

# Corporate Governance Report

**"Building strength through people while promoting organizational success through committing teamwork."**

The Company believes that good governance facilitates efficient, effective, and entrepreneurial management that can deliver stakeholder value over long term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes, and customs affecting the way a company is directed, administrated, controlled, or managed. Good corporate governance forms the foundation for successful and integral organizations, institutions, and markets. It is based on the principles of integrity, fairness, equity, transparency, accountability, and commitment to values. These practices stem from an organization's culture and mindset, and their effectiveness depends on regular review, preferably by independent parties.

## COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability, and commitment to values.

Our Corporate Governance reflects the company's values, vision, mission and seven pillars. To perpetually ensure utmost trust and confidence of our stakeholders in us, transparency, accountability, excellence, veracity, safety, and professionalism form an integral part of our functioning and practices. The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

At Bharat Aluminium Company Limited, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We acknowledge our individual and collective responsibilities to manage our business activities with integrity.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed, and independent Board.

### Compliance with Corporate Governance Guidelines:

The Company has adopted and evolved various practices of governance conforming to utmost ethical and responsible standards of business. These practices reflect the way business is conducted and value is generated.

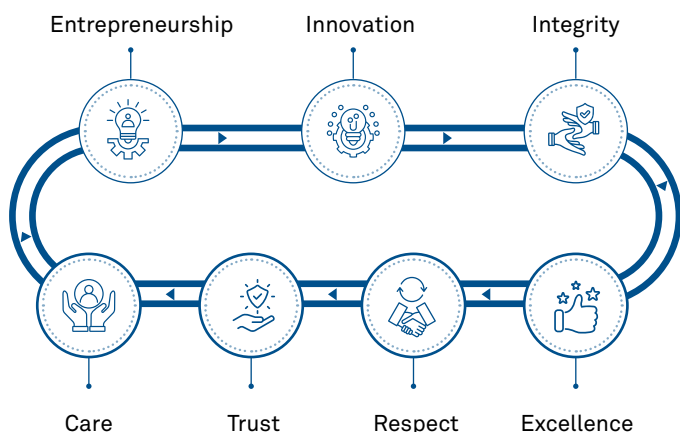
### Role of the Company Secretary in overall Governance Process:

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details, and documents are made available for decision-making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in the conduct of affairs of Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and to facilitate convening of meetings. They interface between the management and regulatory authorities for governance matters.

## THE BOARD OF DIRECTORS

The Board of Directors along with its committees provides leadership and guidance to the Company's management and supervises the Company's performance. The Board of Directors have the ultimate responsibility of ensuring effective management, long-term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices.

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board. The Board has

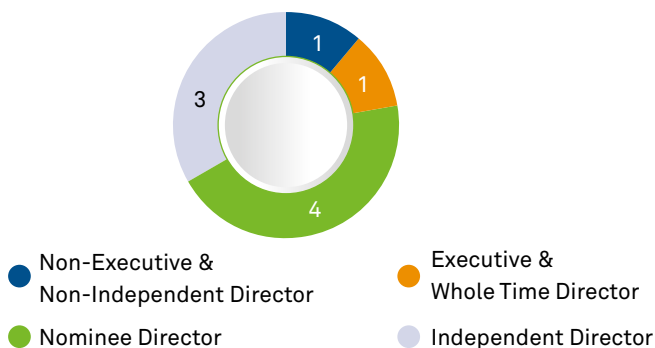


an unfettered and complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairman.

#### The composition and category of the Board of Directors is as follows:

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgement on issues of strategy and performance.

The Board currently comprises of Nine (9) Directors comprising of One (1) Non-Executive & Non-Independent Director, One (1) Executive & Whole Time Director, Four (4) GOI Nominee Directors and Three (3) Independent Directors.



The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors on the Company's Board is a member of more than Ten (10) Committees and Chairman of more than Five (5) Committees (Committees being, Audit Committee, and Stakeholders' Relationship Committee) across all the companies (excluding Private Limited Companies, Foreign Companies, Section 8 Companies & Alternate Directorship) in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than Ten (10) Public companies as on March 31, 2024.

#### Director's Profile:

Brief resume of the Directors, nature of their expertise in specific functional areas and name of Companies in which they hold Directorship, and the Membership of the Committees of the Board can be viewed on the Company's website at <https://www.balcoindia.com/about-us/balco-team/board-of-directors/>

#### Chairman and other Key Managerial Personnel (KMP's):

The Chairman's principal responsibility is to act as the Leader for the effective running of the Board and to preside over the meetings of the Board and the Shareholders.

The roles of the Chairman of the Board and the Chief Executive Officer (CEO) have a clear division of responsibilities and duties, as the positions are held by separate individuals. Apart from this, the Company also has a separately designated Chief Financial Officer and Company Secretary.

Mr. Rajesh Kumar, Chief Executive Officer & Whole Time Director, Mr. Amit Gupta, Chief Financial Officer and Ms. Wageesha Agarwal, Company Secretary are the Key Managerial Personnel (KMPs) of the Company.

#### Board Meetings:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board Committee Meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The notice of Board/Committee Meetings is given well in advance to all the Directors.










Board Meetings are governed by structured agendas. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.



Detailed presentations are made at the Board/Committee meetings covering finance and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and risk management practices before taking on record the quarterly/half-yearly/annual financial results of the Company. The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, the performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

#### Number of Board Meetings:

Four (4) Board meetings were held during the financial year which is in compliance with the statutory requirement of the Act. All Directors have demonstrated high levels of availability and responsiveness for additional meetings and discussions whenever these have been required. The maximum gap between any two meetings was not more than one hundred and twenty (120) days.



Table 1A: Details of attendance at Board Meeting:

| Director           |   | 20-Apr-23 | 20-Jul-23 | 20-Oct-23 | 16-Jan-24 |
|--------------------|---|-----------|-----------|-----------|-----------|
| Mr. S. K. Roongta  |  | ✓         | ✓         | ✓         | ✓         |
| Mr. Tarun Jain     |  | ✓         | ✓         | ✓         | -         |
| Mr. Rajesh Kumar   |  | ✓         | ✓         | ✓         | ✓         |
| Mr. DD Jalan       |  | ✓         | ✓         | ✓         | ✓         |
| Mr. A. K. Mittal   |  | ✓         | ✓         | ✓         | ✓         |
| Ms. Nirupama Kotru |  | ✓         | ✓         | ✓         | ✓         |
| Ms. Farida M Naik  |  | ✓         | ✓         | ✓         | -         |
| Mr. Sanjeev Verma  |  | ✓         | -         | ✓         | ✓         |
| Mr. V. K. Sharma   |  | ✓         | ✓         | ✓         | ✓         |

Male Female 

## Attendance and Directorships Held:

Composition of the Board, other Directorship(s)/Committee Chairmanship(s)/ Membership(s) as on March 31, 2024, and attendance of directors at Board Meetings, last Annual General Meeting (AGM) are as given in Table 1 B.

| Sl. No. | Full Name                           | Category | Relationship with other Director | DIN      | No. of Board Meetings held during His/ Her tenure and attended in 2023-24 |          | Whether Attended Last AGM | No. of Directorship in Public Companies <sup>#</sup> | No. of Committee Position held <sup>@</sup>   |   |
|---------|-------------------------------------|----------|----------------------------------|----------|---|----------|---------------------------|--|---|---|
|         |                                     |          |                                  |          | Held  | Attended |                           |  |  |  |
| 1       | Mr. S. K. Roongta                   | ID       | None                             | 00309302 | 4   | 4        | No                        | 8  | 2   | 8   |
| 2       | Mr. Tarun Jain                      | NED      | None                             | 00006843 | 4   | 3        | No                        | 1  | -   | 1   |
| 3       | Mr. Rajesh Kumar                    | ED       | None                             | 09586370 | 4   | 4        | Yes                       | 2  | -   | -   |
| 4       | Mr. A. K. Mittal <sup>1</sup>       | ID & NED | None                             | 05177010 | 4   | 4        | Yes                       | 6  | -   | 5   |
| 5       | Mr. DD Jalan <sup>2</sup>           | ID & NED | None                             | 00006882 | 4   | 4        | Yes                       | 4  | 1   | 3   |
| 6       | Ms. Farida M. Naik                  | ND       | None                             | 07612050 | 4   | 3        | No                        | 3  | -   | 1   |
| 7       | Ms. Nirupama Kotru                  | ND       | None                             | 09204338 | 4   | 4        | No                        | 3  | -   | 1   |
| 8       | Mr. Sanjeev Verma                   | ND       | None                             | 08836996 | 4   | 3        | No                        | 1  | -   | -   |
| 9       | Mr. Vivek Kumar Sharma <sup>3</sup> | ND       | None                             | 10101407 | 4   | 4        | No                        | 2  | -   | -   |

Chairman Member 

ID: Independent Director, NED: Non Executive Director, ND: Govt. Nominee Director, ED: Executive Director

<sup>#</sup> Excluding Private Limited Companies, Foreign Companies, Section 8 Companies & Alternate Directorship

<sup>@</sup> Membership & Chairmanship of the Audit Committee and Stakeholders' Relationship Committee have been considered.

- Mr. A. K. Mittal re-appointed as Additional Independent Director for Second and Final term of 2 years w.e.f. 19<sup>th</sup> Oct 2023 subject to approval of Shareholders in ensuing AGM
- Mr. DD Jalan re-appointed as Additional Independent Director for Second and Final term of 2 years w.e.f. 30<sup>th</sup> July 2023 subject to approval of Shareholders in ensuing AGM
- Mr. Vivek Kumar Sharma appointed as Government Nominee Director w.e.f. 06<sup>th</sup> Apr 2023

### Flow of information to the Board:

One of the pre-requisites for value-generating work is that the Board has a firm grasp on the operations and on events in the outside world. We achieve this through a well-structured body of material for the Board.

The Board has complete access to all the relevant information within the Company. All Board meetings are governed by a structured agenda that is backed by comprehensive background information.

Compliance reports of all laws applicable to the Company are presented before the Board on a quarterly basis. The minutes of the Board meetings of the Company and a statement of all significant related party transactions and arrangements entered are also placed before the Board.

Expositions covering various aspects of business, global and domestic business environment, safety and environment-related matters, strategy and risk management practices are given to the Board.

Throughout the year, Directors are also provided with detailed briefing materials on the performance of the Company and market analysis on the performance of, and prospects for, the business. Updates on relevant statutory changes and judicial pronouncements around industry-related laws are regularly circulated to the directors. Each director has complete access to any Company information and full freedom to interact with senior management.

Business reviews by the Group EXCO, Business EXCO and SBU EXCO on the performance and operation of the Company are conducted on a monthly basis and updates to the Board are

given in the quarterly meetings. The Board has constituted various committees and sub-committees with clearly agreed reporting procedures and are guided by the charter prescribing the terms of reference.

Important decisions taken by the Board and its committees are promptly communicated to the concerned departments or divisions.

The Company also has an effective post Board Meeting follow-up procedure. Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

### Remuneration to Directors:

All fees/commissions including sitting fees paid to the Non-Executive directors of the Company are fixed by the Board of Directors within the limits approved by the shareholders.

The Company pays sitting fees of ₹ 50,000/- per meeting of the Board and ₹ 25,000/- per meeting of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, to the Non-Executive Directors and Independent Directors (except Govt. Nominee Director).

### Remuneration to Executive Director:

The remuneration of the Chief Executive Officer and Whole Time Director is in consensus with the Company's size, industry practice and overall performance of the Company. The Nomination and Remuneration Committee submits its recommendation to the Board, which after considering the recommendation takes decision on the remuneration payable to the CEO and Whole Time Director in accordance with the provisions of the Companies Act, 2013.

For FY 2023-24, the total remuneration is as shown in Table 2A and Table 2B.

**Table 2A: Sitting fee and Commission paid to Directors (NED & ID) for FY24 (₹)**

| Name of Director  | Category | Sitting Fees Paid | Commission Paid | Total Payment paid/ payable (FY 2023-24) |
|-------------------|----------|-------------------|-----------------|--|
| Mr. S. K. Roongta | ID & NED | 4,00,000          | 16,00,000       | 20,00,000                                |
| Mr. DD Jalan      | ID & NED | 3,50,000          | 15,23,000       | 18,73,000                                |
| Mr. A. K. Mittal  | ID & NED | 2,50,000          | 14,44,000       | 16,94,000                                |
| Mr. Tarun Jain    | NED      | 2,75,000          | 14,44,000       | 17,19,000                                |

**Table 2B: Remuneration paid to Executive Director for FY24 (in ₹ Lakhs)**

| Name of Director | Category  | Salary, perquisite & other | Stock Option | Total  |
|------------------|-----------|----------------------------|--------------|--------|
| Mr. Rajesh Kumar | CEO & WTD | 230.54                     | -            | 230.54 |

Non-executive Directors do not hold any shares of the Company and there are no pecuniary relationships or transactions of them, vis-à-vis the Company, except as mentioned above. The Company has granted stock option to its CEO & Whole time Director. During FY 2023-24, the Company did not advance any loan to any of its directors.

### **Selection / Appointment procedure:**

The Nomination and Remuneration Committee has in place a formal and transparent process for the appointment of new Independent Directors on the Board. The committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting, and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include: -

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Public Limited Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

### **Board Independence:**

Independent Directors bring an element of objectivity to the board processes and an objective view in the board deliberations. They provide a valuable outside perspective to the deliberations of the board and contribute significantly to the decision-making process.

All Independent Directors have provided an affirmation of their independence as required under the provisions of the Companies Act, 2013.

There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for sitting fees and commissions drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company.

### **Separate Independent Directors' Meetings:**

Independent Directors play a crucial role in ensuring an efficient and transparent work environment, hence all the Independent Directors of the Company separately met once during FY 2023-24 without the presence of any of non-independent directors and/or any of the members of the management on 29<sup>th</sup> March 2024 inter alia to:

- Evaluate the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluate the performance of the Chairman, taking into account the views of Executive and Non-Executive Directors.
- Evaluate the performance of the Chief Executive Officer, taking into account the views of the Non-Executive Directors.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

### **Director's Induction and Familiarisation:**

The Board members are provided with necessary documents/ brochures, reports, and internal policies to enable them to familiarise them with the Company's procedures and practice. A formal and comprehensive induction about the Company, its operations, and the industry in which the Company operates, is given to all the new directors including site visits and meetings with members of the Board and other key senior executives including Business CEOs and CFOs. They are also introduced to the organization structure, strategy, constitution, policies, and board procedures.

All new Independent Directors are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history and culture of Bharat

Aluminium Company Limited, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

### Director Retiring by Rotation:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Nirupama Kotru (DIN-09204338) would retire in the upcoming AGM and being eligible, has offered herself for re-appointment. The Board has recommended her re-appointment.

## COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles, which the Board is authorized to perform under its power derived from the Act, Articles of Association and Resolutions passed by the members of the company. The delegation of authority from the Board to various Committees is followed as a good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings to keep the Board members apprised of the proceeding of the committees. The minutes of the meetings of all Committees are placed before the Board for review.




The Board has established the following statutory and non-statutory Committees: -



### 1. Audit Committee

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and the internal auditors and the Board of Directors and oversees the financial reporting process. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013. The Committee comprises of three

(3) Non-Executive Directors, out of which two (2) are Independent Directors.

**The followings are the members of Audit Committee:**

|                      |   |
|----------------------|---|
| a. Mr. DD Jalan      |  |
| b. Mr. Tarun Jain    |  |
| c. Mr. S. K. Roongta |  |

**Chairman**  **Member** 

The Audit Committee of the Board, inter-alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:




- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.



The Board has accepted all recommendations made by the Audit Committee during the year.

The meetings of the Audit Committee are also attended by the Chief Executive Officer, Chief Financial Officer, Statutory Auditor, and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. Other invitees are invited on a need basis to brief the Audit Committee on important matters.

The time gap between any two meetings was less than four months. The Committee met Four (4) times on 20<sup>th</sup> April 2023, 20<sup>th</sup> July 2023, 20<sup>th</sup> October 2023, 16<sup>th</sup> January 2024. The details and attendance record of the Audit Committee are given in Table 3.

**Table 3: Details & Attendance Record of Audit Committee meeting:**

| Name of Member    | Position  | Status   | 20-Apr-23 | 20-Jul-23 | 20-Oct-23 | 16-Jan-24 |
|-------------------|---|----------|-----------|-----------|-----------|-----------|
| Mr. DD Jalan      |  | ID & NED | ✓         | ✓         | ✓         | ✓         |
| Mr. Tarun Jain    |  | NED      | ✓         | ✓         | ✓         | -         |
| Mr. S. K. Roongta |  | ID & NED | ✓         | ✓         | ✓         | ✓         |

**Chairman**  **Member** 



The role and terms of reference of the Audit Committee are set out in Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgement by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Approval of related party transactions
  - Qualifications, if any, in the draft statutory auditor report
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the Internal Control Systems
- Reviewing the adequacy of Internal Audit plan
- Discussion with internal auditors on any significant findings and follow up thereof

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern
- To investigate the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the whistle-blower mechanism
- Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of Financial Condition and Result of Operations.
- Statement of Significant Related Party Transactions (as defined by the Audit Committee) submitted by the management.
- Internal Control Weakness as identified by Statutory Auditors.
- Internal Auditor Report relating to Internal Control Weaknesses.

The Audit Committee is also appraised on information regarding Related Party Transactions by being presented with:

- A Statement in summary form of transactions with Related Parties in the ordinary course of business.
- Details of material individual transactions with related parties.
- Details of material individual transactions with related parties or others which are not on an arm's length basis along with the management justification for the same.

All related party transactions are pre-approved by the Audit Committee.

During the year all transaction(s) with related parties were at arm's length and in the ordinary course of business and there was no significant material transaction with any of the related parties of the Company.

## 2. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee was comprising Mr. S. K. Roongta as the Chairman, Mr. A. K. Mittal, Mr. Rajesh Kumar and Ms. Nirupama Kotru as the Members of the Committee.







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, and reviewing the performance of the Company in CSR.

The detailed terms of reference of the Corporate Social Responsibility Committee are contained in the 'CSR Policy' which is available on the website of the Company at [CSR Policy\\_19th\\_May\\_2021.pdf \(d2z1l9uefzbzxd.cloudfront.net\)](#)

During the financial year ended 31<sup>st</sup> March 2024, the Committee met two (2) times on 18<sup>th</sup> April 2023 and 19<sup>th</sup> October 2023. The details and attendance record of CSR Committee meetings are given in Table 4.

**Table 4: Details & Attendance Record of Corporate Social Responsibility Committee meeting:**

| Name of Member  | Position  | Status    | 20-Apr-23 | 19-Oct-23 |
|---|---|-----------|-----------|-----------|
| Mr. S. K. Roongta   |  | ID & NED  | ✓         | ✓         |
| Mr. Rajesh Kumar  |  | CEO & WTD | ✓         | ✓         |
| Mr. A. K. Mittal  |  | ID & NED  | ✓         | ✓         |
| Ms. Nirupama Kotru  |  | ND        | ✓         | ✓         |
| Chairman  Member  |   |           |           |           |

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Act; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company.

During the financial year, the Company has spent ₹ 16.13 Cr. on CSR activities.

## 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised Mr. DD Jalan as the Chairman, Mr. S. K. Roongta and Mr. Tarun Jain as the Members of the Committee.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity, and knowledge on the Board and for drawing up selection criteria, ongoing




succession planning and appointment procedures for both internal and external appointments. The role of the Nomination and Remuneration Committee, inter-alia, includes:-

- Determine/recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension, etc.;
- Formulate criteria and carry out evaluation of each Director's performance and the performance of the Board as a whole.

During the year, the Nomination and Remuneration Committee met two (2) times on 18<sup>th</sup> April 2023 and 19<sup>th</sup> October 2023. The details & attendance record of the Nomination and Remuneration Committee are given in Table 5.



**Table 5: Details & Attendance Record of Nomination and Remuneration Committee Meeting**

| Name of Member    | Position  | Status   | 20-Apr-23 | 19-Oct-23 |
|-------------------|---|----------|-----------|-----------|
| Mr. DD Jalan      |  | ID & NED | ✓         | ✓         |
| Mr. S. K. Roongta |  | ID & NED | ✓         | ✓         |
| Mr. Tarun Jain    |  | NED      | ✓         | ✓         |

Chairman Member 

The Committee expressed its overall satisfaction with the performance of the individual Board members and the Board in totality.

#### 4. Finance Standing Committee

The Finance Standing Committee (FSC) of Directors is entrusted with the responsibility to consider and approve the finance and treasury-related proposal within the overall limits approved by the Board. The Committee comprises Mr. Tarun Jain as Chairman and Mr. Rajesh Kumar, CEO and Whole Time Director as a Member. The Committee meets as and when required.

#### 5. Project Sub-Committee

The Project Sub-Committee is a voluntary committee of the Board of the Company formed during the year. The Committee is entrusted with the responsibility to review the progress of the ongoing expansion Project of the Company and report the same to the Board. The Committee comprises Mr. A. K. Mittal as Chairman and Mr. Rajesh Kumar and Mr. DD Jalan as members. The Committee meets as and when required.

### BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, the Company outsourced the Board Evaluation process to a third party to formulate a

Questionnaire and prepare an Evaluation Report based on the responses received, which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors.

The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body that 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.

### SUCCESSION PLANNING

The Company strives to ensure adequate succession planning of its leadership talent pool.

The company uses succession management and planning to ensure that it identifies and develops future leaders to face the challenges of growth effectively and successfully. This ensures the systematic and long-term development of the individuals and provides a continuous flow of talented people to meet the organization's management needs.

## GENERAL BODY MEETING:

### Location and time, where last three AGMs were held:

| FY ended on                 | Date                            | Time     | Venue                             | Special Resolution passed   |
|-----------------------------|---------------------------------|----------|-----------------------------------|---|
| 31 <sup>st</sup> March 2023 | 27 <sup>th</sup> June 2023      | 03.30 PM | Through Video Conferencing ("VC") | 1. Appointment of Mr. Rajesh Kumar (DIN: 09586370) as a Director of the Company.<br>2. Appointment of Mr. Rajesh Kumar (DIN: 09586370) as a Whole Time Director of the Company<br>3. To approve waiver of excess remuneration paid to Mr. Abhijit Pati (DIN:08457230) |
| 31 <sup>st</sup> March 2022 | 27 <sup>th</sup> June 2022      | 03:30 PM | Through Video Conferencing ("VC") | -   |
| 31 <sup>st</sup> March 2021 | 17 <sup>th</sup> September 2021 | 03:00 PM | Through Video Conferencing ("VC") | -   |

The 58<sup>th</sup> Annual General Meeting of the members of the Company will be on Thursday 27<sup>th</sup> June 2024, at 3:30 P.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the General Circular no. 09/2023 dated September 25, 2023 ("MCA Circular") and as such there is no requirement to have a venue for the AGM.

## GOVERNANCE AND COMPLIANCE

### I. Code of Business Conduct & Ethics

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and Employees. The Code is applicable to Non-Executive Directors including Independent Directors to such an extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The code reflects the core values of the Company viz. Integrity, Respect, Entrepreneurship, Care, Innovation, Trust, and Excellence.

### II. Whistle Blower Policy

Your Company is committed to the highest standards of ethical, moral, and legal business conduct. The Company has in place a Whistle Blower Policy, as part of vigil mechanism which provides appropriate avenues to the Directors and employees to bring to the attention of the management instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code of Conduct that could adversely impact the Company's operations, business performance and/or reputation.

The Audit Committee has laid down certain procedures governing the receipt, retention, and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and protecting the confidential, anonymous reporting by Director(s) or employee(s) or any other person regarding questionable accounting or auditing matters.

The Company also has a designated Email id - [balco.whistleblower@vedanta.co.in](mailto:balco.whistleblower@vedanta.co.in) for reporting complaints. Further, the complaints can also be lodged on the web-based portal [www.vedanta.ethicspoint.com](http://www.vedanta.ethicspoint.com).

The Whistle Blower Policy forms part of the Code of Business Conduct and Ethics, and the same has been displayed on the Company's website at <https://www.balcoindia.com/sustainability/policies-standards/sustainability-policies/>. It is also affirmed that no personnel have been denied access to the Audit Committee.

### III. Internal Control System

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls (IFC) have been laid down in the Company and that such controls are adequate and operating effectively.

The Company has IFC framework, commensurate with the size, scale, and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing

transactions with proper authorization and ensuring compliance with corporate policies.

The controls based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework of IFC over Financial Reporting has been reviewed by the internal and external auditors.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

#### IV. Risk Mitigation Plan

Your Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Risk Management Committee periodically to ensure that management controls risk through means of properly defined framework. The Audit Committee of the Company also reviews the risk matrix and mitigation plan half-yearly.

#### V. Compliance

Our compliance systems cover a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2023-24, no material and uncontested financial or non-monetary sanctions were imposed upon the Company except as disclosed in the Financial Statements. Some of the key compliance aspects are dealt with below:

##### (a) Disclosure of Related party transactions:

Pursuant to Section 177, read with Section 188 of the Companies Act, 2013, all the Related Party Transactions were at arm's length price and in ordinary course of business. All transactions with the Related Parties were duly approved by the Audit Committee.

##### (b) Disclosure of Accounting Treatment in Preparation of Financial Statements:

The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Rules, 2014 together with IND AS-1 Presentation of Financial Statements and other Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

##### (c) CEO & CFO Certificate:

The CEO and CFO certification of the Financial Statements for FY 2023-24 is enclosed at the end of this report as **Annexure I**.

#### Shareholding Pattern by Ownership as on March 31, 2024

| Category of Shareholders |   | No. of Shares Held  | % of Total Shares |
|--------------------------|---|---------------------|-------------------|
| <b>A</b>                 | <b>Promoter's Holding</b>   |                     |                   |
| 1                        | Indian promoter-Vedanta Ltd.  | 1,12,518,495        | 51.00             |
|                          | <b>Sub Total</b>  | <b>1,12,518,495</b> | <b>51.00</b>      |
| <b>B</b>                 | <b>Non-Promoter Holding</b>   |                     |                   |
| 2                        | Non-Institutional   |                     |                   |
|                          | a.) Individual shareholders holding nominal share capital upto ₹ 1 lakh | -                   | -                 |
|                          | b) Central Govt.  | 1,08,106,005        | 49.00             |
|                          | <b>Sub-total</b>  | <b>1,08,106,005</b> | <b>49.00</b>      |
|                          | <b>Grand Total</b>  | <b>2,20,624,500</b> | <b>100.00</b>     |