	118.74	-	138.99	-
Items allowable for tax purpose on payment basis	41.95	(15.95)	-	26.00	-
Others	124.33	(123.38)	-	0.95	-
Minimum alternate tax (MAT) credit entitlement	-	-	-	-	38.29
	<b>444.77</b>	<b>(139.38)</b>	<b>-</b>	<b>305.39</b>	<b>425.10</b>
<b>B. Deferred tax liabilities</b>					
Difference between book balance and tax balance of property, plant and equipment	427.15	(137.39)	-	289.76	-
Others	17.62	(1.99)	-	15.63	-
	<b>444.77</b>	<b>(139.38)</b>	<b>-</b>	<b>305.39</b>	<b>-</b>
<b>Net deferred tax assets / (liabilities) (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425.10</b>

## (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Profit before tax from Continuing Operations (A)	(140.11)	(485.50)
Tax at the rate of 25.168% (2019-20 – 34.944%)	(35.26)	(169.65)

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Deferred tax asset not recognised	-	21.51
Exempt income	-	(0.01)
Deductions claimed in tax	-	-
Permanent differences	17.62	0.01
Provision for Impairment on Investment in Subsidiary	19.87	135.28
Others (including difference in tax rates)	(2.23)	12.86
<b>Total income tax expense/(credit)</b>	-	-

### (c) Tax losses

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Unused tax losses for which no deferred tax has been recognised:		
Tax losses		
Business loss	466.07	305.18
Unabsorbed tax depreciation	-	801.77
Potential tax benefit @ 25.168% on Business loss (FY 2019-20 @34.944%)	117.30	386.81
Minimum alternate tax (MAT) credit entitlement	-	38.29
<b>Total</b>	<b>117.30</b>	<b>425.10</b>

(a) Unabsorbed depreciation does not have any expiry period.

(b) From financial year 2020-21 (AY 2021-22) and onwards, the company has decided to opt 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.

### Note 31: Earnings per share

Particulars		2020-2021	2019-2020
<b>(i) Basic</b>			
Number of equity shares at the beginning of the year		14,25,90,079	14,25,90,079
Number of equity shares at the end of the year		16,48,11,341	14,25,90,079
Weighted average number of equity shares outstanding during the year	(A)	14,40,51,203	14,25,90,079
Nominal value of each equity Share (₹)		10	10
Profit / (Loss) for the year (₹ in crore)	(B)	166.94	(485.50)
Earnings per share (Basic) (₹)	(B/A)	11.59	(34.05)
<b>(ii) Diluted</b>			
Weighted average number of equity shares outstanding during the year		14,40,51,203	14,25,90,079
Earnings per share (Diluted) (₹)		11.59	(34.05)

### Note 32: Contingent liabilities

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>(a) Claims against the Company not acknowledged as debts :</b>		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	213.47	201.72
<b>(b) Income Tax matters</b>	15.43	15.54
	<b>228.90</b>	<b>217.26</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 Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 33: Capital and other commitments

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>(a) Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 1.59 crore (31 <sup>st</sup> March, 2020: ₹ 0.44 crore)]	3.19	4.17
<b>(b) Other Commitments</b>		
Borrowing / Financial obligation not provided for	-	233.00
	<b>3.19</b>	<b>237.17</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, 2021	31 <sup>st</sup> March, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	15.70	7.83
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.04
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.05
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

The estimated impact of Ind AS 116 on the Company's financial statements as at 31<sup>st</sup> March, 2021 is as follows:-

- The following is the break-up of current and non-current lease liabilities as at 31<sup>st</sup> March, 2021.

Particulars	2020-2021	2019-2020
Current Lease Liability	11.41	10.58
Non Current Lease Liability	5.31	11.53
	<b>16.72</b>	<b>22.11</b>

- The following is the movement in lease liabilities during the year ended 31<sup>st</sup> March, 2021:

Particulars	2020-2021	2019-2020
Opening Balance	22.11	6.21
Additions during the year	6.68	20.90
Finance cost accrued during the period	2.07	2.21
Deletions	0.54	-
Payment of lease liabilities	13.61	7.20
<b>Closing Balance</b>	<b>16.72</b>	<b>22.11</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

	2020-2021	2019-2020
3. Expense pertaining to leases which has been identified as Short Term	6.82	6.16
4. Expense pertaining to leases which has been identified as Low Value	0.09	0.07

### 5. Contractual maturities of lease liabilities as at 31<sup>st</sup> March, 2021 on an undiscounted basis

The table below provides details regarding the contractual maturities of lease liabilities as at 31<sup>st</sup> March, 2021 on an undiscounted basis:

Particulars	2020-2021	2019-2020
Less than one year	13.16	12.02
One to five years	4.30	12.14
More than five years	7.36	7.51

### 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, 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	-	-	135.24	135.24	135.24
Investments	-	77.41	-	77.41	77.41
Other financial assets	-	-	27.01	27.01	27.01
<b>Total financial assets</b>	-	<b>77.41</b>	<b>542.65</b>	<b>620.06</b>	<b>620.06</b>
<b>Financial liabilities</b>					
Borrowings	74.07	-	1,758.53	1,832.60	1,832.60
Trade and other payables	-	-	565.09	565.09	565.09
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>2,450.88</b>	<b>2,524.95</b>	<b>2,524.95</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2020			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	3.18	3.18	3.18
Other bank balances	-	-	6.54	6.54	6.54
Trade receivables	-	-	169.78	169.78	169.78
Loans	-	-	449.94	449.94	449.94
Investments	-	69.50	-	69.50	69.50
Other financial assets	-	-	28.82	28.82	28.82
<b>Total financial assets</b>	-	<b>69.50</b>	<b>658.26</b>	<b>727.76</b>	<b>727.76</b>
<b>Financial liabilities</b>					
Borrowings	-	-	1,977.32	1,977.32	1,977.32
Trade and other payables	-	-	584.47	584.47	584.47
Lease Liability	-	-	22.11	22.11	22.11
Other financial liabilities	-	-	140.89	140.89	140.89
<b>Total financial liabilities</b>	-	-	<b>2,724.79</b>	<b>2,724.79</b>	<b>2,724.79</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, 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>

Particulars	31 <sup>st</sup> March, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments	-	-	69.50	69.50
	-	-	<b>69.50</b>	<b>69.50</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
Trade receivables	274.96	169.78
Loan	135.24	449.94
Other financial assets	27.01	28.82
<b>Total</b>	<b>437.21</b>	<b>648.54</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, 2021

(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 2021 and 31<sup>st</sup> March 2020.

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2020-2021	2019-2020
<b>Opening balance</b>	<b>6.62</b>	<b>168.93</b>
Charge/(Release) to statement of profit and loss	2.28	2.18
Transferred pursuant to the scheme of arrangement	-	(163.38)
Utilised during the year	(0.25)	(1.11)
<b>Balance at the end of the year</b>	<b>8.65</b>	<b>6.62</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, 2021	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	55.00	551.30	1,457.10	448.97	2,512.37
Lease Liability	13.16	3.99	0.31	7.36	24.82
Other financial liabilities	36.83	-	-	74.27	111.10
Trade payables	565.09	-	-	-	565.09
<b>Total non-derivative financial liabilities</b>	<b>670.08</b>	<b>555.29</b>	<b>1,457.41</b>	<b>530.60</b>	<b>3,213.38</b>

Contractual maturities of financial liabilities 31 <sup>st</sup> March, 2020	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	665.96	356.76	331.51	656.69	2,010.92
Lease Liability	12.02	6.12	6.02	7.51	31.67
Other financial liabilities	67.32	-	-	73.57	140.89
Trade payables	584.47	-	-	-	584.47
<b>Total non-derivative financial liabilities</b>	<b>1,329.77</b>	<b>362.88</b>	<b>337.53</b>	<b>737.77</b>	<b>2,767.95</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 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>

As at 31<sup>st</sup> March, 2020

	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	0.05	3.39	0.00*	0.05	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>(0.05)</b>	<b>(3.39)</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, 2021

(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, 2021	31 <sup>st</sup> March, 2020
<b>USD sensitivity</b>		
INR/USD appreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	-	0.17
INR/USD depreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	-	(0.17)
<b>EUR sensitivity</b>		
INR/EUR appreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	0.00	0.00
INR/EUR depreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	(0.00)	(0.00)
<b>GBP sensitivity</b>		
INR/GBP appreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	-	-
INR/GBP depreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	-	-
<b>JPY sensitivity</b>		
INR/JPY appreciates by 5% (31 <sup>st</sup> March, 2020 - 5%)@	-	-
INR/JPY depreciates by 5% (31 <sup>st</sup> March, 2020 - 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 2021 and 31<sup>st</sup> March 2020, 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, 2021	31 <sup>st</sup> March, 2020
Variable rate borrowings	-	1,949.79
Fixed rate borrowings	1,832.02	23.73
<b>Total borrowings</b>	<b>1,832.02</b>	<b>1,973.52</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, 2021	31 <sup>st</sup> March, 2020
Interest expense rates – increase by 50 basis points (50 bps)#	-	(9.75)
Interest expense rates – decrease by 50 basis points (50 bps)#	-	9.75

# Holding all other variables constant

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
Share price - Increase 5%	3.87	3.48
Share price - Decrease 5%	(3.87)	(3.48)

### Note 39: Segment reporting

Pursuant to restructuring, the tyre business has been demerged from Kesoram Industries Limited and at standalone financial statement level, the Company operates in one segment i.e. "Cement" in the financial year 2020-21. 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, 2021	For the year ended 31 <sup>st</sup> March, 2020
India	2,415.21	2,329.95
Others	-	-
	<b>2,415.21</b>	<b>2,329.95</b>

### Note 39A:

As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the operations of the Company were impacted for the year under reference. The Management has considered the possible effects, if any, that resulted from the pandemic on the carrying amounts of current assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these Financial Results. The Company continues to monitor the rapidly changing situation.

### Note 40: Related party transactions

#### List of Related Parties and relationship

##### A) Subsidiary

Cygnnet 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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### D) Key Management Personnel

Smt. Manjushree Khaitan  
 Mr. P. Radhakrishnan  
 Mr. Suresh Sharma  
 Mr. Kaushik Biswas [resigned w.e.f 19<sup>th</sup> January,2021]  
 Mr. Akash Ghuwalewala  
 Mr. Gujjula Srinivasa Reddy  
 Late Mr. Amitabha Ghosh [demised on 15<sup>th</sup> September,2020]  
 Mr. Lee Seow Chuan  
 Ms. Jikyeong Kang  
 Mr. Siddhartha Mohanty [resigned w.e.f 1<sup>st</sup> February,2021]  
 Mr. Kashi Prasad Khandelwal  
 Mr. Bhaskar Neogi  
 Mr. Sudip Banerjee

### 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

#### 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	2020-2021	2019-2020
<b>Interest Income:</b>		
Subsidiary	32.67	47.44
<b>Management Service Income:</b>		
Subsidiary	3.47	3.79
<b>Rent Received:</b>		
Subsidiary	0.14	0.17
Others	-	-
<b>Reimbursement of Expenses:</b>		
Subsidiary	-	0.08
Others	-	-
<b>Purchase of Material:</b>		
Subsidiary	-	0.39
<b>Loan Repayment</b>		
Subsidiary	82.13	305.40
<b>Loan Given</b>		
Subsidiary	246.35	388.94
<b>Conversion of Loan to Investment</b>		
Subsidiary	496.49	-
<b>Impairment Provision</b>		
Subsidiary	78.95	387.12
<b>Interest Received</b>		

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Nature of Transaction/ Relationship	2020-2021	2019-2020
Subsidiary	-	42.05
<b>Advance Given</b>		
Joint Venture	-	-
<b>Provident Fund Contribution</b>		
Post Retirement Benefit Plan	2.61	3.36
<b>Gratuity Claimed</b>		
Post Retirement Benefit Plan	4.82	4.65
<b>Gratuity Contribution</b>		
Post Retirement Benefit Plan	5.53	3.78
<b>Superannutaion Contribution</b>		
Post Retirement Benefit Plan	0.02	0.02
<b>Upkeep, Rent, Electricity, Generator facility</b>		
Others	0.29	0.40
<b>Tour &amp; Travel Services</b>		
Others	0.41	11.26
<b>Receipt of ICD</b>		
Others	50.20	-
<b>Repayment of ICD</b>		
Others	50.20	-
<b>Interest Expense</b>		
Others	1.48	-
<b>Interest Payment</b>		
Others	1.48	-
<b>Expenditure-Other Services</b>		
Others	0.37	8.17

### (B) Outstanding balances

Nature of Transaction/ Relationship	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Payable :</b>		
Others	1.11	2.12
Post Retirement Benefit Plan	1.59	6.48
<b>Loan Receivable</b>		
Subsidiary	129.46	417.74
Joint Venture	6.17	6.17
<b>Interest Receivable</b>		
Subsidiary	1.74	8.89
Joint Venture	0.62	0.62
<b>Investment in Shares</b>		
Subsidiary [net of impairment loss]	460.47	430.05
<b>Advance Receivable</b>		
Joint Venture	0.32	0.32
<b>Liability for Material Purchase</b>		
Subsidiary	-	0.06

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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	2020-2021	2019-2020
Sitting fees to Director	1.01	0.71
Reimbursement of Expenses	0.04	0.08
Repayment of Loan from Director	20.73	-

- (ii) Outstanding balances

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Remuneration	0.23	0.39
Loan from Director	-	20.73

Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given, Investment made and Guarantee given are mentioned in the respective notes of Non Current Investments (refer note 6), and Non Current Loans and Advances (refer note 7) and Guarantees (refer note 31(a)).

Also refer note 33(b) relating to commitments as on 31.03.2021 in respect of Cygnet Industries Ltd amounting to ₹ Nil (Previous year : 233 crore) for borrowing / financing obligation.

### Note 41: Research and development expenditure

The Company has incurred ₹ 1.48 Crore (2019-20: ₹ 1.43 Crore) on account of Research and Development expenses which has been charged to Statement of Profit and Loss. Capital Expenditure relating to Research & Development amounting to ₹ Nil (2019-20: ₹ Nil) has been included in property, plant and equipment.

Unit	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	Capital	Revenue	Capital	Revenue
Vasavadatta Cement	-	-	-	-
Kesoram Cement	-	1.48	-	1.43
	-	1.48	-	1.43

**Note 42:** 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 code 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 43:** 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: 14<sup>th</sup> May, 2021

Suresh Sharma  
Chief Financial Officer

Akash Ghuwalewala  
Company Secretary

For and on behalf of the Board

Manjushree Khaitan  
Chairman

P. Radhakrishnan  
Whole-time Director & CEO

# **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") and the Group's share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2021, 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 2021, and their consolidated profit, their consolidated total comprehensive income, 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 ventures 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 the other auditors in terms of their reports referred to in the sub-paragraphs (a) 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 forward tax losses, unabsorbed depreciation and provision for loans and advances (Recognised in the books of the Parent)</b></p> <p>The Parent has recognised ₹ 261.62 Crores as DTA, as at 31<sup>st</sup> March, 2021, relating to carry forward 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 11 year period.</p> <p>Recoverability of DTA on carry forward 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 expenses" 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 forward 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 forward 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 Company, 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**

a) We did not audit the financial statements of 1 (one) subsidiary, whose financial statements reflect total assets of ₹ 715.37 Crores as at 31<sup>st</sup> March, 2021, total revenues of ₹ 243.80 Crores and net cash inflows amounting to ₹ 96.81 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, 2021, as considered in the

consolidated financial statements, in respect of 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 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**

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 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, 2021 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, 2021 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, and its joint ventures.
  - ii) The Group and 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.

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

**Abhijit Bandyopadhyay**  
*Partner*

Membership No. 054785  
 UDIN: 21054785AAAACJ3810

Place: Kolkata  
 Date: 14<sup>th</sup> May, 2021

## 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 31<sup>st</sup> March, 2021, we have audited the internal financial controls over financial reporting of **KESORAM INDUSTRIES LIMITED** (hereinafter referred to as "the Parent") and its subsidiary company, which includes internal financial controls over financial reporting of the Company's and 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 and 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 venture, 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 venture, 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 branch auditors and 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 31<sup>st</sup> March, 2021, 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.

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 1(one) subsidiary company and 1(one) 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: 21054785AAAACJ3810

Place: Kolkata

Date: 14<sup>th</sup> May, 2021

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	2,045.07	2,139.03
(b) Right of use Assets	3A	33.98	27.65
(c) Capital work-in-progress		32.81	31.10
(d) Other intangible assets	4	1.69	0.10
(e) Equity accounted investments	5	-	-
(f) Financial assets			
(i) Investments	6	77.42	69.51
(ii) Loans	7	-	406.39
(iii) Other financial assets	8	7.59	12.41
(g) Income tax asset (net)		7.05	8.34
(h) Deferred tax assets (net)	18	261.62	
(i) Other non-current assets	9	5.54	5.81
<b>Total non-current assets</b>		<b>2,472.77</b>	<b>2700.34</b>
<b>(2) Current assets</b>			
(a) Inventories	10	137.21	162.22
(b) Financial assets			
(i) Trade receivables	11	304.93	196.86
(ii) Cash and cash equivalents	12	97.45	9.65
(iii) Other bank balances	13	14.49	6.54
(iv) Loans	7	129.40	46.67
(v) Other financial assets	8	23.91	21.21
(c) Other current assets	9	95.58	68.30
<b>Total current assets</b>		<b>802.97</b>	<b>511.45</b>
<b>Total assets</b>		<b>3,275.74</b>	<b>3,211.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14 (a)	164.81	142.59
(b) Other equity	14 (b)	32.67	(239.84)
<b>Total equity</b>		<b>197.48</b>	<b>(97.25)</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	1,941.07	1,414.13
(ii) Lease Liability		5.72	11.93
(iii) Other financial liabilities	16	74.27	73.57
(b) Provisions	17	28.00	26.07
(c) Other Non-current liabilities	19	0.37	1.36
<b>Total non-current liabilities</b>		<b>2,049.43</b>	<b>1,527.06</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	15.30	628.48
(ii) Lease Liability		11.99	11.31
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		26.12	8.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		590.31	614.70
(iv) Other financial liabilities	16	119.57	251.77
(b) Provisions	17	44.82	51.62
(c) Income tax liabilities (net)		0.20	44.71
(d) Other current liabilities	19	220.52	170.94
<b>Total current liabilities</b>		<b>1,028.83</b>	<b>1,781.98</b>
<b>Total liabilities</b>		<b>3,078.26</b>	<b>3,309.04</b>
<b>Total equity and liabilities</b>		<b>3,275.74</b>	<b>3,211.79</b>
Notes forming part of the Financial Statements	1 - 43		

In terms of our report attached

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

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
Company Secretary

For and on behalf of the Board

**Manjushree Khaitan**  
Chairman

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

**Consolidated Statement of Profit and Loss** for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars		Notes	2020-2021	2019-2020
I	Revenue from operations	21	2,652.77	2,645.64
II	Other income	22	72.16	40.34
III	<b>Total Income (I+II)</b>		<b>2,724.93</b>	<b>2,685.98</b>
IV	<b>Expenses:</b>			
	(a) Cost of materials consumed	23	325.49	369.16
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	33.38	(1.92)
	(c) Employee benefit expense	25	215.55	219.55
	(d) Depreciation and amortisation expense	26	117.96	112.61
	(e) Finance costs	27	275.80	343.63
	(f) Other expenses	28	1,702.81	1,830.48
	<b>Total Expenses</b>		<b>2,670.99</b>	<b>2,873.51</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>53.94</b>	<b>(187.53)</b>
VI	<b>Exceptional Items</b>	29	(220.88)	-
VII	<b>Loss before tax (V+VI)</b>		<b>(166.94)</b>	<b>(187.53)</b>
VIII	<b>Tax expense:</b>	30		
	(1) Current tax charge / (credit) (in respect of earlier year)		(43.87)	-
	(2) Deferred tax charge / (credit)		(263.18)	-
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>140.11</b>	<b>(187.53)</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		2.28	(7.93)
	Fair value changes of investments in equity shares		7.90	(8.09)
	<b>Total other comprehensive income/(loss)</b>		<b>10.18</b>	<b>(16.02)</b>
XI	<b>Total comprehensive income/(loss) for the year (IX+X)</b>		<b>150.29</b>	<b>(203.55)</b>
XII	<b>Earnings per share</b>	31		
	Basic (₹)		9.73	(13.15)
	Diluted (₹)		9.73	(13.15)
XIII	<b>Notes forming part of the Financial Statements</b>	1 - 43		

In terms of our report attached

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

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
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, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) before tax	(166.94)	(187.53)
Adjustments for:		
Depreciation and amortisation	117.96	112.61
Advance/deposits written off	-	0.11
Provision for bad and doubtful debts (written back)	3.02	5.89
Provision for Warranty	4.05	-
Provision for doubtful advances	-	0.09
Finance costs	275.80	343.63
Exchange loss/(gain) on foreign currency fluctuation	(0.00)	(0.04)
Exceptional Items	220.88	-
Loss on sale of property, plant and equipment (Net)	(0.27)	0.67
Liabilities/Provision no longer required written back	(4.75)	(2.84)
Interest income	(55.04)	(31.35)
Dividend income from long term investment (other than trade)	(0.02)	(0.02)
<b>Operating profit/(loss) before working capital changes</b>	<b>394.69</b>	<b>241.22</b>
<b>Changes in Working Capital:</b>		
Increase / (decrease) in Non Current /Current financial and other liabilities/ provisions	(13.62)	242.00
(Increase) / decrease in Non Current /Current financial and other assets	(143.82)	214.39
(Increase) / decrease in inventories	20.95	41.10
<b>Cash Generated from Operations</b>	<b>258.20</b>	<b>738.71</b>
Direct Taxes paid (net of refunds)	0.65	47.96
<b>Net cash generated from operating activities</b>	<b>258.85</b>	<b>786.67</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of property, plant and equipment/Capital Advance given	(27.86)	(33.68)
Proceeds from sale of property, plant and equipment	1.65	0.59
Loan to body corporate	(126.56)	(604.25)
Repayment of Loan by body corporate	0.27	180.90
Proceeds from sale of Non Current investments	-	3.99
Interest received	6.06	9.72
Deposit made with bank	(3.99)	(2.73)
Dividend income from long term investment (other than trade)	0.02	0.02
<b>Net cash used in investing activities</b>	<b>(150.41)</b>	<b>(445.44)</b>
<b>C. Cash flow from Financing Activities</b>		
Finance cost paid	(483.50)	(300.39)
Payment of Lease obligations	(14.44)	(7.76)
Proceeds from		
- Long term borrowings	2,240.81	80.00
- Short term borrowings	268.97	970.81
Repayment of		
- Long term borrowings	(1,307.74)	(144.53)
- Short term borrowings	(503.46)	(816.23)
<b>Net cash (used in)/generated from financing activities</b>	<b>200.64</b>	<b>(218.10)</b>

**Consolidated Statement of Cash Flows** for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Net decrease in cash and cash equivalents	309.08	123.13
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	9.65	18.57
Less: Cash credits at the beginning of the year- Continuing Operations	(299.32)	(635.64)
Less: Cash credits at the beginning of the year- Discontinued Operations	-	204.28
<b>Adjusted cash &amp; cash equivalents at the beginning of the year</b>	<b>(223.37)</b>	<b>(412.79)</b>
Adjusted cash & cash equivalents at the end of the year	85.71	(289.67)
<b>Cash and Cash Equivalents comprise:</b>		
Cash on hand	0.03	0.10
Balances with banks on current account	73.49	9.55
Deposit with original maturity less than three months	23.93	-
Cash credits at the end of the year	(11.74)	(299.32)
	85.71	(289.67)

**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-21	Year ended 31-Mar-20
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	-
<b>Total</b>	<b>593.41</b>	<b>-</b>

- During the current year the Parent Company has settled all its bank loans and also extinguished the guaranteed loans through issuance of equity shares, optionally convertible redeemable preference shares and upfront cash payment. Refer Note 29 (a) for details.
- The Parent Company has repaid its loans out of the proceeds from the issuance of 16,035, Non-convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 1,603.50 crores and 4,599 Optionally Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 459.90 crores during the year.
- 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: 14<sup>th</sup> May, 2021

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### A. Equity share capital

Particulars	Notes	Amount
As at 1 <sup>st</sup> April, 2019		142.59
Changes during the year	14 (a)	-
<b>As at 31<sup>st</sup> March, 2020</b>		<b>142.59</b>
Changes during the year	14 (a)	22.22
<b>As at 31<sup>st</sup> March, 2021</b>		<b>164.81</b>

### B. Other equity

Particulars	Notes	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 <sup>^^</sup>	Total other equity
<b>Balance at 1<sup>st</sup> April, 2020</b>		801.27	0.15	2.91	41.51	3.59	224.00	7.31	(1,368.77)	48.19	<b>(239.84)</b>
Profit/(Loss) for the year		-	-	-	-	-	-	-	140.11	-	<b>140.11</b>
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	2.28	7.90	<b>10.18</b>
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	-	<b>142.39</b>	<b>7.90</b>	<b>150.29</b>
Issue of equity shares	14 (b)	122.22	-	-	-	-	-	-	-	-	<b>122.22</b>
<b>Balance as at 31<sup>st</sup> March, 2021</b>		<b>923.49</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>(1,226.38)</b>	<b>56.09</b>	<b>32.67</b>

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	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, 2019</b>		801.27	0.40	2.91	41.51	3.59	224.00	7.31	(1,167.60)	56.28	(30.33)
Profit/(Loss) for the year		-	-	-	-	-	-	-	(187.53)	-	(187.53)
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	(7.93)	(8.09)	(16.02)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	-	(195.46)	(8.09)	(203.55)
Issue of equity shares and warrants		-	-	-	-	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement		-	-	-	-	-	-	-	(81.76)	-	(81.76)
Transfer of losses pursuant to scheme of arrangement		-	-	-	-	-	-	-	75.80	-	75.80
Transfer in equity	14 (b)	-	(0.25)	-	-	-	-	-	0.25	-	-
<b>Balance at 31<sup>st</sup> March, 2020</b>		<b>801.27</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>(1,368.77)</b>	<b>48.19</b>	<b>(239.84)</b>

^ ^ 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: 14<sup>th</sup> May, 2021

### For and on behalf of the Board

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
Company Secretary

**Manjushree Khaitan**  
Chairman

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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

### 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 2021 present the financial position of the Group.

The consolidated financial statements for the year ended 31<sup>st</sup> March 2021 were approved by the Board of Directors and authorised for issue on 14<sup>th</sup> May 2021.

### 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 the Companies Act, 2013. 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, 2021

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, 2021

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<sup>st</sup>, 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, 2021

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, 2021

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, 2021

- 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, 2021

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, 2021

### (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, 2021

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, 2021

### 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 38 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 Impact of the initial application of new and amended Ind ASs that are effective for the current year

In the current year, the Group has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after 1<sup>st</sup> April 2020.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

### Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The Group has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30<sup>th</sup> June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30<sup>th</sup> June 2021 and increased lease payments that extend beyond 30<sup>th</sup> June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

### 2.25 Recent Pronouncement

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1<sup>st</sup>, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 3: Property, plant and equipment

Particulars	GROSS BLOCK - AT COST						DEPRECIATION					NET BLOCK
	As at 1 <sup>st</sup> April 2020	Transfer Out pursuant to the scheme of arrangement	Additions during the Year	Transfer In	Deletion during the Year	As at 31 <sup>st</sup> March, 2021	Upto 1 <sup>st</sup> April 2020	Transfer Out pursuant to the scheme of arrangement	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	745.14	-	-	-	-	745.14	-	-	-	-	-	745.14
Buildings	411.92	-	-	-	-	411.92	59.68	-	14.57	-	74.25	337.66
Plant and Equipments	1,345.35	-	6.57	-	3.64	1348.27	331.34	-	80.89	3.02	409.21	939.07
Furniture and Fixtures	9.65	-	0.02	-	0.02	9.64	4.01	-	0.94	0.01	4.94	4.70
Office Equipment	5.79	-	1.11	-	0.18	6.72	3.97	-	0.84	0.17	4.64	2.08
Vehicles	17.02	-	0.60	-	2.79	14.83	8.31	-	2.02	2.07	8.25	6.58
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>2,552.44</b>	<b>-</b>	<b>8.30</b>	<b>-</b>	<b>6.63</b>	<b>2,554.09</b>	<b>413.41</b>	<b>-</b>	<b>100.89</b>	<b>5.27</b>	<b>509.02</b>	<b>2,045.07</b>

Particulars	GROSS BLOCK - AT COST						DEPRECIATION					NET BLOCK
	As at 1 <sup>st</sup> April 2019	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Transfer In**	Deletion during the Year	As at 31 <sup>st</sup> March, 2020	Upto 1 <sup>st</sup> April 2019	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2020
Land:												
- Freehold	998.24	256.65	-	3.55	-	745.14	-	-	-	-	-	745.14
- Leasehold [Refer Note (iii) below]	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	547.08	142.12	2.55	4.41	-	411.92	80.42	35.25	14.51	-	59.68	352.24
Plant and Equipments	1,589.34	257.86	15.68	-	1.81	1,345.35	323.95	74.63	82.99	0.97	331.34	1,014.01
Furniture and Fixtures	12.09	2.60	0.16	-	-	9.65	4.08	1.05	0.98	-	4.01	5.64
Office Equipment	8.12	2.58	0.32	-	0.07	5.79	4.92	1.80	0.91	0.06	3.97	1.82
Vehicles	19.25	1.35	-	-	0.88	17.02	7.12	0.71	2.37	0.47	8.31	8.71
Railway Siding	17.47	-	-	-	-	17.47	4.42	-	1.68	-	6.10	11.37
Bearer plant	0.10	-	-	-	-	0.10	-	-	-	-	-	0.10
<b>Total</b>	<b>3,191.69</b>	<b>663.16</b>	<b>18.71</b>	<b>7.96</b>	<b>2.76</b>	<b>2,552.44</b>	<b>424.91</b>	<b>113.44</b>	<b>103.44</b>	<b>1.50</b>	<b>413.41</b>	<b>2,139.03</b>

\* Assets transferred pursuant to scheme of demerger between the Company and Birla Tyres Limited (Resulting Company). The scheme was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 08 November, 2019 and became effective on December 04, 2019.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

- (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) Leasehold Land worth ₹ 2.64 crore had been classified as Right to Use Asset on adoption of INDAS 116 in the previous year. Opening Accumulated Depreciation amounting to ₹ 0.18 crore also had been reclassified. Refer Note 3A
- (iv) Transfer in (\*\*) of Land and Building amounting to ₹ 7.96 crores which has been transferred to the Company by Birla Tyres Ltd post demerger.

### Note 3A: Right to Use Asset

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	As on 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>

Particulars	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK
	As on transition to IND AS 116 1 <sup>st</sup> April 2019	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2020	As on transition to IND AS 116 1 <sup>st</sup> April 2019	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020
Leasehold Land	2.64	5.77	-	8.41	0.18	0.17	-	0.35	8.06
Building	4.63	2.21	-	6.84	-	2.93	-	2.93	3.91
Vehicle	1.58	0.10	-	1.68	-	1.03	-	1.03	0.65
Plant & Machinery	-	20.02	-	20.02	-	4.99	-	4.99	15.03
<b>Total</b>	<b>8.85</b>	<b>28.10</b>	<b>-</b>	<b>36.95</b>	<b>0.18</b>	<b>9.12</b>	<b>-</b>	<b>9.30</b>	<b>27.65</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

### Note 4 : Other Intangible Asset

(All amounts in Rupees crores, unless otherwise stated)

Particulars	GROSS BLOCK - AT COST					AMORTISATION					NET BLOCK
	As at 1 <sup>st</sup> April 2020	Transfer Out pursuant to the scheme of arrangement	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2021	Upto 1 <sup>st</sup> April 2020	Transfer Out pursuant to the scheme of arrangement	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021
Software	1.27	-	1.79	-	3.06	1.17	-	0.20	-	1.37	1.69
	<b>1.27</b>	<b>-</b>	<b>1.79</b>	<b>-</b>	<b>3.06</b>	<b>1.17</b>	<b>-</b>	<b>0.20</b>	<b>-</b>	<b>1.37</b>	<b>1.69</b>

Particulars	GROSS BLOCK - AT COST					AMORTISATION					NET BLOCK
	As at 1 <sup>st</sup> April 2019	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Deletion during the Year	As at 31 <sup>st</sup> March 2020	Upto 1 <sup>st</sup> April 2019	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020
Software	1.57	0.30	-	-	1.27	1.31	0.28	0.14	-	1.17	0.10
	<b>1.57</b>	<b>0.30</b>	<b>-</b>	<b>-</b>	<b>1.27</b>	<b>1.31</b>	<b>0.28</b>	<b>0.14</b>	<b>-</b>	<b>1.17</b>	<b>0.10</b>

\* Assets transferred pursuant to scheme of demerger between the Company and Birla Tyres Limited (Resulting Company). The scheme was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 08 November, 2019 and became effective on December 04, 2019.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### 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 2021. 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, 2021	31 <sup>st</sup> March, 2020
Carrying value of the Group's interest in joint venture:	-	-

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
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 2021 (2019-20: ₹ 0.01 crore). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at 31<sup>st</sup> March 2021 is ₹ 0.57 crore (31<sup>st</sup> March 2020: ₹ 0.56 crore).

- (iv) The Group has fully impaired its equity accounted joint ventures in the previous year

### Financial Assets

#### Note 6: Investments

Particulars	Face value	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<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, 2020: 496,100) shares of HGI Industries Ltd. \$	10	0.00*	0.00*
4,996,986 ( 31 <sup>st</sup> March, 2020: 4,996,986) shares of Kesoram Textile Mills Limited #	2	20.18	19.74
<b>Total</b>		<b>20.18</b>	<b>19.74</b>
<b>(ii) Unquoted</b>			
30,000 ( 31 <sup>st</sup> March, 2020: 30000) shares of Birla Buildings Ltd	10	52.28	46.38
10,000 ( 31 <sup>st</sup> March, 2020: 10,000) shares of Coromandel Stampings & Stones Ltd \$	10	0.00*	0.00*
143,000 ( 31 <sup>st</sup> March, 2020: 143,000) shares of Kesoram Insurance Broking Services Ltd	10	1.03	1.02
10,455 ( 31 <sup>st</sup> March, 2020: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-
10 ( 31 <sup>st</sup> March, 2020: 10) shares of Meghdoot Co-operative Housing Society Ltd \$	100	0.00*	0.00*
7,231 ( 31 <sup>st</sup> March, 2020: 7,231) shares of Padmavati Investment Ltd	10	3.36	1.75
18,800 ( 31 <sup>st</sup> March, 2020: 18,800) shares of Vasavadatta Services Ltd	10	0.56	0.61
<b>Total</b>		<b>57.23</b>	<b>49.76</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>77.42</b>	<b>69.51</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>(a) Quoted</b>		
Carrying value	20.18	19.74
Market value	20.18	19.74
<b>(b) Unquoted</b>		
Carrying value	57.24	49.77

# 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 of norm adopted by the Group

### Note 7: Loans

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<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*	498.22	406.39
Less: Impairment Loss on Loan to Body Corporate [refer Note 29(b)]	(498.22)	-
	-	406.39
	-	406.39
<b>B. Current</b>		
Unsecured, considered good		
(a) Loan to employees	0.04	0.03
(b) Loan to others	129.36	46.64
	129.40	46.67

\* 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 8: Other financial assets

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-current</b>		
Deposit with original maturity for more than 12 months <sup>^</sup>	4.11	7.99
Security deposits	3.42	3.92
Interest accrued on deposits	0.06	0.50
	<b>7.59</b>	<b>12.41</b>
<b>Current</b>		
Security deposits	4.11	4.05
Balance with body corporates	10.63	10.63
Interest accrued on deposits	0.11	0.09
Others*	9.06	6.44
	<b>23.91</b>	<b>21.21</b>

<sup>^</sup> ₹ 3.97 crore (FY 2020-2021), 3.97 crore (FY 2019-2020), represents the deposits pledged for DSRA for secured borrowings (Refer note 15)

\* Held as lien by bank against bank guarantees ₹ 1.40 crores (FY19-20: Nil)

### Note 9: Other assets

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
Capital advances	3.83	5.18
Prepaid expenses	1.71	0.63
	<b>5.54</b>	<b>5.81</b>
<b>Current</b>		
Balance with statutory/government authorities	51.44	44.00
Prepaid expenses	4.27	5.55
Advance to vendors	68.78	44.58
Less: Allowances for doubtful advances	(32.61)	(31.42)
Others	3.85	6.94
Less: Allowances for doubtful advances	(0.15)	(1.35)
	<b>95.58</b>	<b>68.30</b>

### Note 10: Inventories

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Raw materials	14.96	18.94
Work-in-progress	17.02	20.82
Finished goods	24.26	53.90
Stock-in-trade	0.06	0.04
Stores and spare parts	80.91	68.52
	<b>137.21</b>	<b>162.22</b>
<b>Included above, goods-in-transit:</b>		
Raw materials	1.48	1.98
Finished goods	5.43	0.60
Stores and spare parts	9.18	2.04
	<b>16.09</b>	<b>4.62</b>

The Group has made provision of ₹ 4.05 Crore (31<sup>st</sup> March 2020: Provision of ₹ 3.41 Crore) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 11: Trade receivables

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current</b>		
Trade Receivables		
(a) Secured, considered good	50.38	32.67
(b) Unsecured, considered good	254.55	164.19
(c) Credit impaired	10.33	8.37
	<b>315.26</b>	<b>205.23</b>
Allowance for credit losses	(10.33)	(8.37)
	<b>304.93</b>	<b>196.86</b>

### Note 12: Cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Cash and cash equivalents</b>		
Cash on hand	0.03	0.10
<b>Balances with bank</b>		
On Current accounts	73.49	9.55
<b>Others</b>		
Deposit with original maturity less than three months	23.93	-
	<b>97.45</b>	<b>9.65</b>

### Note 13: Other bank balances

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Deposit with original maturity for more than three months but less than twelve months	14.47	6.45
On unpaid dividend accounts	0.02	0.09
	<b>14.49</b>	<b>6.54</b>

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Deposits more than three months includes:-		
- Deposits pledged with the sales tax authorities	0.01	0.01
- Held as lien by bank against bank guarantees	14.44	6.32

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

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

##### Authorised equity share capital

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
60,00,00,000 Equity Shares of ₹ 10 each [31 <sup>st</sup> March, 2020: 55,00,00,000 shares]	600.00	550.00
6,00,00,000 Preference Shares of ₹ 100 each [31 <sup>st</sup> March, 2020: 1,50,00,000 shares]	600.00	150.00
	<b>1,200.00</b>	<b>700.00</b>

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

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
16,48,11,341 Equity Shares of ₹ 10 each fully paid up (31 <sup>st</sup> March, 2020: 14,25,90,079 Equity Shares of ₹ 10 each fully paid up)	164.81	142.59

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (i) Movement in equity share capital

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	142.59	142.59
Fresh shares issued *	22.22	-
<b>Closing balance</b>	<b>164.81</b>	<b>142.59</b>

\*During the current year, the Parent 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) as more detailed in Note 29(a)

#### Terms and rights attached to equity shares

The Group has equity shares having a par value of ₹ 10 per share. All equity shareholders are entitled to one vote per share. 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, 2021		31 <sup>st</sup> March, 2020	
	Number of shares	% holding	Number of shares	% holding
Manav Investment & Trading Co. Ltd	3,39,66,691	20.61%	3,39,66,691	23.82%
Pilani Investments and Industries Corporation Limited	2,73,38,750	16.59%	2,73,38,750	19.17%
Axis Bank Limited	1,27,77,710	7.75%	-	-
	<b>7,40,83,151</b>	<b>44.95%</b>	<b>6,13,05,441</b>	<b>42.99%</b>

### Note 14 (b): Other Equity

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Securities Premium	923.49	801.27
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	56.09	48.19
Others	7.31	7.31
Retained earnings	(1,226.38)	(1,368.77)
<b>Total Reserves and Surplus</b>	<b>32.67</b>	<b>(239.84)</b>

### (i) Securities Premium

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	801.27	801.27
Increase/(decrease) during the year [Refer Note 14(a)]	122.22	
<b>Closing balance</b>	<b>923.49</b>	<b>801.27</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (ii) Capital reserve

#### (a) Development grant/subsidy

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	0.15	0.40
Transfer pursuant to the scheme of arrangement	-	(0.25)
<b>Closing balance</b>	<b>0.15</b>	<b>0.15</b>

#### (b) Amalgamation reserve

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
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, 2021	31 <sup>st</sup> March, 2020
Opening balance	48.19	56.28
Change in fair value of FVOCI equity instruments	7.90	(8.09)
Transfer to equity	-	-
<b>Closing balance</b>	<b>56.09</b>	<b>48.19</b>

### (vi) Other reserves

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (vii) Retained earning

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening balance	(1,368.77)	(1,167.60)
Net profit/(loss) for the year	140.11	(187.53)
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
- Remeasurement of post-employment benefit obligation, net of tax	2.28	(7.93)
Transfer pursuant to scheme of arrangement*	-	(81.76)
Transfer of losses pursuant to scheme of arrangement*	-	75.80
Transfer to equity	-	0.25
<b>Closing balance</b>	<b>(1,226.38)</b>	<b>(1,368.77)</b>

\* Loss arising pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company"). The scheme was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 8<sup>th</sup> November, 2019 and became effective on 4<sup>th</sup> December, 2019.

### 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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Financial Liabilities

#### Note 15: Borrowings

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<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 & Note 29 (a)]	47.41	1,353.41
<b>From others [Refer Note (b) below]</b>		
16,035 Senior Secured, Listed and Rated Redeemable Non-Convertible Debentures [face value of ₹ 10,00,000 each]	1,384.66	-
4,599 Secured Optionally Convertible Debentures [face value of ₹ 10,00,000 each]	370.29	-
Indian rupee loan [Refer Note (c) below & Note 29 (a)]	126.60	203.83
<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 29 (a)] [Refer Note (b) below]	74.07	-
	<b>2,003.03</b>	<b>1,557.24</b>
Less: Current maturities of long term borrowings (Refer Note 16)	(61.96)	(171.20)
Add: Interest accrued on long term borrowings	-	28.09
	<b>1,941.07</b>	<b>1,414.13</b>
<b>Current</b>		
<b>(a) Secured</b>		
<b>Working Capital Loan</b>		
<b>From Bank</b>		
Overdraft / Cash Credit [Refer Note (d) below & Note 29 (a)]	11.72	299.32
Working capital demand loan [Refer Note 29 (a)]	-	290.08
<b>(b) Unsecured</b>		
<b>Term Loan</b>		
<b>Working Capital Loan</b>		
<b>From Bank</b>		
Overdraft / Cash Credit	0.02	-
<b>From others</b>		
Inter corporate deposit	3.00	6.79
Director	-	20.73
	<b>14.74</b>	<b>616.92</b>
Add: Interest accrued on short term borrowings	0.56	11.56
	<b>15.30</b>	<b>628.48</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
Cash and cash equivalents	97.45	9.65
Non-current borrowings	(1,941.07)	(1,414.13)
Current borrowings	(15.30)	(628.48)
<b>Total</b>	<b>(1,858.92)</b>	<b>(2,032.96)</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	-	(109.23)	-	(109.23)
<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>(15.30)</b>	<b>(1,858.92)</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, 2019</b>	<b>18.57</b>	<b>(2,143.40)</b>	<b>(846.73)</b>	<b>(2,971.56)</b>
Cash flows	123.12	64.53	(154.62)	33.03
Transfer pursuant to the scheme of arrangement	204.28	715.37	45.38	965.03
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(336.32)	-	336.32	-
Interest expenses	-	(241.13)	(102.50)	(343.63)
Interest paid	-	206.71	93.68	300.39
Changes in current maturities of long-term debt and interest accrued on them	-	(16.22)	-	(16.22)
<b>Net debt as at 31<sup>st</sup> March, 2020</b>	<b>9.65</b>	<b>(1,414.13)</b>	<b>(628.49)</b>	<b>(2,032.96)</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
Axis Bank Ltd.	-	731.91	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 6 month MCLR plus 2.50% p.a.
ICICI Bank Ltd.	-	184.84	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 28 equal quarterly instalments commencing from the 39th month from the date of disbursement. Interest is payable monthly @ ICICI Bank base rate plus 2.90% p.a. with annual reset.
The South Indian Bank Ltd.	-	224.86	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.75% p.a.
The Karur Vysya Bank Ltd.	-	56.29	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 1.70% p.a.
The Lakshmi Vilas Bank Ltd.	-	56.31	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets of various units (excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur including Rayon assets) of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.65% p.a.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Bank	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
IndusInd Bank Ltd	-	41.75	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the Holding Company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments commencing from the 13 <sup>th</sup> month from the date of disbursement. Interest is payable monthly @ 1 year MCLR with annual reset.
IndusInd Bank Ltd	-	57.45	First pari passu charge on all fixed assets of Cement Division excluding assets relating to corporate office. Second pari passu charge on current assets of the company excluding assets relating to corporate office. Exclusive charge over land of HHC & KSPF division. Pledge of 1,45,63,787 shares of Kesoram Industries Ltd. held by Manav Investments & Trading Co. Ltd.	36 equal monthly instalments starting from 19-06-2019. Interest payable monthly @ IndusInd Bank 1 year MCLR plus 0.15% p.a.
IndusInd Bank Ltd	47.41	-	Second charge on current assets of the Subsidiary. Additional security pledged on 1,45,63,787 equity shares of Birla Tyres Ltd held by Manav.	48 equal monthly instalments after 1 year moratorium. Rate of interest 8.75% linked to external benchmark [Repo rate]
	<b>47.41</b>	<b>1,353.41</b>		

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

Others	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
Non-Convertible Debenture	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 2,60,41,587 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% p.a.; 19-36months @11.3%p.a.; 37-60months @ 13.1%p.a.; XIRR of 20.75% excluding additional interest 1 and taxes.
Optionally Convertible Debenture	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 2,60,41,587 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% p.a. is applicable; XIRR of 20.75% excluding additional interest 1 and taxes.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Others	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
Zero Coupon Optionally Convertible Redeemable Preference Shares	74.07	-	Nil	Redeemable in 5 equal instalments starting from FY 2027-28
	<b>1,829.02</b>	-		

(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, 2021	31 <sup>st</sup> March, 2020	Nature of Security	Repayment terms
West Bengal Infrastructure Development Finance Corporation Ltd.	-	56.30	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first 8 instalments of 1.25% each (b) next 8 instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Axis Bank 6 month MCLR plus 2.50% p.a.
West Bengal Infrastructure Development Finance Corporation Ltd.	-	25.97	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the Holding company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments starting from 30 <sup>th</sup> June 2019 . Interest payable monthly @ IndusInd Bank 1 year MCLR plus 1.25% p.a..
West Bengal Infrastructure Development Finance Corporation Ltd.	126.60	121.56	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.	By way of 16 equal quarterly instalments after moratorium of 1 year. Interest rate 10.95% p.a. with monthly rest
	<b>126.60</b>	<b>203.83</b>		

(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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 16: Other financial liabilities

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
Security deposits	74.27	73.57
	<b>74.27</b>	<b>73.57</b>
<b>Current</b>		
Current maturities of long-term debt (Refer Note 15)	61.96	171.20
Capital creditors	1.09	4.04
Retention & Earnest deposits	10.08	9.71
Other payables	29.19	36.17
Security deposits	17.23	30.51
Unpaid dividends *	0.02	0.09
Unpaid matured deposits and interest accrued thereon	-	0.05
	<b>119.57</b>	<b>251.77</b>

\* Note: There is no liability due which is required to be transferred to Investor Education and Protection Fund.

### Note 17: Provisions

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for leave encashment (unfunded)	17.69	16.79
<b>(b) Others</b>		
Decommissioning obligations	10.31	9.28
<b>Total non-current provisions</b>	<b>28.00</b>	<b>26.07</b>
<b>Current</b>		
<b>(a) Provision for employee benefits</b>		
Provision for gratuity (Refer Note 25)	1.82	12.93
Provision for leave encashment (unfunded)	3.25	4.02
Others	2.22	0.20
<b>(b) Others</b>		
Provision for contingencies	12.34	11.84
Provision for disputed statutory dues	25.19	22.63
<b>Total current provisions</b>	<b>44.82</b>	<b>51.62</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (i) Movement in provisions

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

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2020</b>	-	9.28	11.84	22.63
Charged/(credited) to profit or loss:				
Additional provision recognised	-	-	-	2.56
Unused amounts reversed	-	-	-	-
Amounts used during the year	-	-	0.49	-
Transfer pursuant to the scheme of arrangement	-	-	-	-
Unwinding of Discount	-	1.03	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	-	10.31	12.33	25.19

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

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
<b>As at 1<sup>st</sup> April, 2019</b>	20.69	8.34	81.99	22.63
Charged/(credited) to profit or loss:				
Additional provision recognised	-	-	-	-
Unused amounts reversed	-	-	-	-
Amounts used during the year	0.00	-	1.21	-
Transfer pursuant to the scheme of arrangement	(20.69)	-	(71.36)	-
Unwinding of discount	-	0.94	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	-	9.28	11.84	22.63

### Note 18: Deferred Tax Assets / Liabilities

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Deferred Tax Liabilities</b>		
Timing Difference - Property, plant and equipment	265.69	347.18
Timing Difference - Investments	15.18	13.61
Other	80.51	2.13
<b>Gross Deferred Tax Liability</b>	<b>361.38</b>	<b>362.92</b>
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	219.68	17.07
Capital losses	33.56	34.05
Business losses	201.01	121.92
Items allowable for tax purpose on payment	22.34	22.69
Provisions	139.64	156.02
Others	6.76	11.17
<b>Gross Deferred Tax Asset</b>	<b>623.00</b>	<b>362.92</b>
<b>Net Deferred Tax Assets</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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 19: Other liabilities

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Non-current</b>		
Advance received from Employees	0.37	1.36
	<b>0.37</b>	<b>1.36</b>
<b>Current</b>		
Deferred revenue	24.19	12.85
Advance from customers	35.95	33.22
Statutory dues	139.05	111.80
Advance received from Employees	0.94	0.26
Other payables	20.39	12.81
	<b>220.52</b>	<b>170.94</b>

### Note 20: Trade payables

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Current</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	26.12	8.45
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	-	75.16
(ii) Others	562.54	513.76
(c) Employee benefits payable	27.77	25.78
	<b>616.43</b>	<b>623.15</b>

### Note 21: Revenue from operations

Particulars	2020-2021	2019-2020
<b>Revenue from contracts with customers #</b>		
Sale of Products	2,647.67	2,638.60
Other operating revenue	5.10	7.04
	<b>2,652.77</b>	<b>2,645.64</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, 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>

Year ended 31<sup>st</sup> March, 2020

Particulars	India	Outside India	Total
Cement	2,323.35	-	2,323.35
Rayon, TP and chemicals	300.90	14.35	315.25
	<b>2,624.25</b>	<b>14.35</b>	<b>2,638.60</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### B. The Group has recognised the following revenue-related contract liabilities and receivables from contract with customers

Particulars	2020-2021	2019-2020
Contract liabilities – Deferred revenue	24.19	12.85
Contract liabilities - Advance from customers	35.95	33.22
	<b>60.14</b>	<b>46.07</b>

The change in Contract Liabilities are as follows:

Particulars	2020-2021	2019-2020
Contract liabilities - Opening	46.07	43.46
Less: Transferred pursuant to the scheme of arrangement	-	(12.80)
Add: Additions during the year, excluding amounts recognised as revenue during the year	46.80	43.75
Less: Revenue recognised in the current year which was included in Contract Liabilities	(32.73)	(28.34)
<b>Contract Liabilities - Closing</b>	<b>60.14</b>	<b>46.07</b>

Particulars	2020-2021	2019-2020
Trade Receivables- Gross	315.26	205.23
Less: Allowance for doubtful debt	(10.33)	(8.37)
	<b>304.93</b>	<b>196.86</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	2020-2021	2019-2020
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
Contract liabilities – Deferred revenue	0.26	15.61
Contract liabilities - Advance from customers	32.47	12.73
	<b>32.73</b>	<b>28.34</b>

### Note 22: Other Income

Particulars	2020-2021	2019-2020
Interest income:		
On financial instruments measured at amortised cost	54.04	28.51
On income tax refund	1.01	2.84
Dividend income	0.02	0.02
Miscellaneous Income	17.09	8.97
	<b>72.16</b>	<b>40.34</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 23: Cost of Materials Consumed

Particulars	2020-2021	2019-2020
<b>Raw Material Consumed</b>		
Opening inventory	18.94	97.37
Add: Purchases	211.72	223.00
Less: Inventory at the end of the year	14.96	18.94
Add: Lime stone raising cost	109.79	124.81
Less: Transferred pursuant to the scheme of arrangement*	-	57.08
	<b>325.49</b>	<b>369.16</b>

\* Stock transfer pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company").

Particulars	2020-2021	2019-2020
<b>(a) Limestone raising cost include:</b>		
Salaries, Wages, Bonus etc.	11.37	12.99
Contribution to Provident and other Funds	0.48	0.80
Contribution to Gratuity Fund (refer note 25)	0.47	0.77
Workmen and Staff welfare	0.25	0.33
Dead Rent, Royalty etc.	63.94	68.13
Power and Fuel	4.40	6.31
Stores and spares parts consumed	19.29	22.94
Machinery repairs	3.72	3.94
Other repairs	0.10	0.09
Rates and taxes	0.15	0.19
Insurance	0.02	0.01
Contractors-Transport	4.72	7.38
Miscellaneous	0.88	0.93
	<b>109.79</b>	<b>124.81</b>

### Note 24: Changes in stock of finished goods, work-in-progress and stock in trade

Particulars	2020-2021	2019-2020
Inventories at the beginning of the year		
- Work-in-progress	20.82	57.40
- Finished Goods	53.90	103.85
- Stock in trade	0.04	-
Less: Inventories at the end of the year		
- Work-in-progress	17.02	20.82
- Finished Goods	24.27	53.90
- Stock in trade	0.06	-
Less: Transferred to Capital Jobs	0.03	0.13
Less: Transferred pursuant to the scheme of arrangement*	-	88.32
	<b>33.38</b>	<b>(1.92)</b>

\* Stock transfer pursuant to scheme of demerger between the Company and Birla Tyres Limited ("Resulting Company").

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 25: Employee benefits expense

Particulars	2020-2021	2019-2020
Salaries, wages and bonus	187.67	190.00
Contribution to provident fund	12.41	13.94
Contribution to superannuation fund	0.08	0.09
Contribution to labour welfare fund	0.01	-
Gratuity	5.20	4.21
Contribution under Employees State Insurance Scheme	0.46	0.62
Voluntary separation Scheme	2.68	-
Staff welfare expenses	7.04	10.69
<b>Total employee benefits expense</b>	<b>215.55</b>	<b>219.55</b>

During the year, the Company recognised an amount of ₹ 5.35 crore (2019-20: ₹ 7.80 crores ) as remuneration to key managerial personnel.

The details of such remuneration is as below:

Particulars	2020-2021	2019-2020
Short term employee benefits	5.18	7.21
Post employment benefits	0.17	0.59
<b>Total employee benefits expense</b>	<b>5.35</b>	<b>7.80</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.

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 2021 and 31<sup>st</sup> March 2020 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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

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, 2020	242.05	241.58	(0.47)
as at 31 <sup>st</sup> March, 2021	241.14	244.07	2.93

“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, 2021	31 <sup>st</sup> March, 2020
Discount Rate (per annum)	8.50%	8.50%
Expected Rate of Return on Plan Assets (per annum)	8.50%	8.90%

The Group contributed ₹ 8.62 crore and ₹ 10.82 crore during the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 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 ₹ 0.10 Crore during the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 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, 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	-	-	-
Acquisition adjustment	-	-	-
<b>31<sup>st</sup> March, 2021</b>	<b>91.15</b>	<b>89.33</b>	<b>1.82</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Present value	Fair value of plan	Net amount
<b>1<sup>st</sup> April, 2019</b>	<b>105.17</b>	<b>97.90</b>	<b>7.27</b>
Transferred pursuant to the scheme of arrangement	(29.75)	(27.74)	(2.01)
Current service cost	4.80	-	4.80
Interest expense/(income)	4.80	(4.61)	0.18
<b>Total amount recognised in profit or loss</b>	<b>9.60</b>	<b>(4.61)</b>	<b>4.98</b>
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(2.11)	2.11
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	5.58	-	5.58
Actuarial (gain)/loss from unexpected experience	0.24	-	0.24
<b>Total amount recognised in other comprehensive income</b>	<b>5.82</b>	<b>(2.11)</b>	<b>7.93</b>
Employer contributions/ premium paid	-	5.28	(5.28)
Benefit payments	5.30	5.30	-
Settlement Cost	-	-	-
<b>31<sup>st</sup> March, 2020</b>	<b>85.56</b>	<b>72.63</b>	<b>12.93</b>

### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Discount rate	6.80%	6.60%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2012-2014 ULTIMATE	IALM 2006-2008 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, 2021		31 <sup>st</sup> March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	87.58	94.96	82.25	89.07
% change compared to base due to sensitivity	(3.92%)	4.18%	(3.87%)	4.10%
Salary growth rate (-/+ 0.5%)	95.00	87.52	89.09	82.21
% change compared to base due to sensitivity	4.21%	(3.99%)	4.12%	(3.93%)
Attrition rate (-/+ 0.5%)	91.16	91.14	85.66	85.45
% change compared to base due to sensitivity	0.01%	(0.02%)	0.11%	(0.13%)
Life expectancy/ mortality rate (-/+ 10%)	91.18	91.13	86.01	85.10
% change compared to base due to sensitivity	0.03%	(0.03%)	0.52%	(0.54%)

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

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 2021 is ₹ 5.13 crores.

The weighted average duration of the defined benefit obligation is 12 years (31<sup>st</sup> March 2020 – 12 years).

### Note 26: Depreciation and amortisation expense

Particulars	2020-2021	2019-2020
Depreciation on tangible assets	100.89	103.35
Amortisation of intangible & Right to use assets	17.07	9.26
	<b>117.96</b>	<b>112.61</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 27: Finance cost

Particulars	2020-2021	2019-2020
Interest expenses	271.31	337.08
Interest on Lease Liabilities	2.17	2.33
Other borrowing costs	3.45	5.24
	<b>276.93</b>	<b>344.65</b>
Less: Interest capitalised	(1.13)	(1.02)
	<b>275.80</b>	<b>343.63</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 2020: 10.50%)

### Note 28: Other expenses

Particulars	2020-2021	2019-2020
Consumption of stores and spare parts	47.43	61.70
Power and fuel [refer Note (a) below]	647.62	694.96
Rent	10.44	8.86
Repairs and Maintenance [refer Note (b) below]		
Building	4.48	7.16
Plant and Machinery	43.10	49.73
Others	3.78	3.69
Insurance	7.09	5.23
Rates and Taxes	5.64	5.00
Brokerage and Discounts	17.14	21.49
Packing, Carriage and Shipping [refer Note (c) below]	810.85	826.36
Commission to selling agents	8.90	9.51
Sales Promotion	21.82	45.23
Directors' Fees	1.04	0.71
Debts/ Advances/ Deposits written off	0.05	0.13
Legal & Professional Expenses [refer Note (f) below]	30.86	13.54
Provision for doubtful debts	2.28	1.79
Provision for doubtful advances	0.20	0.09
Loss on property, plant and equipment sold/ discarded (net)	(0.27)	0.67
Payments to the auditor [refer Note (d) below]	4.21	4.24
Foreign currency translation loss (net)	0.12	(0.04)
Miscellaneous expenses [refer Note (e) below]	36.03	70.43
	<b>1,702.81</b>	<b>1,830.48</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2020-2021	2019-2020
(a) Power and Fuel includes consumption of stores and spares	589.48	663.35
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	4.03	4.82
(ii) Salaries and wages	37.02	44.66
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts	74.56	68.25
(ii) Salaries and Wages	16.33	16.07
(d) 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)	2.35	2.63
Tax Audit Fees	0.48	0.47
Fees for issuing various certificates	1.31	1.07
Reimbursement of Expenses	0.07	0.07
	<b>4.21</b>	<b>4.24</b>
(e) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	1.33	2.39
(f) Legal & Professional expenses include		
(i) Payment to cost auditor	0.08	0.07

### Note 29: Exceptional Items

Particulars	2020-2021	2019-2020
Difference due to Fair Value of OCRPS net of settlement cost [refer Note a]	277.34	-
Impairment Loss on Loan to Body Corporate [refer Note b]	(498.22)	-
	<b>(220.88)</b>	-

(a) 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 Parent Company has 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 Coupon 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 Parent 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.
- iii) Upfront repayment of Existing facilities to the extent of ₹ 1,670.94 crores to the lenders.

As per the INDAS requirement OCRPS has been recognised at fair value in the books. The resultant difference of ₹ 277.34 crores between the carrying amount of the facility before settlement and the gain on fair value of OCRPS is recognised in 'the Statement of Profit and Loss' as at the date of implementation of the Plan.

(b) The Group consequent to demerger had an exposure by way of loan to a body corporate as on 31<sup>st</sup> March, 2021. The Group has recognised a provision for impairment on the total exposure of ₹ 498.22 crores during the current year, as the said body corporate is going through a Resolution Process and the outcome of the same is dependent on implementation of the Resolution Process. This impairment loss has been considered as an exceptional item.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
<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	(260.08)	135.12
(Decrease) increase in deferred tax liabilities	(1.54)	(135.12)
<b>Total deferred tax expense/(benefit)</b>	<b>(261.62)</b>	-
<b>Income tax expense</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, 2021	31 <sup>st</sup> March, 2020
Deferred tax assets	623.00	362.92
Deferred tax liabilities	(361.38)	(362.92)
<b>Closing Balance</b>	<b>261.62</b>	-

Particulars	As at Apr 01, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021	Not Recognised due to Uncertainty
<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)	-	2.00	-
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	-
Elimination Impact for Subsidiary	-	-	-	-	(117.30)
	<b>362.92</b>	<b>260.08</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	-
Others	15.74	78.40	1.56	95.70	-
	<b>362.92</b>	<b>(3.10)</b>	<b>1.56</b>	<b>361.38</b>	-
<b>Net deferred tax assets / (liabilities) (A-B)</b>	-	<b>263.18</b>	<b>(1.56)</b>	<b>261.62</b>	<b>168.09</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	As at Apr 01, 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020	Not Recognised due to Uncertainty
<b>A. Deferred tax assets</b>					
Unabsorbed depreciation	107.69	(90.62)	-	17.07	344.52
Capital losses	1.21	32.84	-	34.05	20.61
Business losses	119.48	2.44	-	121.92	183.75
Provision for doubtful debts	62.17	(47.02)	-	15.15	-
Provision for doubtful advances	15.37	(12.88)	-	2.49	-
Other Provisions	20.25	118.74	-	138.99	-
Items allowable for tax purpose on payment basis	45.90	(14.75)	-	31.15	-
Others	125.96	(123.86)	-	2.10	-
Minimum alternate tax (MAT) credit entitlement	-	-	-	-	38.29
Elimination Impact for Subsidiary	-	-	-	-	(135.28)
	<b>498.03</b>	<b>(135.11)</b>	<b>-</b>	<b>362.92</b>	<b>451.89</b>
<b>B. Deferred tax liabilities</b>					
Difference between book balance and tax balance of property, plant and equipment	479.76	(132.58)	-	347.18	-
Others	18.27	(2.53)	-	15.74	-
	<b>498.03</b>	<b>(135.11)</b>	<b>-</b>	<b>362.92</b>	<b>-</b>
<b>Net deferred tax assets / (liabilities) (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451.89</b>

### (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit before tax	(166.94)	(187.53)
<b>Tax</b>	<b>(43.45)</b>	<b>(65.53)</b>
Deferred tax asset not recognised	(1.57)	54.20
Exempt income	-	(0.01)
Deductions claimed in tax	-	-
Weighted deductions available in tax	-	-
Permanent differences	17.70	0.02
Others (including difference in tax rates)	27.32	11.32
<b>Total income tax expense/(credit)</b>	<b>-</b>	<b>-</b>

### (c) Tax losses

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Unused tax losses for which no deferred tax has been recognised:		
Tax losses		
Business loss	761.11	525.85
- Capital loss: Short term	117.95	117.95
- Capital loss: Long term		
Unabsorbed tax depreciation	211.36	985.92
Elimination Impact for Subsidiary	(466.07)	(387.12)

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Potential tax benefit on Business loss	264.77	528.27
Potential tax benefit on Capital loss short term	20.61	20.61
Potential tax benefit on Capital loss long term		
Minimum alternate tax (MAT) credit entitlement	-	38.29
Elimination Impact for Subsidiary	(117.30)	(135.28)
<b>Total</b>	<b>168.08</b>	<b>451.89</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 decided to opt 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		2020-2021	2019-2020
<b>(a) Basic -</b>			
Number of equity shares at the beginning of the year		14,25,90,079	14,25,90,079
Number of equity shares at the end of the year		16,48,11,341	14,25,90,079
Weighted average number of equity shares outstanding during the year	(A)	14,40,51,203	14,25,90,079
Nominal value of each equity Share (₹)		10	10
Profit / (Loss) for the year (₹ in crore)	(B)	140.11	(187.53)
Earnings per share (Basic) (₹)	(B/A)	9.73	(13.15)
<b>(b) Diluted</b>			
Weighted average number of equity shares outstanding during the year		14,40,51,203	14,25,90,079
Earnings per share (Diluted) (₹)		9.73	(13.15)

### Note 32: Contingent liabilities

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<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	213.49	201.78
(ii) Others	0.01	0.01
<b>(c) Income Tax matters</b>	15.43	15.54
	<b>228.99</b>	<b>217.39</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, 2021

(All amounts in Rupees crores, unless otherwise stated)

### Note 33: Capital and other commitments

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 1.75 crore (31 <sup>st</sup> March 2020: ₹ 0.83 crore)]	3.60	4.73
	<b>3.60</b>	<b>4.73</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, 2021	31 <sup>st</sup> March, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	25.91	8.42
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.21	0.03
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.05
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>, 2021.

Particulars	2020-21	2019-20
Current Lease Liability	11.99	11.31
Non Current Lease Liability	5.72	11.93
	<b>17.71</b>	<b>23.24</b>

2. The following is the movement in lease liabilities during the year ended March 31<sup>st</sup>, 2021:

Particulars	2020-21	2019-20
Opening Balance	23.24	6.21
Additions during the year	7.37	22.59
Finance cost accrued during the period	2.17	2.33
Deletions	0.53	-
Payment of lease liabilities	14.55	7.88
<b>Closing Balance</b>	<b>17.71</b>	<b>23.24</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

	Particulars	2020-2021	2019-2020
3.	Expense pertaining to leases which has been identified as Short Term	7.09	6.65
4.	Expense pertaining to leases which has been identified as Low Value	0.09	0.07

5. Contractual maturities of lease liabilities as at March 31<sup>st</sup>, 2021 on an undiscounted basis

The table below provides details regarding the contractual maturities of lease liabilities as at March 31<sup>st</sup>, 2021 on an undiscounted basis:

Particulars	2020-21	2019-20
Less than one year	13.81	12.83
One to five years	4.76	12.56
More than five years	7.36	7.51

### 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, 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
Derivative asset	-	-	-	-	-
Loans	-	-	129.40	129.40	129.40
Investments	-	77.41	0.01	77.42	77.42
Other financial assets	-	-	31.50	31.50	31.50
<b>Total financial assets</b>	-	<b>77.41</b>	<b>577.78</b>	<b>655.19</b>	<b>655.19</b>
<b>Financial liabilities</b>					
Borrowings	74.07	-	1,944.26	2,018.33	2,018.33
Trade and other payables	-	-	616.43	616.43	616.43
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>2,710.28</b>	<b>2,784.35</b>	<b>2,784.35</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2020			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	9.65	9.65	9.65
Other bank balances	-	-	6.54	6.54	6.54
Trade receivables	-	-	196.86	196.86	196.86
Derivative asset	-	-	-	-	-
Loans	-	-	453.06	453.06	453.06
Investments	-	69.50	0.01	69.51	69.51
Other financial assets	-	-	33.62	33.62	33.62
<b>Total financial assets</b>	-	<b>69.50</b>	<b>699.74</b>	<b>769.24</b>	<b>769.24</b>
<b>Financial liabilities</b>					
Borrowings	-	-	2,213.81	2,213.81	2,213.81
Trade and other payables	-	-	623.15	623.15	623.15
Lease Liability			23.24	23.24	23.24
Other financial liabilities	-	-	154.14	154.14	154.14
<b>Total financial liabilities</b>	-	-	<b>3,014.34</b>	<b>3,014.34</b>	<b>3,014.34</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 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, 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>

Particulars	31 <sup>st</sup> March, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Investments	-	-	69.50	69.50
	-	-	<b>69.50</b>	<b>69.50</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2021	31 <sup>st</sup> March, 2020
Trade receivables	304.93	196.86
Loan	129.40	453.06
Other financial assets	31.50	33.62
<b>Total</b>	<b>465.83</b>	<b>683.54</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, 2021

(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 2021 and 31<sup>st</sup> March 2020.

The Group is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2020-2021	2019-2020
<b>Opening balance</b>	<b>8.37</b>	<b>170.82</b>
Acquired in business combination	-	-
Charge/(Release) to statement of profit and loss	2.28	1.79
Transferred pursuant to the scheme of arrangement	-	(163.38)
Utilised during the year	(0.32)	(0.86)
<b>Closing balance</b>	<b>10.33</b>	<b>8.37</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, 2021	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	204.88	595.00	1,505.84	525.97	<b>2,831.69</b>
Lease Liability	64.50	3.99	0.31	7.36	<b>76.16</b>
Other financial liabilities	58.17	-	-	74.27	<b>132.44</b>
Trade payables	616.43	-	-	-	<b>616.43</b>
<b>Total non-derivative financial liabilities</b>	<b>943.98</b>	<b>598.99</b>	<b>1,506.15</b>	<b>607.60</b>	<b>3,656.72</b>

Contractual maturities of financial liabilities 31 <sup>st</sup> March, 2020	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	827.77	459.88	331.51	656.69	<b>2,275.85</b>
Lease Liability	12.83	6.54	6.02	7.51	<b>32.90</b>
Other financial liabilities	80.57	-	-	73.57	<b>154.14</b>
Trade payables	623.15	-	-	-	<b>623.15</b>
<b>Total non-derivative financial liabilities</b>	<b>1,544.32</b>	<b>466.42</b>	<b>337.53</b>	<b>737.77</b>	<b>3,086.04</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.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

### Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

#### As at 31<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	-	-	0.00*	0.05	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>0.01</b>	<b>0.53</b>	<b>(0.00)*</b>	<b>(0.05)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### As at 31<sup>st</sup> March, 2020

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	0.96	-	-	-	-	-	-
<b>Financial liabilities</b>								
Trade payables								
Borrowings	0.05	3.39	0.00*	0.05	-	-	-	-
<b>Net exposure to foreign currency risk</b>	<b>(0.04)</b>	<b>(2.43)</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 Group

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Impact on profit before tax/equity	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>USD sensitivity</b>		
INR/USD appreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	(0.03)	0.12
INR/USD depreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	0.03	(0.12)
<b>EUR sensitivity</b>		
INR/EUR appreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	0.00	0.00
INR/EUR depreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	(0.00)	(0.00)
<b>JPY sensitivity</b>		
INR/JPY appreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	-	-
INR/JPY depreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	-	-
<b>GBP sensitivity</b>		
INR/GBP appreciates by 5% (31 <sup>st</sup> March 2020 - 5%)@	-	-
INR/GBP depreciates by 5% (31 <sup>st</sup> March 2020 - 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 2021 and 31<sup>st</sup> March 2020, 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, 2021	31 <sup>st</sup> March, 2020
Variable rate borrowings	47.41	2,180.16
Fixed rate borrowings	1,970.36	27.52
<b>Total borrowings</b>	<b>2,017.77</b>	<b>2,207.68</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, 2021	31 <sup>st</sup> March, 2020
Interest expense rates – increase by 50 basis points (50 bps)#	(0.24)	(10.90)
Interest expense rates – decrease by 50 basis points (50 bps)#	0.24	10.90

# Holding all other variables constant

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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 Group's equity.

Particulars	Impact on equity	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Share price - Increase 5%	3.87	3.48
Share price - Decrease 5%	(3.87)	(3.48)

### 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 three 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, 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 post demerger of the tyre business 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 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, 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 and exceptional items]	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	2,560.52	715.22	3,275.74
Segment Liabilities	2,810.09	268.17	3,078.26
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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(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, 2020 is as follows:

Particulars	Cement	Rayon, TP and chemicals	Total
<b>Segment Revenue</b>			
Revenue	2,329.95	315.69	2,645.64
	<b>2,329.95</b>	<b>315.69</b>	<b>2,645.64</b>
Segment Results [Profit/(Loss) before interest and tax]	157.44	(9.51)	147.93
Finance cost			(335.46)
<b>Profit/(Loss) Before Tax</b>			<b>(187.53)</b>
Segment Assets	2,561.85	649.94	3,211.79
Segment Liabilities	3,004.13	304.91	3,309.04
Segment Capital Expenditure	22.37	11.43	33.80
Segment Depreciation and amortisation	91.26	21.35	112.61
Non cash expenditure other than depreciation and amortisation included in segment expense			3.25

### Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
India	2,643.06	2,631.30
Others	9.71	14.34
	<b>2,652.77</b>	<b>2,645.64</b>

None of the customers of the Group accounts for more than 10% of the revenues as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

**Note 39A:** As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the operations of the Company were impacted for the year under reference. The Management has considered the possible effects, if any, that resulted from the pandemic on the carrying amounts of current assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these Financial Results. The Company continues to monitor the rapidly changing situation.

### Note 40: 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

Smt. Manjushree Khaitan

Mr. P. Radhakrishnan

Mr. Suresh Sharma

Mr. Kaushik Biswas [resigned w.e.f 19<sup>th</sup> January,2021]

Mr. Akash Ghuwalewala

Mr. Gujjula Srinivasa Reddy

Late Mr. Amitabha Ghosh [demised on 15<sup>th</sup> September,2020]

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Mr. Lee Seow Chuan  
 Ms. Jikyeong Kang  
 Mr. Siddhartha Mohanty [resigned w.e.f 1<sup>st</sup> February,2021]  
 Mr. Kashi Prasad Khandelwal  
 Mr. Bhaskar Neogi  
 Mr. Sudip Banerjee

### D) Others

#### A. Entity Controlled, Joint Control by Key Management Personnel

MSK Travels and Tours Ltd  
 Aditya Marketing & Mfg Ltd  
 Arbela Trading and Services Private Limited  
 Usinara Trading and Services Private 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	2020-2021	2019-2020
<b>Provident Fund Contribution</b>		
Post Retirement Benefit Plan	15.55	17.47
<b>Gratuity Claimed</b>		
Post Retirement Benefit Plan	9.80	6.11
<b>Gratuity Contribution</b>		
Post Retirement Benefit Plan	11.54	6.08
<b>Superannuation Contribution</b>		
Post Retirement Benefit Plan	0.02	0.02
<b>Upkeep, Rent, Electricity, Generator facility</b>		
Others	0.29	0.40
<b>Tour &amp; Travel Services</b>		
Others	0.49	11.78
<b>Loan Taken</b>		
Others	-	7.10
<b>Loan Repaid</b>		
Others	4.09	3.30
<b>Loan Given</b>		
Others	1.11	-
<b>Receipt of ICD</b>		
Others	50.20	-
<b>Repayment of ICD</b>		
Others	50.20	-
<b>Interest Expense</b>		
Others	1.78	0.33
<b>Interest Income</b>		
Others	0.03	-
<b>Interest Payment</b>		
Others	1.76	-
<b>Expenditure-Other Services</b>		
Others	0.37	8.17

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

### (B) Outstanding balances

Nature of Transaction/ Relationship	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Payable:</b>		
Others	1.42	2.36
Post Retirement Benefit Plan	3.22	14.66
<b>Loan Payable:</b>		
Others	-	3.80
<b>Interest Payable:</b>		
Others	-	0.32
<b>Loan Receivable</b>		
Joint Venture	6.17	6.17
Others	1.11	-
<b>Interest Receivable</b>		
Joint Venture	0.62	0.62
Others	0.03	-
<b>Advance Receivable</b>		
Joint Venture	0.32	0.32

### (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	2020-2021	2019-2020
Sitting fees to Director	1.04	0.71
Reimbursement of Expenses	0.04	0.08
Repayment of Loan from Director	20.73	-

(ii) Outstanding balances

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Remuneration	0.23	0.39
Loan from Director	-	20.73

\* Amount is below the rounding of norm adopted by the Group

### Note 41: Statement of net assets, and profit or loss attributable to owners and non-controlling interest

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>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in Rupees crores, unless otherwise stated)

Name of the entity	2019-2020							
	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	27.36	(28.13%)	(485.50)	258.90%	(11.37)	70.97%	(496.87)	244.11%
Kesoram Industries Limited								
Subsidiary	(81.68)	83.99%	(89.14)	47.54%	(4.65)	29.03%	293.33	(144.11%)
Cygnnet Industries Limited								
Total Eliminations	(42.93)	44.14%	387.12	(206.43)%	-	0.00%	-	0.00%
<b>Total</b>	<b>(97.25)</b>	<b>100.00%</b>	<b>(187.53)</b>	<b>100.00%</b>	<b>(16.02)</b>	<b>100.00%</b>	<b>(203.55)</b>	<b>100.00%</b>

**Note 42:** 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 code 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 43:** Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

\* Amount is below the rounding of norm adopted by the Group

In terms of our report attached

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

**Abhijit Bandyopadhyay**  
Partner

Place: Kolkata  
Date: 14<sup>th</sup> May, 2021

**Suresh Sharma**  
Chief Financial Officer

**Akash Ghuwalewala**  
Company Secretary

For and on behalf of the Board

**Manjushree Khaitan**  
Chairman

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



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