

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 56th Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the financial year ended 31st March 2022 is summarised below:

Particulars	₹ Crore	
	FY 22	FY 21
Turnover	13,607	9,688
EBITDA	4,416	2,541
Depreciation	570	478
Other income (net of expenses)	(153)	(37)
Operating profit before finance Cost	3,999	2,099
Finance Cost	229	427
Exceptional Item	215	(95)
Profit/(loss) before tax	3,556	1,767
Tax Expense	820	717
Profit/(loss) after tax	2,736	1,050
Other comprehensive income/(loss)	(17)	(46)
Total comprehensive income/(loss)	2,720	1,004
Paid up Equity Share Capital	221	221
Opening Reserves	4,732	3,728
Debenture Redemption Reserve	-	50
Capital Reserve	9	9
Other Free Reserves	4,722	3,669
Transfer to DRR from free reserves	-	(50)
Other receipts in Free reserves	-	-
Closing Reserves	7,451	4,732
Debenture redemption Reserve	-	-
Capital reserve	9	9
Other Free Reserves	7,442	4,722

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

1. OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS

During the Financial Year 2021-22:

Financial

- During the financial year 2021-22, revenue from operations increased to ₹ 13,607 Crore as against ₹ 9,688 Crore in the previous year - a growth of 40 %.

- b. Achieved ever highest EBIDTA of ₹ 4,416 Cr primarily on account higher realisation on LME and operational efficiency.
- c. Cost of goods sold as a percentage to revenue from operations decreased to 58 % as against 61 % in the previous year.
- d. The Profit before Tax for the current year is ₹ 3,556 Cr against profit of ₹ 1,767 Cr in the previous year on account of higher EBIDTA.
- e. Finance Cost for the current year is ₹ 229 Cr against ₹ 427 Cr in FY 21- a reduction of 46%
- f. Loan of ₹ 1,151 Cr prepaid during FY 22.

Operational

- a. Achieved highest ever sales volume of 5,81,512 MT.
- b. Highest ever Potline production of 580.4 kT against 568.5 kT (FY20-21)
- c. Best ever current efficiency of 95% achieved as against previous best of 94.6% (FY20-21).
- d. Lowest ever Specific Power Consumption of 13647 kWh/MT against 13769 kWh/MT (FY20-21). Potline-1 having achieved the lowest SPC of 13441 kWh/MT.
- e. Lowest ever Net Carbon consumption of 413 kg/MT against 414 kg/MT (FY20-21).
- f. Higher A-category pots of 87.77% against 85% (FY20-21).
- g. FLA production 5,81,674 MT.
- h. Highest ever Cast House production of 505 kT against 496 kT (FY20-21).
- i. Metal intake increased from 28052 MT per month (FY20-21) to 29480MT per month (FY21-22).
- j. Highest ever Rolled product production 33 kT against 30 kT (FY20-21).
- k. Achieved lowest ever anode weight of 1019 Kg/Mt.
- l. Achieved Lowest Boiler Outage due to tube leakage at CPP540MW (3 nos.) in last 7 seven years.
- m. Highest ever yearly Ash Utilization of 124%
 - With the vision of diversity and inclusion in workplace, BALCO has enhanced employment to transgender in the organization.
 - BALCO is recognized among India's Best Workplaces in Manufacturing 2022 by Great place to work

- Mr. Abhijit Pati (CEO) awarded 'Leading Director' by GreenTech Foundation.
- Mr. Pankaj Kumar Sharma (Dy. CEO) awarded 'Business leader of the Year' by World HRD Congress.

2. COVID STRATEGY

Throughout the financial year ended 31st March 2022, the global coronavirus (COVID-19) pandemic caused significant economic and social disruption worldwide. Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. You will be happy to know that your Company has taken a pro-active approach to keep our assets and people safe while ensuring continuity of business.

Most of our operations were continuing during the lockdown period being 'essential' or 'continuous' in nature. Our focus during these times have been to ensure that we operate optimally with lowest possible cost of production.

Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

3. EXPORTS

The aluminium exports during the financial year (2021-22) is 2,85,380 MT, generating revenue of ₹ 6,313.02 Cr. (including export incentive of ₹ 29.72 Cr.).

4. CONTRIBUTION TO GOVERNMENT EX-CHEQUER

During the FY 2021-22, Company has contributed ₹ 3,536 Cr. to State and Central Government treasury as compared to contribution of ₹ 2,424 Crore made in FY 2020-21.

5. TRANSFER TO RESERVE

The Company has transferred NIL to General Reserves for the financial year ended on 31st March 2022. An amount of ₹ 7,451 Cr is retained in the retained earnings.

6. DIVIDEND

Your Directors wish to conserve resources for future expansion and growth of the Company. The Board of

Directors of your company has decided that it would be prudent, not to recommend any Dividend for the financial year under review.

7. CREDIT RATING

Your Company's credit rating is AA (pronounced as ICRA double A) Outlook Stable for the long-term borrowing of the Company, rated by ICRA Limited. The detail of credit rating is available on the website at: <https://www.balcoindia.com/>

8. HEALTH, SAFETY & ENVIRONMENT

In line with the principle of sustainable development, the Company continues to focus on Health, Safety & Environment as one of its focus areas of business. The Company is certified by IRQS for IATF 16949:2016 and by Bureau Veritas for ISO 9001:2015, ISO 14001: 2015 and ISO 50001:2018 and ISO 45001: 2018 certifications.

The Key highlights for year 2021-22 are as under:

- ▶ SI (MBRD) reporting by all executives & front line in-charges & supervisors of the business partners. Total 1421 VFL round and 61455 safety interactions carried out in Balco.

LTIFR & TRIFR for FY 2021-22 is 0.24 & 0.77, respectively.

- ▶ Highest ever Near Miss (5100) reporting.
- ▶ GRI & DJSI Assurance audit completed
- ▶ Ergonomic Assessment Conducted for employees and business partners
- ▶ Training Programmes on Ergonomic conducted
- ▶ Third Party Industrial hygiene study conducted.
- ▶ BALCO Dispatches its First Ever Fly Ash Rake
- ▶ Fire study of BALCO by competent 3rd party
- ▶ Automation of alumina tanker hatch opening/closing.
- ▶ Business Partner VSAP internal audit conducted by cross function team and Business Partners wise score shared.
- ▶ Ash dyke truck movement streamlined with separate entry & exit points and 100 nos. of display boards provided at dykes.
- ▶ Foundry Chimney was demolished in a controlled method ensuring the safety of the operational plant
- ▶ Cross Business Vehicles & Rail safety audit conducted for gaps identification and learnings across AI-Sector

- ▶ Critical Risk Management theme launched and under this, drive conducted across BALCO to cross verify gaps in Critical risk controls.
- ▶ E-wastes disposal done of approx. 5 Tons to authorized recyclers.
- ▶ Electrical Governance Certificate system implemented
- ▶ Safety Communication by CEO, BALCO drive conducted across BALCO business partners wise.
- ▶ Unserviceable explosives stock of Kawardha and Chotia destroyed in presence of PESO controller
- ▶ Animated Fatality learning video prepared and circulated.
- ▶ Third party safety audit conducted as per IS 14489 by M/s Dekra
- ▶ Suraksha Kutumb drive framed and initiated.

Awards won in area of Safety, Health and Environment include-

- ▶ National Safety Awards (Mines) received from Hon'ble Minister of Labour and Employment
- ▶ Balco Winner Kalinga Environment Excellence Award

The Company had an unfortunate fatality at Carbon Plant (GAP-2) on 14th Feb, 2022. The accident was fully investigated, and preventive actions were taken across sites.

9. INFORMATION TECHNOLOGY & COMMUNICATION

▶ Hot Spot Detection System for Coal Yard: -

Using Thermal Image Camera for Identification of Spontaneous combustion in Coal Yard and to alert concern officers in the event of Hot Spot in Coal Piles with location with Alarm/ Alerts. It is aimed to detect the hot spot and give warning in advance about any temperature raise above 70 deg Celsius in yard.

Benefits:

Maintains CV value by minimizing burning and hence overall efficiency enhancement.

Minimizes emission of hazardous gases like methane/ carbon monoxide.

Save huge amount of revenue lost due to damage of belts and spontaneous combustion of coal in case of fire.

► **Real-time temp. measurement and analytics to optimize furnace heat flow: -**

Furnace metal Temperature can now be controlled by running a furnace burner in a bath control mode by measuring the actual metal temperature and utilized the actual temperature to melt aluminum scrap. Mapping PLC data in the MES system for real time data monitoring and automatic report generation.

► **Smart Purity Tracking: -**

A more reliable and evidential method of analysis of critical pot and demand as per customer specification with Si/Fe monitoring with predication. It will give early predication of prone to leakage pots and subsequent action can be taken to prevent pot leakage.

► **Boiler Tube Leakage Prediction Using AI/ML Pulse Edge: -**

This project offers a more reliable and evidential method of prediction analysis of Boiler Thermal Profile. It is aimed to detect and give warning in advance about leakages, so that subsequent action can be taken to prevent Boiler Tube Leakage.

10. HUMAN RESOURCES, TRAINING AND DEVELOPMENT

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

In the FY 2021-22, total 29,998 training man-days were covered in 312 comprehensive training interventions, with a participation of 29,998 employees against the targeted training man-days 10,666.

To familiarise with policies, its adherence, actions on non-compliance of Code of Conduct and reporting mechanism for Whistle Blowing to ensure utmost ethical behaviour, corporate governance and to

make employees aware about Human Rights in the Organizational functioning, an Online Awareness Module of Mandatory Sessions on 'Code of Conduct Business Ethics & WBP, ABAC, Anti-Trust Guidance Laws and Human Rights' was launched through E-Learning Portal, which has coverage of 100% as on date.

To educate employees on the various aspects of POSH law, an online E-Learning module was launched in the month of Jan'2022.

11. INDUSTRY OUTLOOK

Global Trade Scenario

Global economy activities posted impressive recovery during FY 2021-22 from the initial pandemic related economic restriction fueled by the availability of the Vaccines coupled with unprecedented fiscal and monetary support from the government and central banks around the world¹. The emergence of Delta variant in the first half of FY 2021-22 and Omicron in the second half of FY 2021-22 had significantly hindered the global economic growth momentum and added market volatility across the different markets especially the commodity market.

The supply-chain disruption continued to be major issue for businesses during FY 2021-22 especially in the USA and Europe as the ports remained highly congested in Europe and the USA. Further the problem has been amplified by the resurgence of COVID-19 cases, shortage of workforce around the world. Even though the demand growth across the segment, slowed as compared to second half of FY 2020-21, the global demand of FY 2021-22 remained higher than that of pre-pandemic level. In the second half of FY 2021-22, the disruption in the energy supply, because of natural disaster and production halt in China, USA and Australia, and geopolitical instability in Europe and higher demand led to an astral growth in the energy prices.²

Pertaining to the higher energy prices, labour shortage, supply-chain disruption and extra-ordinary liquidity support and fiscal support the world has witnessed an unprecedented price rally across all the commodities including Aluminium.

¹During the FY 2021-22 the US Federal Reserve injected a net of \$1.2 Trillion worth of liquidity injection and ECB injected around \$1 Trillion worth of liquidity injection. Source: US Federal Reserve, ECB.

²During the second half of FY'22 the Brent Oil has gone from \$79.28 per barrel on 1st Oct'21 to \$111.44 per barrel on 31st Mar'22. While Newcastle Coal Future \$152 PMT in Sep'21 to \$264 PMT in Mar'22. Source: Bloomberg

Domestic Market Scenario

Similar to global economy, the economic growth in the domestic market was disrupted by the second wave of the covid-19 pandemic. Even though the ferocity of the delta wave was unprecedented the loss of demand was less intense than the first wave of the covid-19. To pertain the effect of second covid-19 wave The Government of India (GoI) announced the first stimulus amounting to 1.2 lac crore rupees for FY 2021-22 in addition to the continuation of the previous stimulus.

Due to base in H1 of FY 2021-22 the growth in demand for durable goods were higher than H2 of FY 2021-22, the demand on absolute term were higher in H2 as compared to H1 of FY 2021-22. A similar trend can be seen in the aluminium sector where the production of three primary producers in India grew at 10% and 9% for H1 of FY 2021-22 and H2 of FY 2021-22 on year-on-year basis, but in absolute term the production was 45Kt higher in H2 as compared to H1 of FY 2021-22³.

Price Drivers

FY 2021-22 has been a year of price volatility. With the rising concern about supply chain disruption and softening demand due to covid-19 second wave, geopolitical instability in the Europe and rising input cost, FY 2021-22 witnessed significant commodity price volatility including Aluminium⁴. During the second half of FY 2021-22 Europe witnessed significant increase in their energy price due to several geopolitical crisis⁵. During the same period the coal prices in Asia had increased drastically pertaining to higher demand and supply disruption⁶.

With the increase of the energy prices many European smelter curtailed the production of Aluminium leading the sever deficit in the Aluminium market. Pertaining to that the base index price and regional premiums rose to historic highs. The LME Aluminium price rose above \$3000 PMT level during the Oct'21. Further, the Geopolitical instability in Europe has worsen the energy market stability leading

unprecedented price increase. On 7th March 2022 the LME Aluminium cash settled price touched \$4000 PMT level for the first time in the history.

Product and Customer

Balco's integrated smelter in India with 0.55 MTPA installed capacity with primary domestic market share of 22% FY 2021-22 as compared to 30% in FY 2020-21. Balco's product range includes Aluminium Ingots, Primary Foundry Alloys, Wire Rods and Rolled Products. The company is poised to accelerate its reach to automotive downstream industry in India through variety of its value-added products portfolio, which is on increasing trend as days pass by.

For this financial year, 48% of the company's total sales were to the Indian markets, specifically for the use in the electrical and transportation industries. About 71% of this domestic sale comprised of Value Added Product portfolio of Vedanta Ltd, which saw an increase of 11% compared to last year. The company sold an overall of 40% of its total sales as Value Added Product in this financial year.

12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

A) Changes in Directors and KMP

Mr. T K Chand (DIN-01710900) ceased as an Independent Director of the Company upon his resignation on 23rd July 2021.

During the year, on the recommendation of Nomination and Remuneration Committee, the Board of Directors has:

- i. Appointed Mr. Amit Gupta (PAN- AGQPG5827K) as Chief Financial Officer (KMP) w.e.f. 24th August 2021.
- ii. Appointed Mr. Prateek Jain (PAN-ALRPJ5124G) as Company Secretary (KMP) w.e.f. 10th December 2021

³The higher production in H2 as compared to H1 during FY 2021-22 is a sign of economic recovery and higher demand as the excess production trend during H2 as compared to H1 is record ex-post the covid-19 pandemic. Source: Internal Data Source. FY 2021-22.

⁴During FY 2021-22 Aluminium price [LME cash settled] has recorded a price difference of \$1772 PMT [lowest \$2212.5 PMT on 1st Apr-21 and highest \$3984 PMT 7th Mar-22] highest ever in a single year in addition to that the relative price variance of LME daily cash settled prices has increased to 48 as compared to 31 during FY 2021-22. Source: LME Aluminium Cash Official.

⁵The Energy crisis in Europe began due to exceptionally high demand and restricted supply of natural gas. Due to two separate geopolitical crises among Algeria and Morocco [11.9% natural gas import] and Russia and Ukraine [44% natural gas import] the supply of natural gas to Europe got disrupted at an unprecedented rate. Source: International Trade Centre.

⁶During the middle of FY 2021-22, there had been a severe shortage of coal in Asia including India leading to sky high coal prices. Due to heightened energy demand from China, Production curb by Australia, Heavy rainfall in Vietnam had led to sever regional shortage of coal especially coal from Indonesia [the world's largest coal exporter] leading to an astral increase in the coal price.

- iii. Re-appointed Mr. Abhijit Pati (DIN-08457230) as Additional Director and Chief Executive Officer and Whole Time Director of the Company w.e.f. 01st January 2022 subject to approval of the Shareholders in forthcoming Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director.

During the year, the Board took note of the below changes in Government Nominee Director:

- i. Resignation of Mr. Yatinder Prasad (DIN-08564506) and the appointment of Ms. Nirupama Kotru (DIN-09204338) w.e.f. 04th August 2021.
- ii. Resignation of Mr. Alok Chandra (DIN-06929789) and appointment of Mr. Shakil Alam (DIN-09272903) w.e.f. 04th August 2021.

During the year, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors:

- i. Took note of the resignation of Mr. Rahul Roongta from the office of Chief Financial Officer of the Company w.e.f. 23rd August 2021 and approved the appointment of Mr. Amit Gupta as Chief Financial Officer & KMP of the Company w.e.f. 24th August 2021.
- ii. Took note of the resignation of Mr. Vinod Kumar Mathur from the office of Company Secretary of the Company w.e.f. 15th September 2021 and approved the appointment of Mr. Prateek Jain as Company & KMP of the Company w.e.f. 10th December 2021.

B) Directors liable to retiring by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association Mr. S. K. Roongta (DIN-00309302), Director is liable to retire by rotation at the ensuing Annual General Meeting. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment.

Mr. S. K. Roongta has given required declaration under Companies Act, 2013. Brief resume of the Director being reappointed forms part of the notice of ensuing Annual General Meeting. The Board/Committee recommend the reappointment of Mr. S. K. Roongta.

The Nomination and Remuneration Policy of the Company is attached herewith as **Annexure -E** and is also available on the Company's website at:

<https://www.balcoindia.com/sustainability/policies-standards/sustainability-policies/>

C) Key Managerial Personnel

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Abhijit Pati - Chief Executive Officer & Whole Time Director

Mr. Amit Gupta - Chief Financial Officer

Mr. Prateek Jain - Company Secretary

D) Separate Meeting of Independent Directors

The Independent Directors met on 29th March 2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity, and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E) Declaration of Independent Directors u/s 149

All the Independent Directors of the Company have given their respective declaration / disclosures under Section 149(7) of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014, and have confirmed that they fulfil the independence criteria as specified under section 149(6) of the Act, and have also confirmed that they are not aware of

any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations / disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

F) Familiarisation Programmes for Board Members

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same.

In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct, Policy on Related Party Transactions, Policy on Remuneration, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy.

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

G) Number of Meetings of the Board

The Board met 8 (eight) times during the financial year 2021-22 on 22nd April 2021, 23rd June 2021, 22nd July 2021, 23rd August 2021, 20th October 2021, 10th December 2021, 21st January 2022 and 29th March 2022. The maximum interval between any two meetings did not exceed 120 days. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

13. DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors hereby confirm that: -

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates 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 and of the profit and loss of the company for that period;
- (c) They have taken proper and sufficient care 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) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is following the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

15. INTERNAL FINANCIAL CONTROLS

Internal financial control over financial reporting have been designed to provide reasonable assurance with regards to recording and providing reliable financial information and complying with applicable accounting standards. These controls are reviewed periodically, and the Company continuously tries to automate these controls to increase its reliability. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics framework, a risk management framework, and adequate segregation of duties to ensure an acceptable level of risk. Documented controls are in place for business processes and IT general controls. Key controls are tested by entities to assure that these are operating effectively. Besides, the Company has also adopted an SAP GRC (Governance, Risk and Compliance) framework to strengthen the internal control and segregation of duties/ access.

The Company has documented Standard Operating Procedures (SOP) for procurement, project/expansion management capital expenditure, human resources, sales and marketing, finance, treasury, compliance, Health, Safety and Environment (HSE), and manufacturing.

The Group's internal audit activity is managed through the Management Assurance Services ('MAS') function. It is an important element of the overall process by which the Audit Committee and the Board obtains the assurance on the effectiveness of relevant internal controls. The scope of work, authority and resources of MAS are regularly reviewed by the Audit Committee. Besides, its work is supported by the services of leading international accountancy firms.

The Company has a well-defined and documented delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company has workflows to ensure adherence to the delegation of authority. The Company has a commercial manual which lays down certain principles and procedures that are to be followed in commercial & purchase contracts transactions across the Company. The SSC verifies the compliance to commercial manual before clearing the payments.

The Company's system of internal audit includes monthly physical verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. To enhance internal controls, the internal audit follows a stringent grading mechanism, focussing on the implementation of recommendations of internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

The Company is also required to comply with the Sarbanes Oxley Act Sec 404, which pertains to Internal Controls over Financial Reporting (ICOFR). Through the

SOX 404 compliance programme, which is aligned to the COSO framework, the Audit Committee and the Board also gains assurance from the management on the adequacy and effectiveness of ICOFR.

In addition, as part of their role, the Board and its Committees routinely monitor the Company's material business risks. Due to the limitations inherent in any risk management system, the process for identifying, evaluating, and managing the material business risks is designed to manage, rather than eliminate risk. Besides, it created to provide reasonable, but not absolute assurance against material misstatement or loss.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Based on the information provided, nothing material has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. Further, the Audit Committee annually evaluates the internal financial controls for ensuring that the Company has implemented robust systems/framework of internal financial controls viz. the policies and procedures adopted by the Company 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.

16. AUDITORS' APPOINTMENT AND AUDITORS' REPORT:

(A) STATUTORY AUDITORS

M/s S. R. Batliboi & Co., LLP, (Firm Registration Number 301300E) Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years at the Annual General Meeting ("AGM") of the Company held on Friday 17th September 2021. The Auditors have confirmed that they are not disqualified under section 141 of the Act from continuing as Auditors of the Company.

The observations made in the Auditor's Report are dealt with separately in the notes to the Profit and Loss Account and the Balance Sheet. These are self-explanatory and do not call for any further comments.

(B) SECRETARIAL AUDITOR

Pursuant to provision of Section 204 of Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, a confirmation eligibility and willingness to act as Secretarial Auditor of Company has been received from M/s Vinod Kothari & Company to conduct Secretarial Audit for FY 2022-23. The Audit Committee recommends to the Board their appointment for FY 2022-23.

Pursuant to provision of Section 204 of Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, the Company had appointed M/s Vinod Kothari & Company to undertake the Company's Secretarial Audit for FY 2021-22.

The Report of the Secretarial Audit for FY 22 in Form MR-3 is annexed herewith as **Annexure B**.

(C) COST AUDITOR

Pursuant to provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, M/s R J Goel & Co., Cost Accountants as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March 2023, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration

payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

A confirmation of eligibility and willingness to act as Cost Auditor of Company has been received from M/s R J Goel & Co., to conduct Cost Audit for FY 2022-23. The Audit Committee recommends to the Board their re-appointment for the year 2022-23.

The Company maintains necessary cost records as specified by Central Government under sub-section 1 of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information as required under Section 134 of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, viz. a report on conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the **Annexure-A** attached hereto and form part of this report.

18. EMPLOYEE INFORMATION AND RELATED DISCLOSURES

The statement containing particulars of employees as required under Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

19. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. A separate report on Corporate Governance, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') forms a part of this annual report.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-D".

21. ANNUAL RETURN

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is <https://www.balcoindia.com/>

22. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as "Prevention of Sexual Harassment Act"), the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition, and redressal of sexual harassment at workplace and an Internal Complaints Committees has also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Complaints of sexual harassment received during the financial year 2021-22 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them. The following is a summary of sexual harassment complaints received and disposed of during the year:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the year	Nil
Number of complaints disposed off during the year	Nil
Number of cases pending as on the end of the financial year	Nil

23. RELATED PARTY TRANSACTION

All contracts or arrangements entered by the Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such contracts or arrangements have been approved by the Audit Committee, as applicable. There were no materially significant Related Party Transactions entered-into by the Company with Promoters, Directors, Key Managerial Personnel, or other related parties which may have a potential conflict with the interest of the Company. Requisite prior approval of the Audit Committee of the Board of Directors was obtained for Related Party Transactions. All the related party transactions entered into by the Company were in ordinary course of business and at arm's length. Therefore, disclosure of Related Party Transactions in Form AOC-2 as per the provisions of Section 134(3)(h) and Section 188 of the Companies Act, 2013 read with the Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations.

The details of the transactions with the related parties are provided in the accompanying financial statements. There were no related party transactions made during the year required to be disclosed in the Form AOC-2.

24. VIGIL MECHANISM

The Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act. Your Company's Whistle Blower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud, or any violation of the Code of Conduct, that could adversely impact your Company's operations, business performance and / or reputation. It is your Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

As per the whistle-blower policy adopted by the Company, all complaints are reported to Director-Management Assurance who is independent of operating management and businesses.

In line with global practices, dedicated email IDs and centralized database have been created to facilitate receipt of complaints. A 24X7 whistle blower hotline cum web-based portal is available to report genuine concerns. All employees and stakeholders can register their integrity related concerns either by calling on a toll -free number or by writing on the web-based portal that is managed by a third party. The hotline provides multiple local language options. After the investigation, established cases are brought to Group Ethics Committee for decision making. Whistle Blower Policy is also posted on the website of the Company.

25. BOARD EVALUATION

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process and it covers various aspects of the Board functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgement, governance issues etc. A structured questionnaire was circulated to the Board members in this connection.

As an outcome of the above exercise, it was noted that the Board is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings.

Outcome of the evaluation exercise:

1. The Board as a whole performed satisfactorily.
2. Independent Directors are rated high in understanding the Company's business and expressing their view during the Board meetings.
3. The Non-Executive Directors scored well in all aspects.
4. Directors rated Executive Directors as action oriented and good in implementing Board decisions.
5. Board members rated high to the Chairman in leading the Board effectively.
6. Board members had shown satisfaction in functioning of the Committees.

26. DEPOSIT

During the year under review, your Company has not accepted any deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March 2022, there were no deposits which were unpaid or unclaimed and due for repayment.

27. LOANS AND INVESTMENT U/S 186

Details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements.

28. COMMITTEES OF THE BOARD

Currently, there are three Board Committees - the Audit Committee, the Nomination and Remuneration Committee Corporate Social Responsibility Committee and Finance standing Committee. Meetings of Board Committees are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of Board Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

A) Audit Committee:

The Audit Committee of the Board of Directors constituted in compliance of Section 177 of Companies Act, 2013 comprises:

1. Mr. D. D. Jalan - Chairman (Independent Director)
2. Mr. Arun Tadarwal - Member (Independent Director)
3. Mr. Tarun Jain - Member (Non-Executive Director)

Besides reviewing the internal audit, control, and procedures, it reviews the un-audited and audited financials of the Company before submission to the Board. The Audit Committee also reviews the implementation of the risk management policy and the whistle blower policy and all other activities as stipulated in Audit Committee Charter.

7 (Seven) Audit Committee Meetings were held during the financial year ended 31st March 2022 and dates on which the Audit Committee Meetings were held are as follows:

22nd April 2021; 23rd June 2021; 19th July 2021; 22nd July 2021; 20th October 2021; 21st January 2022 and 29th March 2022.

The Board has accepted all recommendation of the Audit Committee.

B) Nomination and Remuneration Committee:

The Nomination & Remuneration Committee establishes the principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares a proposal for the Board of Directors' decision.

In terms of provisions of Section 134(3) (e) of the Companies Act, 2013, the Company has adopted the Nomination and Remuneration Policy.

Composition, names of members and number of meetings held during the year:

In terms of provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted Nomination and Remuneration Committee and as on 31st March 2022, the Nomination & Remuneration Committee comprised of the following Independent Directors & Non-Executive Directors.

1. Mr. D. D. Jalan - Chairman (Independent Director)
2. Mr. Arun Tadarwal - Member (Independent Director)
3. Mr. S K Roongta-Member (Non-Executive Director)

During the year FY 2021-22, Nomination & Remuneration Committee met 3 (three) times i.e., on 20th April 2021; 17th August 2021 & 10th December 2021.

In terms of provisions of Section 134(3) (e) of the Companies Act, 2013, the Company has adopted the revised Nomination and Remuneration Policy on 2nd May 2019.

C) Corporate Social Responsibility Committee

In Compliance with Section 135 of Companies Act, 2013 the company has duly constituted Corporate

Social Responsibility (CSR) Committee and as on March 31, 2022, the Committee comprises of following Independent Director, Non-Executive and Executive Director: -

1. Mr. Arun Tadarwal- Chairman (Independent Director)
2. Mr. S K Roongta- Member (Non-Executive Director)
3. Mr. Abhijit Pati- Member (CEO and Whole Time Director)
4. Ms. Nirupama Kotru- Member (Government Nominee Director)

The role of CSR Committee includes formulating and During the financial year ended 31st March 2022, the Committee recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR.

During FY 2021-22, CSR Committee met 3(three) time on 22nd April 2021; 17th May 2021 and 20th January 2022.

29. CORPORATE SOCIAL RESPONSIBILITY

Your Company's overarching commitment to create significant and sustainable societal value is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. CSR for Balco is an integral part of its business strategy, which includes creating an organisation intended to maximise wealth of shareholders and establish productive and lasting relationship with all stakeholders, with an emphasis on fulfilling our responsibility towards the entire community and society.

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mr. Arun Tadarwal: Independent Director. The other Members of the Committee for the Financial Year ending March 31, 2022 were Mr. S K Roongta, Mr. Abhijit Pati and Ms. Nirupama Kotru.

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending

the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR.

The Corporate Social Responsibility Policy is available on the website of the Company at: [CSR Policy 19th May 2021.pdf \(d2z119uefzbzxd.cloudfront.net\)](https://www.balco.com.in/Content/CSRPOLICY19thMay2021.pdf).

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. During the FY 2021-22 the Company has spent ₹ 39.95 crore under Section 135 of the Act on CSR activities,

30. CORPORATE SOCIAL RESPONSIBILITY PROJECTS

BALCO CSR works towards a larger goal of creating enduring value for the communities it works in. Towards that end, we undertake various community programmes as part of our Corporate Social Responsibility (CSR). The Company has committed to align its CSR activities to the priorities of its neighborhood communities and the national priorities. CSR programs are spread across various thematic areas i.e., Education, Sustainable Livelihoods, Health, Water & Sanitation, Women's Empowerment, Environment & Safety, Sports & Culture, and Community Asset Creation including community development. This year, through various CSR initiatives 1.65 Lac people impacted in 4 districts of Chhattisgarh.

EDUCATION

Connect

- ▶ The Project focuses on improving the learning environment in nearby 5 government schools by creating an enabling environment with focus on improvising Students Grades, Teacher's Capacity Building, Career Counselling and Employee Volunteerism. The Field Instructors teach students in SEMA subjects (Science, English, Maths & Accountancy) in these Govt. schools. During the year, 1447 students in 5 Govt. schools benefitted through regular and remedial classes for 9th - 12th class on SEMA subjects (Science, English, Maths & Accountancy), other activities like winter camps, doubt clearing sessions and test series helped students to prepare for Board exams.

SUSTAINABLE LIVELIHOODS

Mor Jal Mor Maati

- ▶ The project focusses on augmenting irrigation facilities, equipping farmers with latest farming

techniques and promoting multi-cropping to reduce the dependence on rainfall, improving the surface water management with existing resources and ensuring income generation round the year. During the year, 1024 Farmer benefitted covering 831 acre of land in 11 villages. Farmers were supported with input support of seeds, manure, fencing, soil testing and periodic monitoring of the crops. Farmers were also capacitated through training programs on modern cropping methods.

As a result, 75% of farmers adopted modern agriculture techniques like Systematic rice intensification (SRI) which lead & systematic wheat intensification (SWI). SRI helped farmers in getting 1.5 times increase in production. Cumulatively these methods lead to an average increase in farmer' income by 30% with 40% reduction in cost of cultivation. Capacity Building sessions of FPO (Farmer Producer Organizer) established under project with over 400 farmers as members were done. Multiple exposure cum learning visits were organized both within and outside Chhattisgarh for farmers to understand FPO management and business development for agricultural produce. In line with this FPO started its own Input Centre (Shop for selling Agri input such as seeds, Manure and Farming tools).

Vedanta Agriculture Resource Centre (One stop solution for farming needs) ventured into production of exotic vegetables such as Lettuce, Broccoli and Capsicum. It also served as the central point for training and soil testing for farmers. Convergence done with various government schemes such as Saurya Sujala Yojna, PM Krishi Sichayi Yojna, National Food Security Mission and MGNREGA.

Vedanta Skill School

- ▶ The project focuses on imparting vocational training to rural youth, drop outs and unemployed population of Chhattisgarh with a special focus on our operational areas and linking them with gainful employment opportunities. During the year, 594 youths trained in 3 of our centres running in Korba, Kawardha & Mainpat out of which 73% youth placed in 18 reputed organizations with an average CTC. of INR. 12000-13000/month in 5 states. Out of 24 batches, 11 batches trained in convergence with Govt. schemes like Mukhya Mantri Kaushal Vikas Yojna (MMKVY), NABARD, Skill India Impact Bond (SIIB) and National institute of Solar Energy (NISE).

HEALTH, WATER AND SANITATION

Arogya

- ▶ The project is a comprehensive health initiative providing quality Primary health care services through Rural Health Posts and awareness campaigns on TB, HIV and Maternal & Child health. During the year, program reached out to over 28,902 people through curative and preventive healthcare services in 30 communities. Multiple awareness and capacity building sessions conducted on HIV, TB and Maternal & Child Health. For HIV awareness community level meetings were organized along with a weeklong HIV awareness campaign in collaboration with District Administration observing the World AIDS Day (1st Dec). Under maternal & child health, developed 150 nutrition garden and trained 500 mothers on recipes from Take Home Ration (THR) for better consumption & improving nutrition levels of Mother & Child. Revived & Capacitated, 21 Mahila Arogya Samiti & 11 Village Health, Sanitation & Nutrition Committee (health bodies in communities) covering 600 PRI members & local health workers for better convergence & leveraging.

Mobile Health Van

- ▶ The Mobile Health Van (MHV) is structured to provide Healthcare at the doorstep of the ailing. In view of the same, BALCO in partnership with HelpAge India launched MHV program. This MHV is serving our nearby 45 communities/areas and addresses the problems of inaccessibility to, inability to afford and non-availability of basic essential health care in community. 5516 people availed health care services during fortnightly visits in 45 communities. Multispecialty (Orthopedics, Dental, ENT, Pediatrics, Gynaec, Blood & Sugar etc.) mega health camp organized benefitting 177 people. 12 Awareness camps organized, sensitizing people on Covid related precaution and other health and hygiene matters.

Nayi Kiran (Menstrual Health Management)

- ▶ The project focuses on creating awareness and capacity building of women and adolescent girls on hygienic practices during menstruation. During the year, the program sensitized over 33,377 women, men, adolescent Girls & Boys through awareness, sensitization & capacity building sessions. As a step ahead, capacity building & leadership sessions done with 60 adolescent girls group, 60 self-help

group women & 60 frontline workers to make the torchbearers in community on spreading right message on safe menstrual health practices. Additionally, as a bold step, project involved "Men in Menstruation", in this 60+ Adolescent boys capacitated on understanding of Menstruation. 4 Swastha Suvidha Kendra were also started in villages which are serving as the one stop solution for Menstrual problems and place for conducting session at village level being run by leaders of our adolescent girls group.

Balco Medical Centre

- ▶ We aim to envisage a society where people are free from the menace of cancer. The Balco Medical Centre (BMC), a 170-bed tertiary oncology facility - a flagship initiative of the Vedanta Medical Research Foundation (VMRF). Aims to bring ultra-modern, multi-modality diagnostic and therapeutic facilities within easy reach of India's population at an affordable cost. It is located in Naya Raipur, Chhattisgarh and patients from different parts of the country visit the centre. During the year 12,082 people availed healthcare services from the hospital.

Covid Relief Efforts

- ▶ As the second & third wave of the Covid hindered with the normal, once again, BALCO swiftly mobilized to provide relief work to people in times of crisis. 72,440 people were reached through various initiatives taken by BALCO.

Primary level

Through continuous awareness drives in all the nearby communities the fear of Covid was contained, along with this sanitization drive was run covering 30 communities. 14000+ Sanitization kits each having Masks, Soap and Sanitizer bottle were distributed in nearby 30 communities. For this more than 71,000 masks were stitched by 122 women of SHG groups who earned INR. 3.5 lacs.

Secondary level

Support was provided to district administration in the form of Medicines, Oximeters, Thermal Guns and Ventilators to tackle increasing cases of Covid.

Tertiary level

At state level a 100 bedded Field Hospital was setup in Raipur to provide tertiary level care during pandemic.

WOMEN'S EMPOWERMENT

Unnati

- ▶ The project focuses on empowering, mobilizing & strengthening women into Self Help Groups (SHGs) and develop their capacities and skills for entrepreneurship and sustainable livelihoods. During the year, 90 new SHGs (Self Help Groups) formed, taking total to 458 SHGs involving 5066 women. 961 women engaged in income generation activities under 3 microenterprises.
- ▶ On occasion of International Women's Day "Unnati Mahotsav" celebrated with community women on the theme #breakthebias. Event celebrated with participation of 400+ SHG women from 45 communities with enthusiastic performances by women and girls depicting local dance forms and plays on social issues. Other highlight of the program was, Balco recognizing the efforts of 3 State Level achievers, Amita Shriwas (Mountaineering), Ankita Gupta (Mountaineering) and Tulika Pandey (Entrepreneurship) & 10 Local Level Women/Girl Achievers who have achieved significant positions by breaking the biases or done innovative work in social space. The event included Stalls having products by SHG groups, Farmers Groups, and Government also on Legal aid for women and Women Health etc. were put on display.

EMPLOYEE ENGAGEMENT

- ▶ Employee engagement provides a unique opportunity for employees to contribute for the social good and also to see the values of care being implemented on ground for the people. In line with this 180+ employees volunteered cumulatively for activities like
 - ▶ Wish Tree initiative, where they gave gifts to the kids of the nearby communities, fulfilling their wishes.
 - ▶ Mentoring - Employees also volunteered for taking classes and career counselling sessions under Connect.
 - ▶ Counselling - Volunteering for taking counselling sessions in Vedanta Skill School Program, so that students can be helped with ready for change of state for placements.
 - ▶ COVID - The employees participated in Covid vaccination survey in nearby villages, helping government in mapping status of Covid Vaccinations.

- ▶ Safety Trainings - Safety sessions conducted by employees training NGO partners to make them master trainers for safety in communities.

SAFETY

- ▶ To make safety an integral part of CSR function and to ensure safety of our partners on field and community at large, 5 safety trainings organized to capacitate NGO partners on Road, Fire & Home safety covering 51 members, these 51 people will further take the message of safety as leaders, both for their NGOs and community.

AWARDS

During the year, BALCO's CSR efforts were appreciated and recognized by

- ▶ ICC Social Impact Award - Healthcare
- ▶ ICC Social Impact Award - Empowering the Rural Community
- ▶ Green Tech CSR India Award - Agriculture Promotion
- ▶ SABERA- Responsible Business of the Year
- ▶ The CSR Journal Excellence Award- Agriculture and Rural Development

31. RISK MANAGEMENT

Your businesses are exposed to a variety of risks, which are inherent to a global natural resource's organisation. Risk management is embedded in the organisation's processes and the risk framework helps the organisation meet its objectives by aligning operating controls with the mission and vision of the Company. Risk evaluation and management is an ongoing process within the Organization. Your Company has comprehensive risk management policy which is periodically reviewed by the Risk Management Committee.

Our management systems, organisational structures, processes, standards and code of conduct together form the system of internal controls that govern how we conduct business and manage associated risks.

Formal discussion on risk management happens in business level review meetings at least twice in a year. Major risks identified by businesses and functions are systematically addressed through mitigating actions. Risk officers have also been formally nominated at operating businesses level, to develop the risk-management culture within the businesses. The recent COVID-19 outbreak created considerable strain and

uncertainty and impact over Operational and financial performance is assessed and discussed along with its mitigation plan to overcome this pandemic.

In the opinion of the Board, none of the risks faced by the Company threaten its existence.

32. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION AND CHANGE IN NATURE OF BUSINESS

There have been no material change(s) and commitment(s), except elsewhere stated in this report, affecting the financial position of the Company between the end of the financial year of the Company i.e., March 31, 2022 and the date of this Report. There has been no change in the nature of business of the Company during the financial year ended on March 31, 2022.

33. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any Subsidiary, Associate and Joint Venture Company.

34. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

There is no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions.

35. OTHER DISCLOSURES

- ▶ There was no revision in the financial statements.
- ▶ There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- ▶ There were no frauds reported by the Auditors u/s 143(12) of the Companies Act, 2013.
- ▶ There were no applications made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.

APPRECIATIONS AND ACKNOWLEDGMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication, and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, customers, vendors, members, and debenture holders during the year under review. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

For and on behalf of the Board of Directors

Dated: 21st April 2022

Sd/-
SK Roongta
(DIN-00309302)
(Chairman)

Sd/-
Abhijit Pati
(DIN-00227980)
(CEO & WTD)

Annexure A:

ANNEXURE'S TO BOARD'S REPORT**A. CONSERVATION OF ENERGY:**

- ▶ Various initiative taken, and trials conducted in Pot line on energy saving cathodes resulting into reduction in Specific Energy consumption to ever lowest 13647 kwh/MT in FY22. Balco Pot line 1 is benchmark (13417 KWH/MT - Feb 2022) in India and is in top decile across all World class Smelters. Balco received Energy Leaders Award by CII (only Aluminium Smelter to receive this award).

Key Projects-

- i. 100% graphitised pots installation-103 no. in FY22.
 - ii. 33 KWH/MT Aux reduction by Conversion of HP Compressor to LP Compressor
 - iii. Process Optimization
 - iv. Pot controller parameter optimization
 - v. CE increment project from 94.67 to 95%
- ▶ Highest ever metal Volume generated in FY 22 580424 Mt, 11Kt up by FY 21.
 - ▶ Reduction in Specific Energy consumption in Cast houses from 64.9 KWH/MT (FY 21) to 54.93 KWH/MT (FY22) by following initiatives:
 - i. Mill1 return line modification done to connect to close loop system- saving 4KWH/MT
 - ii. Optimization of pump house water flow by installation and tuning VFD of Hotwell - saving 2 KWH/MT
 - iii. Compressed energy saving by installation of air booster - saving 1 KWH/MT
 - ▶ Reduction in specific HFO consumption in FY 20-21 - from 4.89 to 4.71 Ltr/MT in FY 21-22.
 - ▶ Lowest ever Melt loss in Cast House 3 from 0.40% (FY21) to 0.34% in FY22. Savings 2.9 Cr in FY22.
 - ▶ Lowest ever HFO consumption in EC ingot of 3.5 L/MT in FY22 from 4.6L/MT in FY21.
 - ▶ Lowest ever Alloy ingot HFO consumption of 22.07 L/MT in FY22 from 23.44 L/MT in FY21.

- ▶ Lowest ever Wire rod rejection of 0.25 % in FY22 from 0.52% (FY21) Savings 11 lakhs in FY22.
- ▶ Reduction in Specific HFO consumption from 45.7 ltr/MT in FY 20-21 to 44.8 ltr/MT in FY 21- 22
- ▶ Reduction in specific power consumption from 75.93 kWh/No FY21 to 74.55 KWh/No FY22
- ▶ Reduction in specific pig iron consumption from 0.47 Kg/Anode FY21 to 0.43Kg/Anode FY22
- ▶ Reduction in rodded anode rejection from 0.194% FY21 to 0.185% FY22.
- ▶ Energy saving of 2500 KWH /day achieved by increasing throughput of GAP2 from 30 TPH to 35 TPH.
- ▶ Idle running hrs optimized by automation in logic Saving 300 KWH/day
- ▶ Lighting load reduction 1511 Kwh/day by LED light replacement
- ▶ Specific Energy Consumption in Sheet Rolling Shop 905.6 KWH/MT & Foundry Shop 107.6 KWH/MT.
- ▶ Installation of VFD in HRM Emulsion Motor, Box Furnace Blower Motor.
- ▶ Auxiliary Initiatives:

Key Projects-

- i. One CW Pump operation in 1200 MW & 540MW.
 - ii. APH seals adjustment
 - iii. Fabric filter replacement
- ▶ Reduction of Specific Coal Consumption initiatives:
 - i. Condenser Tube Chemical Cleaning
 - ii. CT fills Cleaning & Nozzle Orientation.
 - iii. Turbine Rotor & Seal Replacement in CPP540 U#4.
 - iv. APH Seal Replacement.

Additional Investment:

- Installation of 103 number of energy savings cathodes with investment of 175 Cr.
- Investment of 97 lac Conversion from HP compressor to LP compressor.

Recognition and system implementation for energy Improvements.

- "Excellent Energy Efficient Unit Award - Metal Sector" by CII- for Energy conservation

- Most Useful Energy efficient presentation award - Metal Sector" by CII- for Energy conservation
- 1200MW won Energy Excellency award for Chhattisgarh State for the 14th CII Encon Awards 2021
- WINNER of 'Golden Peacock Energy Efficiency' Award in 21st National Award for Excellence in Energy Management.
- Green Apple International Energy Award.

Excludes capitalised quantity

SL No.	Particular	Unit	2021-22	2020-21
1	Hot Metal			
i	Electricity	Kwh / MT	13,647	13,769
2	Propenzi Rod (Including Alloy Rods)			
i	Electricity	Kwh / MT	121	145
ii	Funance Oil	Ltr / MT	2	-
3	Ingots			
i	Electricity	Kwh / MT	29	36
ii	Funance Oil	Ltr / MT	5	6
4	Rolled Product			
i	Electricity	Kwh / MT	798	912
ii	Funance Oil	Ltr / MT	102	94

SL No.	Particular	Unit	2021-22	2020-21
1	Electricity: Own Generation			
	Units	M. KWH	9,741	10,913
	Total Amount	Rs in Crs	2,673	2,423
	Average Rate	Rs/KWH	3	2
2	Coal (Used in Boiler House)			
	Quantity	MT	77,60,731	79,87,409
	Total Amount	Rs in Crs	2,249	2,046
	Average Rate	Rs/MT	2,897	2,562
3	Furnace Oil & Light Diesel Oil			
	Quantity	KL	10,237	22,843
	Total Amount	Rs in Crs	53	72
	Average Rate	Rs/KL	51,360	31,721

B) TECHNOLOGY ABSORPTION

FORM B

Research and Development (R&D)

a) Specific areas in which R&D carried out by the Company.

- Detoxification of SPL through outside party. 17475 MT SPL Sold in FY22.
- Anode Coating trail completed in FY 22 to reduce NCC.
- Fall protection arrangement Implemented in crane.
- Conversion of steel drag chain to polyamide drag chain
- New/Lost customer added in wire Rod segments: Polycab, KEI, Lumino - 28500 MT sold till FY22. \$1.8 Mn gained over EC ingot.
- EC wire rod conductivity increased from 61.8% (FY21) to 62% (FY22).
- Reduction in Normal EC Wire rod generation from 8% (FY21) to 6% (FY22).
- Reduction in Wire rod rejection from 0.52% (FY21) to 0.25 % (FY22).
- CH -Throughput and volume increment of alloy ingot from 46185MT (FY2021-22) to 57622 MT(FY2021-22)
- Reduction in Melt loss in Cast house 3 from 0.40% (FY21) to 0.34% (FY2) (Lowest ever). Savings 2.9 Cr in FY22. lowest ever melt loss 0.32% achieved in Jan'22
- Retrofitting of mill 4 in cast house 1 converted in T4 mill and commissioning 462 MT produced in Feb'22.
- Vendor development done in cast house spares-steel VNS-36 lakhs annualised savings, Properzy spares developed from CMM AND HIND UDYOG annualised savings 48 lakhs.
- RP- Ramp up of HRP production from 200 MT/month to 450 MT/month.
- RP -Reduction in internal rejection to 1.46% from 0.97%.

- Lowest ever melt loss in AISi segment 1.10 % (FY22) previous 1.15 % (FY21).
- Rolled Product Development
 - CRP segment alloy 3105 through continuous caster route
 - CRP segment alloy 19600 through continuous caster route
 - CRP segment alloy 3003 circular blank (for deep drawing applications such as cookware, electronics, etc.)
- HRP segment alloy 5083 (for shipping industry applications)

b) Benefits derived as result of R&D:

- Benefit due to installation of 103 energy saving cathodes - 8.9 crs in FY22
- Conversion of FTP& alumina unloading station from HP air to LP air which deliver 30 MWH

c) Future plan of action:

- Pot line:
 - Pot controller up-gradation by implementation of ALPSYS Pot controller to reduce Pot room specific power consumption in Pot line 2 by 210 kwh/ MT. Capex - \$10 Mn, Savings- \$5 Mn/ annum. Payback- 1.8 years
 - Increase Anode slot height 237 to 350 mm-Saving 70 KWH/MT. Capex- \$3.4 Mn, Savings - \$1.6 Mn/ annum. Payback - 2.1 years
 - Fully graphitized 39 pots relining planned in FY20 - Reduction of specific power consumption by 24 kwh/ mt.
 - Reduction in anode to Stub drop ,5 mv by upgrade process & material.

- › New AlF_3 Addition logic under development by SAP & COE team
- › Further optimization on energy consumption with various trials of energy savings cathode from Balco pot relining design, DC power consumption less than 12300 Kwh/MT.
- › Increase in pot line current by 1.2KA - Increase in Metal production.
- › Online roof top emission monitoring device installation-fluoride emission monitoring to reduce emission and reduction in AlF_3 consumption.
- › GAP:
 - › Energy saving target by 2200 KWH /day by increasing throughput of GAP1 from 30 TPH to 35 TPH.
- › Bake oven:
 - › Trial and use of Fitch Fuel catalyst to reduce HFO consumption.
 - › Trial and use of NEFS technology to reduce HFO consumption.
- › RP:
 - › Installation and commissioning of high gauge trimmer for HRC segment.
 - › Debottlenecking of RP to reach 130 KT.
- › Power:
 - › CW Interconnection in 1200MW
 - › Turbine Rotor Replacement in U#4 1200MW
 - › Efficiency Enhancement of 300MW units
 - › CEP VFD Installation in CPP540MW
 - › Installation of Side Stream Filters
 - › Condenser Tube Replacement in CPP540MW

d) Expenditure on Research and Development (R&D)

₹ Crore

Particulars	FY 22	FY 21
Capital Expenditure	-	-
Recurring Expenses	1.71	1.37
Total Expenditure	1.71	1.37
R&D Expenditure as a % of total turnover	0.01%	0.01%

e) Technology absorption, adaptation, and innovation

i. Efforts made for technology absorption.

- › Potline FTP revamping to reduce AlF_3 by 3 kg/mt
- › Energy saving cathode being implemented in pot line. 91% installed with Graphitized cathode blocks
- › Conversion of convention diesel fork lifter to Electric powered forklift

ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

The initiatives taken by the Company in product development / production of new products have improved the export potential of the Company's products.

Total foreign exchange used and earned during FY 2021-22 is as below:

Foreign exchange earnings: ₹ 6,258 Cr.

Foreign exchange outflow: ₹ 3,706 Cr.

Annexure B:

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
Bharat Aluminium Co. Ltd.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Aluminium Co. Ltd.** (hereinafter called "**the Company**") for the financial year ended March 31, 2022 ["**Audit Period**"] in terms of the engagement letter dated September 14, 2021. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
4. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

- a) The Mines Act, 1952 and Rules made thereunder.
- b) The Mines and Minerals (Development and Regulation) Act, 1957, and the Rules made thereunder.
- c) The Electricity Act, 2003 and rules and regulations made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a 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 Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, 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 were unanimous and there was no instance of dissent in Board or Committee Meetings.

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

We further report that during the Audit Period, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc.

Equity investment of 26% in Special Purpose Vehicle (SPV):

During the period under review the Board has at its meeting held on March 29, 2022, accorded approval for equity investment of ₹ 250 Crore in the capital of a SPV. Such investments is in the form of 26% equity stake through

ordinary equity and equity instruments for procurement of renewable power.

For M/s Vinod Kothari & Company

Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar

Partner

Membership No.: A37398

CP No.:15113

UDIN: A037398D000161346

Place: New Delhi

Date: April 19, 2022 Peer Review Certificate No.: 781/2020

The report is to be read with our letter of even date which is annexed as Annexure 'I' and forms and integral part of this report

Annexure-I to Secretarial Audit report

AUDITOR AND MANAGEMENT RESPONSIBILITY

To,
The Members,
Bharat Aluminium Co. Ltd.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis 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;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. 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.

Annexure-II**LIST OF DOCUMENTS**

1. Scanned unbound minutes for the meetings of the following held during the Audit Period:
 - a. Board of Directors;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Corporate Social Responsibility Committee;
 - e. Finance Standing Committee;
 - f. Annual General Meeting;
2. Proof of circulation of draft and signed minutes of the Board Committee meetings' minutes on a sample basis;
3. Annual Report for financial year 2020-21;
4. Memorandum of Association and Articles of Association of the Company;
5. Financial Statements and Auditor's Report for financial year 2021-22
6. Directors disclosures under the Act and rules made thereunder;
7. Statutory Registers maintained under the Act;
8. Forms filed with the Registrar;
9. Policies framed under Act, 2013;

Annexure C:

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline on the CSR Policy of the Company

Bharat Aluminium Company Limited firmly believes in the coexistence of business and communities and is committed to the development of an eco-system of prosperity in the society around operations.

As a responsible corporate citizen, we believe that our neighbourhood communities are our primary stakeholders, and we seek to build mutually supportive relationships with them. It is this integration of business and CSR which provides us the social licence to operate and ushers in a different developmental paradigm towards sustainable change in society. As part of our CSR policy, we believe in partnering with government agencies, development organisations, corporates, civil societies & community-based organisations to implement durable and meaningful initiatives.

We also believe that our employees have the potential to contribute towards building strong communities

through sharing their knowledge and expertise. Hence, we proactively create opportunities whereby employees can also connect and contribute.

The Company complies with Section 135 of the Act and the approach is focused on long-term programmes aligned with community needs and national priorities, including Sustainable Development goals.

At Bharat Aluminium Company limited, business success is not just about profits and shareholder returns. We believe in pursuing wider socioeconomic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The detailed CSR Policy of the Company is available on Company's website at: [CSR Policy 19th May 2021.pdf \(d2z1l9uefzbzxd.cloudfront.net\)](https://d2z1l9uefzbzxd.cloudfront.net/CSR_Policy_19th_May_2021.pdf)

2. The composition of CSR Committee is as under:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year.	Number of meetings of CSR Committee attended during the year
1	Mr. Arun Tadarwal	Chairman, ID & Non-Executive Director	3	3
2	Mr. S.K. Roongta	Non-Executive Director	3	3
3	Mr. Abhijit Pati	CEO & WYD	3	3
4	Mr. T K Chand*	ID & Non-Executive Director	2	2
5	Ms. Nirupama Kotru **	Government Nominee Director	1	1

* Mr. T. K. Chand resigned as an Independent Director w.e.f. 23rd July 2021.

** Ms. Nirupama Kotru was appointed as Government Nominee Director w.e.f. 04th August 2021.

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

<https://www.balcoindia.com/csr/overview/>

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

NA

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Cr.)	Amount required to be set-off for the financial year, if any (in ₹ Cr.)
1	2021-22	46.06	12.52
2	2022-23	73.49	

6. Average net profit of the company as per section 135(5): ₹ 625.83 Cr.

7. a. Two percent of average net profit of the company as per section 135(5): ₹ 12.52 Cr.

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

c. Amount required to be set off for the financial year, if any NIL

d. Total CSR obligation for the financial year (7a+7b-7c) ₹ 12.52 Cr.

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

Amount spent for the Financial Year (in ₹ Cr)	Amount Unspent (in ₹ Cr)				
	Total Amount Transferred to		Amount transferred to any fund specified under schedule VII as per second provision to		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
39.95	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: ₹ 3.69 Cr

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration (In year)	Amount allocated to the project for FY 22 (₹ In Cr.)	Amount spent in the current financial year (₹ In Cr.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration
1	Project Connect	(ii)	Yes	Chhattisgarh	Korba	3	0.25	0.20	NIL	Implementing Agency	Sarthak jan Vikas Sansthan	CSR00001813
2	Vedanta Skill School	(ii)	Yes	Chhattisgarh	Korba, Kawardha & Surguja	3	0.71	0.71	NIL	Implementing Agency	Social Empowerment & Economic Development Society	CSR00000657

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration (In year)	Amount allocated to the project (₹ In Cr.) for FY 22	Amount spent in the current financial Year (₹ In Cr.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration
3	Project land & Water Management (Mor Jal Mor Maati)	(ii)	Yes	Chhattisgarh	Korba	4	0.85	0.84	NIL	Implementing Agency	Action for Food Production	CSR00000958
4	Project Unnati	(iii)	Yes	Chhattisgarh	Korba	3	1.00	1.00	NIL	Implementing Agency	Drishtee Foundation GPR Strategies & Solutions	CSR00000747
5	Project Menstrual Health Management	(i)	Yes	Chhattisgarh	Korba	3	0.43	0.42	NIL	Implementing Agency	Sarthak Jan Vikas Sansthan	CSR00000958 CSRO0002034
6	Project Arogya	(i)	Yes	Chhattisgarh	Korba	3	0.35	0.34	NIL	Implementing Agency	Social Revival Group of Urban, Rural and Tribal	CSR00001960
7	Mobile Health Van	(i)	Yes	Chhattisgarh	Korba	3	0.18	0.18	NIL	Implementing Agency	Helpage India	CSR00000185
Ongoing Project							3.76	3.69				

(c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 35.51 Cr

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount allocated to the project (₹ In Cr.) for FY 22	Amount spent in the current financial Year (₹ In Cr.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.				Name	CSR Registration
1	Sulabh Shauchalya	(i)	Yes	Chhattisgarh	Korba	0.04	0.03	Direct		
2	BALCO Medical Center	(i)	Yes	Chhattisgarh	Raipur	30.00	27.54	Implementing Agency	Vedanta Medical Research Foundation	Registered
3	Child care center	(ii)	Yes	Chhattisgarh	Korba	0.08	0.08	Direct	-	-
4	Covid Relief	(xii)	Yes	Chhattisgarh	Korba	8.00	7.05	Implementing Agency & Direct	Social Revival Group of Urban, Rural and Tribal	CSR00001960
5	Community Development including Community Asset creation	(x) & (xi)	Yes	Chhattisgarh	Korba	0.75	0.39	Direct	-	NA
6	Other Rural & Community Devp initiatives	(x)	Yes	Chhattisgarh	Baloda Bazar	0.40	0.28	Implementing Agency	GPR Strategies & Solutions	CSR00002034
7	Support to School	(ii)	Yes	Chhattisgarh	Korba	0.15	0.15	Direct		NA
TOTAL						39.41	35.51			

(d) Amount spent in Administrative Overheads (₹ In Cr.)

₹ 0.75 Cr

(e) Amount spent on Impact Assessment if applicable

NIL

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

₹ 39.95 Cr

(g) Excess amount for set off, if any

Sl. No.	Particular	₹ in Cr.
(i)	Two percent of average net profit of the company as per section 135(5)	12.52
(ii)	Total amount spent for the Financial Year	39.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	27.43
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	27.43

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account Under	Amount Spent in the reporting Financial year	Amount Unspent (in ₹ Cr.)			Amount remaining to be spent in Succeeding
				Name of the fund	Amount (in ₹).	Date of transfer.	
1	2019-20	NA	NA	NA	NA	NA	NA
2	2018-19	NA	NA	NA	NA	NA	NA
3	2017-18	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year In which the Project was Commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting financial year. (in ₹)	Cumulative amount spent at the end of reporting Financial year. (in ₹)	Status of the project- Completed / Ongoing.
1	NA	NA	NA	NA	NA	NA	NA	NA
	Total							

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

- (a) Date of creation or acquisition of the capital asset(s). **NIL**
- (b) Amount of CSR spent for creation or acquisition of capital asset **NIL**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NIL**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NA**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **NA**

Sd/-
CEO & WTD

Sd/-
Chairman (CSR Committee)

Sd/-
[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable)

Date: 21st April 2022

Annexure D:

EXTRACT OF ANNUAL RETURNAs on financial year ended on 31st March 2022Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014**I. REGISTRATION & OTHER DETAILS:**

1	CIN	U74899DL1965PLC004518
2	Registration Date	27/11/1965
3	Name of the Company	Bharat Aluminium Company Limited
4	Category/Sub-category of the Company	Category-Public Company Sub-Category- Limited by Shares
5	Address of the Registered office & contact details	Aluminium Sadan Core-6, Scope Office Complex,7 Lodhi Road, New Delhi- 110 003
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase - 2 New Delhi - 110 020.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	Total turnover of the Company (₹ Cr)	% to total turnover of the company
1	Aluminium Production	24202	12879	95%
2	Power Generation & Transmission	35102	728	5%
	Total		13607	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND SUBSIDIARY COMPANIES

S. No.	Name of Company	Address of Company	CIN	Holding	% of Shares	Applicable Section
1.	Vedanta Ltd.	1 st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai 400093, Maharashtra Email id: Comp.Sect@vedanta.co.in T:+91 22 66434500: Fax: +91 22 66434530; Website: www.vedantalimited.com	L13209MH1965PLC291394	Holding	51%	2(46)

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1 st April 2019				No. of Shares held at the end of the year 31-March-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.					NIL				
c) State Govt.(s)									
d) Bodies Corp.-Vedanta Ltd.	112518495	-	112518495	51%	112518495	112518495	112518495	51%	-
e) Banks / FI									
f) Any other					NIL				
Total shareholding of Promoter (A)	112518495	-	112518495	51%	112518495	112518495	112518495	51%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI					NIL				
c) Central Govt.	-	108106005	108106005	49%	-	108106005	108106005	49%	-
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs					NIL				
h) Foreign Venture Capital Funds									
i) Others -Vedanta Ltd.									
Sub-total (B)(1):-	-	108106005	108106005	49%	-	108106005	108106005	49%	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh					NIL				
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	108106005	108106005	49%	-	108106005	108106005	49%	-
C. Shares held by Custodian for GDRs & ADRs					NIL				
Grand Total (A+B+C)	112518495	108106005	220624500	100%		220624500	220624500	100%	

B) Shareholding of Promoter-

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vedanta Limited	112518495	51%	NA	112518495	51%	NA	NA

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
3	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus/ sweat equity etc.):				NIL
3	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus/ sweat equity etc.)			NIL	
3	At the end of the year				

V) INDEBTEDNESS

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

(₹ in Cr.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3033	0	0	3033
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11	0	0	11
Total (i + ii+ iii)	3045	0	0	3045
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	1954	0	0	1954
Net Change	-1954	0	0	-1954
Indebtedness at the end of the financial year				
i) Principal Amount	1079	0	0	1079
ii) Interest due but not paid	-	-	-	0
iii) Interest accrued but not due	4	-	-	4
Total (i + ii+ iii)	1082	0	0	1082

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

		₹ in Lakhs
Sl. No.	Particulars of Remuneration	Mr. Abhijit Pati CEO & WTD
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	449.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41.50
2	Stock Option	76.64
3	Others, please specify.	
	Total (A)	567.98
	Ceiling as per the Act	17851.60

B. REMUNERATION TO OTHER DIRECTORS

					₹ in Lakhs
Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. D. D. Jalan	Mr. Arun Todarwal	Mr. T. K. Chand¹	
	a) Fee for attending Board/ Committee meetings	6.00	7.25	2.00	15.25
	b) Commission	14.96	13.13	4.67	32.76
	Total (1)(i)	6.00	7.25	2.00	48.01
2	Other Non-Executive Directors	Mr. S K Roongta	Mr. Tarun Jain		
	Fee for attending Board/ Committee meetings	5.50	5.75	-	11.25
	b) Commission	16.00	13.13		29.13
	Others, please specify	-	-	-	-
	Total (2)	5.50	5.75	-	40.38
	Total Managerial Remuneration				88.39
	Overall Ceiling as per the Act	NA	NA	NA	NA

1 Mr. T. K. Chand ceased to be a Non-Executive Independent Director of the Company w.e.f. 23rd July 2021.

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lakhs

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Rahul Roongta Ex-CFO (till 23 rd Aug 21)	Mr. Vinod Mathur Ex-CS (till 15 th Sept 21)	Mr. Amit Gupta CFO (w.e.f 24 th Aug 21)	Mr. Prateek Jain Company Secretary (w.e.f. 10 th Dec 21)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.88	25.76	57.87	10.41	131.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.69	1.54	3.57	0.00	7.80
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option	-	-	25.93	-	36.69
	Total	40.57	27.30	87.38	10.41	165.66

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

Annexure E:

NOMINATION POLICY

1. Legal Framework & Objective

Section 178 of the Companies Act, 2013 ("Act") read with the applicable Rules thereto require the Nomination and Remuneration Committee ("NRC") of the Board of Directors of every listed company, among other classes of companies, to:

- a. Identify persons who are qualified to become directors and who may be appointed in a KMP role in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- b. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- c. Devising a policy on diversity of board of directors.
- d. Specify the manner and criteria for effective evaluation of the performance of the Board, its committees, and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. Basis the performance evaluation results of independent directors, decide whether to extend or continue their term of appointment or not.
- e. Recommend to the board of directors a policy relating to the remuneration of the directors, KMP and other employees including SMP.

This policy shall act as a guideline on some of the above-mentioned objectives of the NRC.

2. Definitions:

- a. **Board** means Board of Directors of the Company.
- b. **Committee** means the Nomination & Remuneration Committee
- c. **Directors** mean Directors of the Company.
- d. **Independent Director** means as provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013.

e. **Key Managerial Personnel (KMP)** means: -

- ▶ Chief Executive Officer or the Managing Director or the Manager;
- ▶ Whole Time Director;
- ▶ Chief Financial Officer;
- ▶ Company Secretary; and
- ▶ Such other officer as may be prescribed

f. **Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors and including Functional Heads, viz., the Executive Committee (EXCO) of the Company.

3. Composition and Chairmanship

The membership of the Committee shall consist of at least three non-executive directors, out of which not less than one half shall be Independent Directors. The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member but shall not chair such committee. The Chairperson of the committee shall be an independent director and shall be appointed by the Board. In case the Chairperson is not present at any committee meeting, the members present at the meeting shall, amongst themselves, elect a Chairperson for that meeting. The membership of the Committee shall be disclosed in the annual report.

4. Appointment and removal of Director & KMP:

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment. In case of Directors, and KMPs, in addition to the above specifications the NRC shall ensure that the potential candidates possess the requisite qualifications and attributes as per the Applicable Laws. With respect to removal of any Director and KMP, the NRC shall in consultation with either the

Chairman, other Directors or CEO (as appropriate), review the performance and/or other factors meriting a removal and subject to the provisions of the applicable Laws and the Articles of Association of the Company, recommend to the Board its course of action.

5. Board Familiarization and learning:

The NRC will adopt a structured program for orientation and training of Independent & Non-Executive Directors at the time of their joining so as to enable them to understand the Company - its operations, business, industry, and environment in which it operates. The company has a separately defined Familiarization Program for the Directors which also focus to update the Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions.

6. Performance Evaluation of the Board, its committees, and individual directors:

Each year, the NRC will formulate the criteria and the process for evaluation of performance of the Board, Individual Directors, Chairperson, and the Committees of the Board and recommend the same to the Board. The evaluation shall be carried out either by the Board, by the Committee or by an independent external agency and the NRC shall review its implementation and compliance with Applicable laws as well as the criteria and process lay out.

The evaluation of the Independent Directors shall be done by the entire board of directors which shall include:

- a. Performance of the directors; and
- b. Fulfilment of the independence criteria as specified and their independence from the management as specified under Applicable Laws.

Directors who are subject to this evaluation shall not participate in their own evaluation. The independent directors of the Company shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting. The independent directors in their separate meeting shall, inter alia:

- i) Review the performance of non-independent directors and the board of directors as a whole.

- ii) Review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.
- iii) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Basis the evaluation results, the NRC will make its recommendations to the Board on the appointment / re-appointment / continuation of Directors on the Board.

7. Board Diversity:

The Committee in their nomination process and while making recommendations to the Board shall endeavour to have an optimum combination of directors from different fields/walks such as Management, Legal, Finance, Marketing, Human Resources, Bureaucracy, Public Policy etc. and adequate representation of Women directors on the Board. While reviewing the composition of the Board, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above.

8. Succession Planning:

The NRC shall draft and recommend to the Board a succession plan for the appointments made to the Board of Directors as well as KMPs. The NRC shall review such plan on an annual basis and recommend revisions, if any, to the Board. The NRC shall work with the management and follow the following process for effective succession planning:

- i.) Assessment of potential employees and creation of a leadership pool.
- ii.) Development of the talent pool through actions such as involvement in strategic meetings, leadership workshops with top management, coaching, anchoring, job rotations, role enhancement, council memberships and involvement in cross function projects etc.

REMUNERATION POLICY

The Committee will recommend policy relating to remuneration payable to Directors, Key Managerial personnel, and Senior Management. The same shall be subject to the approval of the shareholders of the Company and the Central Government, wherever required.

Guiding Principles of the Executive compensation program are:

- ▶ **Alignment with Business Strategy and Level of Responsibility & Impact:** As employees progress to higher levels in the organisation, their performance has a greater direct impact on the strategic initiatives and business results.
- ▶ **Fixed/ Base Salary Decisions:** The Executives' fixed salary shall be competitive and based upon the industry practice and benchmarks considering the skill & knowledge, experience, and job responsibilities.
- ▶ **Pay-for-Performance:** A large portion of each Executive's total compensation is linked to the achievement of Company and individual performance goals. Such variable compensation is "at risk", and rewards performance and contributions to both short-term and long-term financial performance of the Company.
 - ▶ **Performance Bonus Plan:** The Performance Bonus Plan rewards contribution to the achievement of the Company's annual financial, strategic, and operational goals and individual KRAs. The Performance Bonus drives high performance culture to achieve the organisation's objectives by differentiating rewards based on performance. The performance will be related to the fulfilment of various targets and attainment of business objectives, both at the Company and individual level.
 - ▶ **Short/Long Term Incentives:** Executives' compensation is linked to long-term stock price appreciation, and shareholder value creation through the Company's Long-term Incentives (LTI) plan. The LTI Plan balances Executives' performance orientation and decisions to deliver on the short-term business outcomes with the long-term performance of the Company, both on financial and non-financial parameters.

- ▶ **Competitive in Market place:** We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent.

Remuneration to Non-Executive / Independent Director

a) Sitting Fees

The Non-Executive Director/Independent Director may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b) Stock Options

An Independent Director shall not be entitled to any stock options of the Company.

c) Yearly Fee/Commission

The yearly fee/commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profit of the Company as per the applicable provisions of Companies Act, 2013.

Interpretation

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and rules prescribed therein, as may be amended from time to time and per the Listing Agreement with Stock Exchange(s) as may be amended from time to time, shall have the meaning respectively assigned to them therein.

Amendments in Law

Any subsequent amendment/modification in the Companies Act, 2013 and/or the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.