

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 57th Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the financial year ended 31st March 2023 is summarised below:

Particulars	₹ Crore	
	FY 23	FY 22
Turnover	13,059	13,607
EBITDA	713	4,416
Depreciation	625	570
Other income (net of expenses)	(101)	(153)
Operating profit before finance cost	207	3,999
Finance cost	134	229
Exceptional Item	-	215
Profit/(loss) before tax	73	3,556
Tax Expense	31	820
Profit/(loss) after tax	42	2,736
Other comprehensive income/(loss)	33	(17)
Total comprehensive income/(loss)	75	2,720
Paid up Equity Share Capital	221	221
Opening reserves	7,451	4,732
Debenture redemption reserve	-	-
Capital reserve	9	9
Other free reserves	7,442	4,722
Transfer to DRR from free reserves	-	-
Other receipts in free reserves	-	-
Closing reserves	7,527	7,451
Debenture redemption reserve	-	-
Capital reserve	9	9
Other free reserves	7,517	7,442

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

The Financial and Operational highlights during FY 23 are as under:

Financial

a. During FY 23, revenue from operations reduced to ₹ 13,059 Crore as against ₹ 13,607 Crore in the previous year - a reduction of 4%.

b. EBITDA reduced to ₹ 731 Cr.

c. Cost of goods sold as a percentage to revenue from operations increased to 85% as against 58 % in the previous year.

d. The Profit before Tax for the current year is ~₹ 73 Cr against a profit of ₹ 3,556 Cr in the previous year.

e. Finance Cost for the current year is ₹ 134 Cr against ₹ 229 Cr in FY 22- a reduction of 53%.

f. Loan of ₹ 520 Cr repaid during FY 23.

Operational

Highest Ever Domestic Sales from BALCO of 376kt (Total Sales: 564kt, Export Sales: 188kt)

Sales & Dispatch:

- First time ever in BALCO'S history achieved "Zero FG Closing Stock"
- In FY 23 every month achieved lowest ever Closing Stock in BALCO'S history
- Highest ever domestic YTD sales of 376kt
- Highest VAP Sales of 49.95% in last 5 years
- Highest ever PFA sales of 71.6kt
- Highest monthly RP sales of 3.2kt in FY 23
- Highest WR sales of 171kt in last 4 years
- Highest monthly WR sales of 16.5kt in FY 23
- Best Domestic (66.64%) of Export (33.36%) ratio in last 5 years.
- Sales & Dispatch: ZERO closing stock (Previous best: 304 Mt in FY 22)

Volume & Specifics:

- FLA: Highest ever annual Alloy ingot production of 71.5 kt (Previous best 57kt in FY 22)
- FLA: Highest ever Alloy rod production of 7.72 kt in a year (Previous best of 3.6 kt in FY 20)
- FLA: Highest ever EC ingot production of 254.6 KT (FY 23) in CH3 (Previous best of 226 KT)
- FLA: Highest ever HRC production of 10.8 kt in a year (FY 23) (Previous best 9.8 kt in FY 22)
- FLA: Highest ever VAP production of 50.22 % (Previous best 50.00 % in FY 19)
- Potlines: Highest ever Pot life of 2,053 days (Previous best: 1,851 in FY 22)
- Potlines: Best ever operating current in Potlines: 335.7 KA and Potline-2: 342.4 KA in a year
- Potlines: Lowest ever Net Carbon consumption in Potline-2: 416 kg/Mt in a year
- Potlines: Lowest ever specific power consumption of 13,817 kwh/Mt and Aux. power consumption of 480 Kwh/Mt in Potline-2 in a year
- Potlines: Highest ever SPL selloff: 21,721 MT in a year
- Potlines: Highest ever PTM availability in Potline-1: 95.20 % in a year

- Metal intake capability increased from 973 MT (FY 22) per day to 1,138 MT (FY 23). This helped us to minimize manual sow casting approx. 5,000 MT per month. Approx \$ 12 savings per MT. Yearly savings approx. ₹ 5.50 Cr.

Quality:

- Carbon: Highest ever CRR in Baked Anode: 91.50% in FY 23 (Previous best 91.37% in FY 18)
- FLA: Lowest ever wire rod rejection of 0.17% in FY 23 from 0.25% in FY 22
- FLA: Lowest ever melt loss of 0.33% in FY 23 in CH-3 from 0.34% in FY 22.
- FLA: Lowest ever melt loss of 1.02% in AISi

Power Operations:

- Highest ever ash utilization 175%
- Itinerary towards Green Aluminium 546 MU RE power purchased in FY 23
- Reopening of Chotia Mines step for sustainable coal sourcing
- Equipment reliability improvement after replacement of unit#3 135 MW generator stator and unit #4 300 MW Turbine HIP rotor improve unit availability by 2.10%
- Biomass co-firing successfully implemented in CPP 540 MW (1% consumption rate) and successful pilot trial done in 1200 MW unit.
- Simultaneous export & import approval was taken and implemented successfully in BALCO Complex
- Digitization Artificial Intelligence based Auto HSSE Monitoring
- Oil Balancing through Digitalization tracking of lube oil consumption and recovery of used oil
- Digitization Materialization planning of coal based on source of coal supply, unloading and tracking system

2. EXPORTS

The aluminium exports during the FY 23 are 1,88,260 MT generating revenue of ₹ 4,075.28 Cr. (including export incentive of ₹ 52.67 Cr.).

3. CONTRIBUTION TO GOVERNMENT EX-CHEQUER

During the FY 23, Company has contributed ₹ 4,113 Cr. to State and Central Government treasury as compared to contribution of ₹ 3,536 Crore made in FY 22.

4. TRANSFER TO RESERVE

The Company has transferred NIL to General Reserves for the financial year ended on 31st March 2023. An amount of ₹ 7,527 Cr is retained in the retained earnings.

5. 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.

6. 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 credit rating from CRISIL Ratings for long-term borrowing is AA, Outlook-Negative. The details of the credit rating is available on the website at: <https://www.balcoindia.com/>

7. 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 the year 2022-23 are as under:

Safety

- Merger of factories licenses done for 8 licenses into 2 (Metal & Power business) licenses.
- Highest reporting of Hazard (1,22,614) & Near-miss (10,266)
- Vihaan- CRM program launched 1st-time from BALCO in Sept-22. Out of 11 identified fatal potential risks, 3 critical risks (Work at height, Isolation & Vehicle & Driving) initiated at BALCO for which 3 days workshops were conducted for each module.
- 90 Days Transformation journey initiated for standardizing machine guarding across Balco.
- Suraksha Samvaad- BALCO senior management along with business senior management interacted with all shop floor employees to them for "Right to refuse unsafe work"
- Digital zebra crossing & Access Control has been provided at various locations in Rodding shop, GAP, Cast House

- Use of hard barricading, instead of usage of soft barricading with reflectors has to be ensured
- CFT Electrical Safety Audit conducted across BALCO.
- Solar type-high mast installed in ash dyke area
- 22 Numbers of vehicle reversing points were eliminated across the plant
- 3rd Party Safety Audit as per IS 14489:2018 done by M/s. DEKRA
- VRD (Voltage reduce device) is installed on welding machine to reduce the voltage on holder when it is ideal
- Workshop conducted with 40 BP safety team for preventing the Incident at workplace
- JCC workshop conducted by DSS consultant, total 29 people participated.
- Launched two CRM modules Entanglement in moving & Rotating Equipment and Loss of Containment of Molten Metal across BALCO.

Health

- For further improvement in OH, the Red Zone survey conducted across BALCO by a competent third party. Qualitative report received.
- 118 nos. of Fluoride Testing done for Business Partner & BALCO Employees of Potline for identification of Skeletal Fluorosis through BALCO Medical Center, Raipur
- Occupational Health Management: Qualitative survey done for categorization of OH risks.

Sustainability

- Celebrated Greener Birthdays for September, October, November, December, and January born.
- Sustainability Catalysts is Launched for VSAP FY24.
- Earth Hour celebrated by switching off lights for 30 mins and saved 1.63 TCO₂.
- PPE Management guidelines released on Global Recycling Day.

Environment

- Environment Clearance for Expansion of smelter from 5.75 To 10.85 LTPA has been granted by MoEFCC during the month of April 2022.

- Consent To Establish for Expansion of smelter from 5.75 To 10.85 LTPA has been granted by CECB during the month of June 2022.
- Renewed consent to operate for 540MW and 1200MW obtained and valid till 31st May 2023 including Consent for DG set.
- Renewal of BMW Authorization for BALCO Hospital obtained and valid till 16.01.2025.
- Celebrated Bio-diversity Week
- 175 % fly ash utilization has been achieved during FY 23.
- Reclamation of SECL Mines (Manikpur) has been started.
- A weeklong celebration was organized on the occasion of World Environment Day 2022.
- CPCB permission was received for trial run for alternate use of Shot blast dust through local entrepreneurs engaged with BALCO. Trial run was completed.
- Statutory returns like Ash compliance report, Hazardous waste returns, BMW Returns, battery returns and six-monthly compliance reports has been submitted to authorities timely.
- 4,754 MT Bio-mass co-fired in Power Plant.
- GHG emissions in FY 23 achieved 16.29 TCO₂/T against target 17.02 TCO₂/T.
- Water bodies renovation - 100+ community ponds renovated increasing water holding capacity by 1,23,000+ CuM of water.
- Consent to Operate (CTO) for Chotia-II valid up to 30.06.2023 and permission for restarting of mining operations have been received from CECB.
- Renewal of CTO for Metal Area received on 29th December 2022 valid till 31st December 2023.
- Biodiversity Assessment completed by ERM for>NNL during 14-18 February 2023.
- Environmental Risk Assessment conducted by ERM during 17-20 January 2023.
- 1,23,562 saplings planted during FY 23.
- Renewal of CTO for Dross processing Unit (Runaya -Stage 1&2) received on 27th January 2023 valid till 31st January 2024.
- First of its kind 3-days training cum workshop conducted by REIA on Environment Management

in industries (42 employees including business partner employees attended the workshop).

- 546.29 MU RE Power procured in FY 23 (7.12% of Smelter power consumption).
- 21,721 MT of SPL Carbon sold against the generation of 7,808 MT (Utilization of 278%) in FY 23.

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

- Kalinga Safety Excellence Award- Silver Category 2022 for Metal Division
- BALCO certified as Silver through CII GreenCo Assessment
- CII Platinum winner for Digitalisation in HSES
- Won the Frost and Sullivan & TERI Sustainability assessment award for Best Sustainable Factory 2022
- Winner of Council of Enviro Excellence (CEE) - Environmental Excellence Award 2022 for excellence in Environmental Sustainability in Fly Ash Utilization/ Disposal
- Winner under Environment Protection Category by GREENTECH Foundation.
- "Energy And Environment Foundation Global Road Safety Award 2023" in Gold Category
- Gold award in Sustainability category in OHSSAI 7th Annual HSE & Sustainability

8. INFORMATION TECHNOLOGY & COMMUNICATION

• Suraksha Sankalp Portal: -

The idea was to have an integrated portal for all the safety meetings with external partners (DuPont) and internal committees' meetings. A web portal was created with different integrated functions and sub portals which are as follows:

- **Sankalp Safety Engagements** (Leading Indicators Tracking): Having capabilities to create committees and add members, schedule meetings, track MOM's, track attendance of all the committees and members, track meeting effectiveness, add DSS (DuPont Safety recommendations) and observations, reporting incidents, assigning incidents to members, track progress on the assigned tasks, track MOM's, add MOM's and track them with rich integrated features such as auto mail triggers and reminders.

- **Suraksha Kutumb** (Talk about Anchors, Mentees & Meetings): This portal is used to create anchors and mentees, schedule meetings, track MOM's, track attendance of all the anchors and mentees, raise requests, reporting incidents, assigning incidents to mentees, track progress on the assigned tasks, track MOM's, add MOM's and track them with integrated features such as auto mail triggers and reminders. More than 650 anchors and 6500 mentees are covered and engaged in the Suraksha Kutumb portal for creating awareness of the safety measures.
- **Suraksha Sankalp** (Talk about Chairman, Members & Meetings): It is used to for chairman, members, and their meetings. They can create requests for committees and assign tasks and review them. anchors and mentees, schedule meetings, track MOM's, track attendance of all the anchors and mentees, raise requests, reporting incidents, assigning incidents to mentees, track progress on the assigned tasks, track MOM's, add MOM's and track them with integrated features such as auto mail triggers and reminders.

- **Robotic Process Automation for Marketing:** - To make easier Marketing Through Digitalization

In the Marketing section using this Digital System will get the following benefits- Faster Planning & Execution, Customer Specific Tracking, Man Hour Optimization, it will be faster in decision making, improvement on System Driven Process, and Elimination on manual intervention.

Features of Robotic Process Automation For Marketing

In this initiative lot of following features are there which will be helpful for our organization- PDS (Production, Dispatch, & Sales) Tracker, FG Ageing Tracker, RP Stock with customer order allocation tracker, Daily Manual Sales Dispatch & Stock Automation, Customer wise specific handover tracker for PFA & WR, Customer wise specific handover tracker - Rolled Product, Day wise handover tracker, Customer wise sales tracker and Customer specific stock details tracker.

- **Robotic Process Automation for Commercial:** - Tracking of Saving Against LPO

This Digital intervention in commercial will achieve the following benefits- Commercial savings with respect to LPO/Budget allocated, Faster execution of POs, Consolidation of similar PRs, better tracking of buyer efficiency, Man-hour

optimization, Real-time data availability, Efficient forecasting, Improved governance.

Features of Robotic Process Automation for Commercial

In Robotic Process Automation For Commercial following features are there- Tracking of Savings against LPO, Tracking of PR to PO Lead Time for better optimization, Number of POs Punched-Per Buyer wise / Department wise, Number of Amendments done Buyer wise/department wise, New Vendors Induced tracking, Vendors Rationalization tracking, Number of Auctions: Category wise, Tracker on Value/Vs Saving, Ranking 1-5 of vendors with Maximum PO, Number of Open/Released PR per buyer, and Payment Status-Category wise.

- **Go-Live-Artificial Intelligence Based Auto HSE Monitoring:** - Safety Enhancement with Zero Harm

As a step closer towards digitalization goals of BALCO we have completed this project of Artificial Intelligence Based HSE Monitoring. It is a real-world manifestation of the new construct of intelligent enterprise, centred upon one of the most common shared beliefs across all the enterprises on the globe, "Goal Zero". Achieve end-to-end safety compliance through a robust and most comprehensive pre-trained AI models. In this solution, continuous monitoring of unsafe activities is done on real time basis through integration of existing IP cameras into a centralized AI data lake.

Achieve Goal Zero Injury through strategic interventions & occupational safety based on AI enabled insights.

Leverage one of the most comprehensive AI models created on cameras, sensors, edge devices, or drone data to manage safety risks in daily operations, construction projects, shutdowns, and turnarounds. Empower teams with real-time asset insights for intelligent decision-making.

- Automate safety standards such as OSHA, IOGP 577, COHS, and many others.
- Bring a sustainable behavioural change through tracking of multiple hazards.
- Achieve 360° coverage, including hard to reach areas.
- Detect exceptional conditions or threats in real-time.

Features:

- Reporting of daily observations.
- Risk Identification associated with each violation.
- BU wise: Monthly reports of trends.
- Leverage design for large-scale data consumption.
- Track of all actions on recommendations through user friendly enterprise dashboard.
- Get weekly analytics segmented across your entire site.
- Achieve 100% traceability and referencing of all safety events.

9. 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 FY 23, total 20,470 training man-days were covered in 742 comprehensive training interventions, with a participation of 8,234 employees against the targeted training man-days 12,127.

To familiarize with policies, its adherence, actions on non-compliance of Code of Conduct and reporting mechanism for Whistle Blowing to ensure utmost ethical behavior, 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 January 2023.

10. INDUSTRY OUTLOOK

Global Trade Scenario

Global Aluminium market went into downturn after March 2022 which was fueled by the economic slowdown all over the globe, Russia - Ukraine war, and sanctions on Russia & Russian metal by various countries. Global premiums also decreased during the same period as the supply always remained equivalent or greater than global demand.

The demand decreased in Europe & USA, as the increased energy prices resulted in increased smelting costs. Europe faced curtailment of Aluminium smelting capacity of over 1 million tons from 2021 to December 2022. High energy prices also affected demand in other major Aluminium consuming sectors (like transport, construction & electrical). Heatwaves in China also resulted in curtailment of smelting capacity majorly in Yunnan province.

The global market is showing signs of rapid transformation towards Green Aluminium as major economies like USA is imposing taxes on based on carbon emission levels and Europe is imposing CBAM (Carbon Border Adjustment Mechanism).

Domestic Market Scenario

Indian Aluminium consumption has increased by 9% Y-o-Y basis. In FY 23, the production of three primary Indian producers grew by 2% i.e. 65kt as compared to FY 22. While the total primary aluminium demand increased by 21%. Indian demand performed strongly in March 2023 despite recent economic difficulties and has so far remained resilient. Retail inflation decreased marginally in February from January to 6.4% from 6.52%, but it continued to be above the Reserve Bank of India's (RBI) tolerance level for the second month in a row.

In spite of rising costs and interest rates, demand for real estate remained stable. Housing sales in eight major Indian cities totaled 79,126 units in the first quarter of 2023, a 1% Y-o-Y increase. In contrast, the residential market saw a significantly stronger supply with 87,299 units released, up 12% Y-o-Y. This is in spite of a 5-7% Y-o-Y increase in housing prices and an increase in home loan interest rates to 9% from 6.6% in 2022.

In India, vehicle registrations surpassed pre-Covid-19 levels in March, rising to 2 million units from 1.8 million in March 2019. The holiday demand and pre-purchasing before the implementation of tighter fuel emission requirements contributed to the increase in sales. These regulations, which became effective on 1 April, require automakers to add an emissions-checking device to their vehicles, increasing the cost of production. Major Manufacturers, such as Maruti Suzuki Ltd., Hero MotoCorp Ltd., and Tata Motors Ltd., have all recently announced price rises to compensate the increased costs.

Price Drivers

FY 23 experienced a downfall in prices in H1 and the LME maintained a range of 2200 to 2400 in H2.

The Europe and US premiums have registered drastic fall during first three-quarters of FY 23. Global ingot

premiums have shown recovery in Q4 whereas for billet premiums any such recovery is still awaited.

Although energy prices have peaked out in Europe, but the smelter curtailment still continued there. This is because the prices were still higher than previous levels of 2020-2021. China has also observed smelter curtailment in Yunnan province this is majorly due to heatwaves in the region unlike Europe where primary reason of curtailment was energy prices. No curtailment was registered in India.

Product and Customer

Balco's integrated smelter in India with 0.58 MTPA installed capacity with primary domestic market share of 23% FY 23 as compared to 22% in FY 22. Balco's product range includes Aluminium Ingots, Primary Foundry Alloys, Wire Rods, Alloy Rods, ALSI 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, 49% of the company's total sales were to the Indian markets, specifically for use in the electrical and transportation industries. About 70% of this domestic sale comprised of Value-Added Product portfolio of Vedanta Ltd. The company sold an overall of 50% of its total sales as Value Added Product in this financial year.

11. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

A) Changes in Directors and KMP

Mr. Arun Todarwal (DIN-00020916) ceased as an Independent Director of the Company upon his resignation on 30th June 2022.

During the year, there was a change in the designation of Mr. Sushil Kumar Roongta (DIN-00309302), who was appointed as Independent Director and Chairman of the Company, w.e.f. 14th July 2022, for a period of 2 years, i.e., till 13th July 2024.

Mr. Abhijit Pati (DIN-08457230) ceased to be the Whole Time Director and Chief Executive Officer of the Company pursuant to his resignation on 15th February 2023.

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

- i. Took note of the resignation of Mr. Abhijit Pati (DIN-08457230) from the office of Chief Executive Officer and Whole Time Director w.e.f. 15th February 2023.

- ii. Appointed Mr. Anoop Kumar Mittal (DIN-05177010) as an Additional Independent Director w.e.f. 19th October 2022 for a period of 1 year, i.e., 18th October 2023, subject to the approval of the Shareholders in the forthcoming Annual General Meeting.
- iii. Appointed Mr. Rajesh Kumar (DIN-09586370) as Additional Director, designated as Chief Executive Officer and Whole Time Director of the Company, w.e.f. 15th February 2023 subject to the approval of the Shareholders in the 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. Shakil Alam (DIN-09272903) w.e.f. 19th November 2022
- ii. Appointment of Ms. Farida M. Naik (DIN-07612050) w.e.f. 21st November 2022
- iii. Appointment of Mr. Sanjeev Verma (DIN-08836996) w.e.f. 26th December 2022
- iv. Resignation of Mr. Mustaq Ahmad (DIN-08630622) w.e.f. 27th March 2023

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. Tarun Jain (DIN- 00006843), 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. Tarun Jain 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. Tarun Jain.

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. Rajesh Kumar* - Chief Executive Officer & Whole Time Director
 Mr. Amit Gupta - Chief Financial Officer
 Mr. Prateek Jain - Company Secretary

*Mr. Abhijit Pati resigned as CEO on 15th February 2023 and Mr. Rajesh Kumar was appointed as CEO w.e.f. 15th February 2023.

D) Separate Meeting of Independent Directors

The Independent Directors met on 22nd March 2023, 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, Whistleblower 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 7 (seven) times during the financial year 2022-23 on 21st April 2022, 21st July 2022, 19th October 2022, 22nd November 2022, 16th January 2023, 02nd February 2023 and 15th February 2023. 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.

12. 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.

13. 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.

14. 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 review 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 obtain

assurance of 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 that lays down certain principles and procedures that are to be followed in commercial & purchase contracts transactions across the Company. The SSC verifies compliance to the 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.

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 was 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.

15. AUDITORS' APPOINTMENT AND AUDITOR'S 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 the provision of Section 204 of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules 2014, confirmation eligibility and willingness to act as Secretarial Auditor of the Company has been received from M/s CS Nitin Agrawal & Co. to conduct Secretarial Audit for FY 24. The Audit Committee recommends to the Board their appointment for FY 24.

Pursuant to the 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 23 at its meeting held on 21st April 2022.

The Report of the Secretarial Audit for FY 23 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, appointed 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 2024, 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.

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 24. The Audit Committee recommends to the Board their re-appointment for FY 24.

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.

16. 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.

17. 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.

18. CORPORATE GOVERNANCE

Your Company is committed to maintaining 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.

19. 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/>

20. 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 FY23 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	1
Number of complaints disposed off during the year	1
Number of cases pending as on the end of the financial year	Nil

21. 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 transactions with the related parties entered into by the Company were in the 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 Form AOC-2.

22. 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.

23. 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 Director 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.

24. 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 2023, there were no deposits that were unpaid or unclaimed and due for repayment.

25. 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. The investments made by your company are duly approved by the Board under the powers conferred to it under Section 179(3) of the Companies Act, 2013, and are within the limits laid down under Section 186 of the said Act.

26. COMMITTEES OF THE BOARD

Currently, there are four 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. S K Roongta* - Member (Independent Director)
3. Mr. Tarun Jain - Member (Non-Executive Director)

*Mr. Arun Tadarwal ceased to be a member of the Audit Committee due to his resignation on 30th June 2022. Mr. S K Roongta was inducted as member of the Audit Committee w.e.f. 14th July 2022.

Besides reviewing the internal audit, control, and procedures, it reviews the unaudited 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 the Audit Committee Charter.

5 (Five) Audit Committee Meetings were held during the financial year ended 31st March 2023 and the dates on which the Audit Committee Meetings were held are as follows:

21st April 2022; 21st July 2022; 19th October 2022; 16th January 2023 and 02nd February 2023.

The Board has accepted all recommendations 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 2023, the Nomination & Remuneration Committee comprised of the following Independent Directors & Non-Executive Directors.

1. Mr. D.D. Jalan - Chairman (Independent Director)
2. Mr. Tarun Jain* - Member (Non-Executive Director)
3. Mr. S K Roongta** - Member (Independent Director)

*Mr. Tarun Jain was inducted as member of the Nomination and Remuneration Committee w.e.f. 14th July 2022.

**Mr. Arun Tadarwal ceased to be a member of the Nomination and Remuneration Committee due to his resignation on 30th June 2022, post which the Mr. S K Roongta was re-designated as an Independent Director and Chairman of the Board, w.e.f. 14th July 2022.

During the year FY 23, Nomination & Remuneration Committee met 4(four) times i.e., on 21st April 2022, 19th October 2022, 22nd November 2022 and 15th February 2023.

C) Corporate Social Responsibility Committee

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

Corporate Social Responsibility (CSR) Committee and as on March 31, 2023, the Committee comprises of following Independent Director, Non-Executive and Executive Director: -

1. Mr. S K Roongta* - Chairman (Independent Director)
2. Mr. A K Mittal** - Member (Independent Director)
3. Mr. Rajesh Kumar*** - Member (CEO and Whole Time Director)
4. Ms. Nirupama Kotru - Member (Government Nominee Director)

*Mr. Arun Tadarwal ceased to be the Chairman of the Corporate Social Responsibility Committee due to his resignation on 30th June 2022. Mr. S K Roongta was inducted as the Chairman of the Corporate Social Responsibility Committee w.e.f. 14th July 2022.

**Mr. A K Mittal was inducted as a member of the Committee subsequent to his appointment on 19th October 2022.

***Mr. Abhijit Pati ceased to be a member of the Committee post his resignation as CEO and WTD of the Company. Rajesh Kumar was inducted as a member of the Committee post his appointment as CEO and WTD of the Company w.e.f. 15th February 2023.

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.

During FY 23, CSR Committee met 1(one) time on 21st April 2022.

27. 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. S K Roongta: Independent Director. The other Members of the Committee for the year ending March 31, 2023 were Mr. Rajesh Kumar, Mr. A K Mittal 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 https://d2z119uefzbx.d.cloudfront.net/wp-content/uploads/2023/03/CSR_Policy_19th_May_2021.pdf.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. During the FY 23 the Company has spent ₹ 24.53 Cr. under Section 135 of the Act on CSR activities.

During the year under review, the Company have undergone an Impact, Need and Baseline Assessment for its CSR Projects. An executive summary of the same forms part of the Annual Report on CSR Activities for FY 23.

28. CORPORATE SOCIAL RESPONSIBILITY PROJECTS

BALCO CSR works towards a larger goal of creating enduring value for the communities. 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 a spent of ₹ 24.53 Cr was made across various CSR programs. Our Initiatives reached out to 123 villages in 4 districts of Chhattisgarh touching lives of 1.27 Lac people.

EDUCATION

Connect

The Project focuses on improving the learning environment in nearby 6 government schools by creating an enabling environment with focus on

improving Student's Grades, providing them with Career Counselling and promoting Employee Volunteerism. The Field Instructors teach students in SEMA subjects (Science, English, Mathematics & Accountancy) in these Govt. schools. During the year, 2500 students in 6 Govt. schools benefitted through regular and remedial classes for 9th - 12th class on SEMA subjects, summer & winter camps, science exhibition to work towards practical based teaching-learning, career counselling sessions etc. Also, to build more conducive environment of learning capacity building training organized for Govt. teachers on Teaching pedagogy and practical based models.

SUSTAINABLE LIVELIHOODS

Mor Jal Mor Maati

The project focusses on improving the surface water management with existing resources, augmenting irrigation facilities, equipping farmers with the latest farming techniques, and promoting multi-cropping to reduce the dependence on rainfall. It is also bringing farmers into the fold of Fishery, Goatry and Poultry and ensuring income generation round the year. The program is also institutionalizing farming practices by business model development of Farmer Producer Organization (FPO) - Korba Krushak Unnayan Producer Company Limited (KKUPCL).

During the year, 2400 Farmers benefitted and cumulatively brought 1000 acres of land under secured irrigation in 32 villages. Farmers were supported in different activities like, promotion of modern farming techniques, crop & livelihood diversification, water security and FPO development. Farmers were capacitated through training programs on modern cropping methods and provided with input support of seeds, manure, fencing, soil testing and periodic technical support in the field.

As a result, 70% of farmers adopted modern agriculture techniques like Systematic rice intensification (SRI), Trellis & Organic farming, etc. SRI helped farmers in getting 1.2-1.4 times increase in production hence led to an average increase in income by 30 - 60% and reduction in cost of cultivation by 60%. 18% of the farmers are engaged in Livelihood Diversification activities like, Lac Cultivation, Poultry, Goatry and Horticulture which creates an additional income.

21 water harvesting structures (19 farm & 2 community ponds) and created 20 dug wells generating cumulative water storage capacity of 25,000+ CuM. This has increased the water security & recharge and is promoting multiple cropping in the region.

Drinking water facilities created at 4 locations through installation Solar powered pumps benefitting over 240 families. The facilities have enhanced the

availability of drinking water in these areas which had been facing scarcity of drinking water. One out of the four installed through convergence of ₹ 2.6 Lacs.

FPO with 800 farmers is having an equity share capital of ₹ 7 Lacs. During the year, it has established its input & output business centers for nearby farmers. The annual turnover for the FPO was at ₹ 4.78 Lacs with a Gross Profit of ₹ 1.80 Lacs.

Vedanta Agriculture Resource Centre (One stop solution for farming needs) came up with multiple innovations like Zero Energy Cooling chambers for storing vegetables and Azola unit which are now educating and promoting farmers to adopt the same.

Project was able to converge and leverage a total of ₹ 1.42 Cr through various Govt schemes like Pradhan Mantri Krishi Sinchayee Yojana, Rashtriya Krishi Vikas Yojana, Chhattisgarh State Saur Sujla Scheme and ₹ 1.41 Cr through community contribution in activities like construction of farm ponds, dug well, poultry & Goatry sheds, soil bunding, SRI and irrigation equipment, etc.

Vedanta Skill School

The project focuses on imparting vocational training to rural youth, dropouts, and unemployed population of Chhattisgarh with a special focus on our operational areas and links them with gainful employment opportunities. During the year, 1007 youth trained in 3 skilling centres running in Korba, Kawardha & Surguja out of which 76% youth placed & self-employed in 18 reputed organizations with an average CTC of ₹ 12,000-18,000/month in 8 states.

Out of 28 batches, 15 batches trained in convergence with government and private partners like Mukhya Mantri Kaushal Vikas Yojna (MMKVY), NABARD, Skill India Impact Bond (SIIB), Generation India etc.

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 HIV and a special emphasis on Maternal & Child health, particularly targeting the malnutrition. During the year, program reached out to 30,248 people through curative and preventive healthcare services.

Three Rural Health Post at Chuiya, Parsabhatha and Chotia provided OPD services to 3,610 people. Generated awareness on HIV amongst high-risk behavior groups like Truckers and migrant workers. Over 20,000 people sensitized through weeklong mass awareness campaign on World AIDS Day, canopy camps and counselling sessions.

Combating malnourishment in children by improving their nutritional and care practices through dedicated interventions like 25 Positive Deviance Hearth (PDH) sessions, 32 THR trainings and establishing 150 Nutrition Gardens at Anganwadi centres, household of pregnant, lactating and malnourished children. PDH is one of the effective behaviours change program, used to rehabilitate underweight and wasted children without medical complications; sustain their rehabilitation; and prevent future malnutrition.

Conducted Health screening in 39 Anganwadi across 32 villages, covering 1,564 children of 0 to 5yrs age group. Out of which 430 identified as Severely Acute Malnourished (SAM) & Moderately Acute Malnourished (MAM), addressed through PD hearth sessions and NRC referrals. Out of these, 63% of children moved out of SAM and MAM category

Revived & Capacitated, 42 Mahila Arogya Samiti & 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. The MHV is serving our nearby 45 communities through fortnightly visits and addresses the problems of inaccessibility, inability to afford and non-availability of basic essential primary health care in communities. This year, 14,410 people availed health care services through MHV. 6 Multispecialty Mega health camps (Orthopedics, Dental, ENT, Pediatrics, Gynecologist, Physiotherapist, Blood & Sugar etc.) organized, benefitting 1770 people. 55 home visits were made to elderly and others who could not come to MHV.

22 Awareness camps organized, sensitizing people on Vaccination and other matters of health and hygiene. Special consultation services by Gynecologist through "Health Chaupal" launched this year to benefit mothers and adolescent girls.

Nayi Kiran (Menstrual Health Management)

The project focuses on creating awareness, capacity building and leadership development of women adolescent girls on hygienic practices during menstruation and product choice. The program is also bringing "Men in Menstruation" to widen the discussion and understanding on the topic. During the year, project sensitized **48,000** women, men, adolescent Girls & Boys through awareness generation and capacity building activities and have also expanded its roots across 5 blocks of Korba district viz. Korba, Podi Uproda, Kartala, Pali and Katghora.

To bring about a sustained behavioral change, capacitated **400+** community members ranging from Adolescent boys & girls, SHG women and Frontline workers (AWW's & ASHA workers) through numerous trainings like Menstrual Health Management, leadership, Nukkad Natak and 'Stitch my own pad campaign' as **Master trainers- Torchbearers cum leaders of change in the community**. 100% AWW's across 45 communities trained as MHM leaders and 137 trained at district level.

A cadre of barefoot soldiers, these trained adolescent youths have further formed 24 Shakti Saheli Mandals and Adolescent boys groups taking the total count to 100. 1500+ Adolescents actively engaging through these groups on the subject matter. Set of 15 Adolescent girls and boys trained on Nukkad Natak and are Spreading the word on menstrual health management across larger community, sensitizing 3800+ community members.

As a new step MHM Awareness sessions held at 20 (50% coverage) Block level Govt secondary & Higher secondary schools of Korba for creating MHM friendly environment. Promoting inclusivity, first ever (MHM) session with especially abled students at Divya Jyoti School, only government school in Korba for differently abled.

4 Swastha Suvidha Kendra as one stop solution Centre's for MHM, driven by adolescent leaders as a synergic platform for counselling and capacity building. 1200+ community members benefitted this year through referral and assistance in availing government health services and schemes like Ayushman and Mukhya Mantri Slum Yojna etc.

BALCO Medical Centre

BALCO Medical Centre envisages 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 in Naya Raipur, Chhattisgarh, and patients from different parts of the country visit the centre. During the year, 10,071 people availed healthcare services from the hospital. Hospital also added another modern equipment LINAC-HALCYON, Radiotherapy machine for curative treatments. This is enabling hospital to cater to a larger number of people and make quality cancer care more accessible.

Support for Mobile Health Van

BALCO supported covid hit remote Lunglei district in Mizoram state with an Ambulance to cater to

Covid and Emergency cases. The presence of the Ambulance is enabling people from remote areas in availing healthcare services on time, thereby raising the standard of healthcare delivery in the region.

WOMEN'S EMPOWERMENT

Unnati

The project focuses on strengthening women into Self Help Groups (SHGs) and develop their capacities and skills for entrepreneurship and sustainable livelihoods. During the year, 40+ new SHGs (Self Help Groups) formed, taking total to 500 SHGs involving 5389 women with 1800 women economically engaged. Established 7 microenterprise units with 12 products viz. Mural Art, Gonkra Folk Art, Clay Idols, Chattisa (local cuisine), Mushroom and Paper bags etc. to promote entrepreneurial opportunities for SHG women

On International Women's Day "Unnati Utsav" was zestfully celebrated with community women and adolescent girls and employees. The celebration was witnessed 500+ participants who showcased their enthusiastic participation in games and cultural events. Women also exhibited their entrepreneurship skills by setting up food stalls. 13 zealous community members were recognized and felicitated who had contributed immensely for the development of the community in the areas of entrepreneurship, bringing social change and community leadership for benefit of all.

COMMUNITY ASSETS CREATION

Community Infrastructure Development

Infrastructure development in the communities provides an opportunity to improve their quality of life. The intervention aims at addressing the infrastructural gaps in the socio-economic development of the communities with upgradation of the existing facilities. The activities of this year included renovation of community stages, creation of borewells for drinking water availability and road construction, cumulatively benefiting 7700+ community people.

EMPLOYEE ENGAGEMENT

At BALCO the socio-economic development of the community is of paramount importance. We are dedicated towards empowering the local community and establishing a connect between the community members and employees to establish a relationship based on 'trust'. The employee engagement initiatives act as a bridge to achieve this connect. During the year 500+ employees volunteered cumulatively for activities like:

- **Wish Tree Initiative**, gifts to the kids of the nearby communities, fulfilling their wishes.

- **Mentoring** - Taking classes of Students on various subjects under Connect.
- **Value Added Modules** - Taking soft skill building sessions in Vedanta Skill School.
- **Blood Donation Drive** - Highest contribution at district level.
- **Let's Do Ropai** - Sowing in the fields of farmers for transplantation of paddy
- **Rejuvenation Drive** for check dam and community Pond at Dondro village.
- **Science Mitras** - Mentored students from govt. schools for making science models.

SAFETY

In order to promote safety in communities, 52 safety trainings on Road, Fire & Home safety were organized reaching out to 1000+ community members & school children and students of Vedanta Skill School.

AWARDS

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

- Socio Corp CSR Film Festival & Awards- Best Healthcare Excellence CSR Film - "Sarika Dondro ki Nayi Kiran"
- 5th Edition ICC Social Impact Awards for 'Employment Enhancing Vocational Skills' for "Vedanta Skill School"
- Third India MHM Summit- Best CSR Initiative on MHM Award for Nayi Kiran Project
- Mahatma Award-CSR Excellence
- Appreciation Plaque by FICCI CSR Awards as "Socially Responsible Company" for Mor Jal Mor Maati Project
- SABERA in "Health, Nutrition & Wellbeing" for Community Health Initiatives
- Recognition by Chhattisgarh Govt for commendable work in HIV awareness & prevention
- Recognition by Chhattisgarh Govt for highest single day blood donations at District.

29. 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. During the Financial Year ended on 31st March 2023, the risk management was discussed once in every quarter at the business level, and half-yearly with the Audit Committee, with briefing to the Board.

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

30. 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, 2023 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, 2023.

31. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

32. 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.

33. 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: 20th April 2023

SK Roongta
(DIN-00309302)
(Chairman)

Rajesh Kumar
(DIN-09586370)
(CEO & WTD)

Annexure A:

Annexure to Director's Report

A. CONSERVATION OF ENERGY:

a. Energy conservation measures taken:

- Various initiative taken, and trials conducted in Pot line to achieve the benchmarking parameter in pot lines.
 - Lowest ever specific power consumption of Pot line 2: 13,817 kwh/Mt.
 - Lowest ever specific net carbon consumption of Potline 2: 416 kg/Mt
 - Lowest ever Auxiliary power consumption of Potline 2: 480 Kwh/Mt
 - Lowest ever Auxiliary power consumption of BALCO: 701 MWH/day
 - Highest ever Current of BALCO: 335.7 KA and Potline-2: 342.4 KA
 - Lowest ever Dust emission of BALCO: 3.2 mg/nm³
 - Highest ever Pot life of BALCO: 2053 days
 - Zero FTP tripping in Potline 2.
 - Highest ever PTM availability of Potline 1: 95.20%.
 - Potline Roof light conversion into LED, Specific saving of 2.1 kwh/Mt and Lux level improved from 30 to 100.
 - Lowest ever BTAP TAT: 15 hrs 19 mins
 - Indigenous development of LCM shaft with saving of 35 lac against OEM prices
 - Highest ever zero level bath (11,458.50 MT) recovery
 - Highest ever SPL Selloff: 21,721 MT.

Key Projects-

- 100% graphitised pots installation-114 no in FY 23.
- Aux reduction by Conversion of HP Compressor to LP Compressor
- Process Optimization
- Pot controller parameter optimization
- Various initiative taken, and trials conducted in Power Plant to achieve the benchmarking parameter
 - U#4 300 MW replacement of Turbine HIP rotor
 - U#3 135 MW Turbine HIP rotor refurbishment and capital overhauling
 - CPP 540 MW U#3 and U#2 Condenser tube replacement
 - CPP 540 MW U#3 and U#2 CT fills replacement
 - CEP VFD Installation in CPP 540MW
 - Installation of Side Stream Filters in 1200 MW plant.

b. Additional Investment

- Aux Power reduction by Conversion of HP Compressor to LP Compressor involved a Capex of ₹ 94 Lacs

c. Recognition and system implementation for energy Improvements.

- CII National Energy Leader Award, Metal Sector 2022.
- Recognized as Excellent Energy Efficient unit for third time consecutively by CII.
- Top performer Designated Consumer for Aluminium Sector of PAT Cycle-II under National Mission for Enhanced Energy Efficiency (NMEEE)
- Manufacturing Today Award in the category -Reinventing the Future 2022

Excludes capitalised quantity

Sl. No.	Particular	Unit	2022-23	2021-22
1	Hot Metal			
i	Electricity	Kwh / MT	13,713	13,647
2	Propenzi Rod (Including Alloy Rods)			
i	Electricity	Kwh / MT	130	121
ii	Funance Oil	Ltr / MT	5	2
3	Ingots			
i	Electricity	Kwh / MT	34	29
ii	Funance Oil	Ltr / MT	8	5
4	Rolled Product			
i	Electricity	Kwh / MT	1,169	798
ii	Funance Oil	Ltr / MT	122	102

Sl. No.	Particular	Unit	2022-23	2021-22
1	Units	M. KWH	7,649	9,741
	Total Amount	₹ in Crs	3,793	2,673
	Average Rate	₹/KWH	5	3
2	Coal (Used in Boiler House)			
	Quantity	MT	61,34,385	77,60,731
	Total Amount	₹ in Crs	3,240	2,249
	Average Rate	₹/MT	5,282	2,897
3	Furnace Oil & Light Diesel Oil			
	Quantity	KL	3,403	10,237
	Total Amount	₹ in Crs	34	53
	Average Rate	₹/KL	98,806	51,360

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. 21,721 MT SPL Sold in FY 23.
- Anti-Oxidant Anode Coating without any additives trail being taken in FY 23 to reduce NCC.
- Potline Roof light conversion into LED, Specific saving of 2.1 kwh/Mt and Lux level improved from 30 to 100.

b) Benefits derived as result of R&D:

- Aux Power reduction by Conversion of HP Compressor to LP Compressor. Gain: 715 MWH/day to 701 MWH/day.
- 100% graphitised pots installation-114 no in the benefit of 24 kwh/Mt in entire pot line is derived.

c) Future plan of action:

- Pot line:
 - Replacement of Old generation compressor with New generation compressor with capacity enhancement.
 - 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
 - 100% graphitized pots relining planned in FY23
 - Reduction in Anode Stem Drop by Advanced LASER cleaning technology, 5 mv reduction. 200 Anodes Trial completed
 - New AlF₃ Addition logic under development by RIPIK & COE team
 - Further optimization on energy consumption with various trials of energy savings cathode

from BALCO pot relining design, DC power consumption less than 12,300 Kwh/MT.

- vii. Increase in pot line current by 0.5 KA - Increase in Metal production.
- viii. Online roof top emission monitoring device installation-fluoride emission monitoring to reduce emission and reduction in AlF_3 consumption.

- Carbon:

- i. Uses of Fuel grade CPC by 10% blending with anode grade CPC. Trial under process, potential saving ₹ 72Cr/Y at full scale production from Q1 FY 24.
- ii. Reduction in specific power consumption by 5mV by design change of existing stub hole former in GAP, potential saving ₹ 1.96Cr/Y from Q2 FY 24.
- iii. Increment in height of slot former plate to reduce the power consumption, potential saving ₹ 1Cr/Y from Q1 FY 24.
- iv. LASER cleaning of rod to reduce the voltage drop by 5mV, potential saving ₹ 4.3Cr/Y from Q4 FY 24.
- v. Trial of LSHS to replace HFO is done in Carbon & Cast House. Complete replacement of HFO with LSHS for entire HMA will be done till H1 FY 24 resulting in SOx emission reduction by 75%.

- Power:

- i. Installation of Low Nox burner in 540 MW unit.
- ii. Efficiency improvement and capacity enhancement of 135 and 300 MW units.
- iii. U#1 300 MW unit turbine HIP rotor replacement
- iv. CT fills replacement in 1200 MW units.

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

₹ in Cr.

Particular	FY 23	FY 22
Capital Expenditure	-	-
Recurring Expenses	2.08	1.71
Total Expenditure	2.08	1.71
R&D Expenditure as a % of total turnover	0.02%	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 23 is as below:

Foreign exchange earnings: ₹ 3,985 Cr.

Foreign exchange outflow: ₹ 5,376 Cr.

Annexure B:

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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 "**Company**") for the financial year ended March 31, 2023 ["**Audit Period**"] in terms of the engagement letter dated November 4, 2022. 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 ('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 except that there are two government nominees appointed during the Audit Period. As per the understanding and practice of the Company, the government nominees are appointed on the Board as per the executed Shareholders Agreement directly upon receipt of order letter from the Ministry of Mines. Noting of such appointment is made in the immediate next meeting of the Nomination and Remuneration Committee (NRC) and Board meeting. We have recommended the Company to route any appointment of directors through NRC, Board and approval from the shareholders as required under clause (2) and (6)(a)(ii) of section 152 of the Act.

We observe that during the Audit Period, there were only two directors liable to retire by rotation and one of them being longest in office, retired at the annual general meeting and being eligible offered himself for re-appointment and was reappointed on the Board. The

Company has a practice of not considering government nominee directors in the category of directors retiring by rotation. We have recommended to the Company to include the government nominees as well for the calculation of total number of directors liable to retire by rotation pursuant to section 152(6)(d) and explanation thereof.

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 except for the meeting(s) convened at shorter notice with due compliance of Act and SS-1. 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 undertaken the below mentioned specific event/ action 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 Audit Period, the Board has, at its meeting held on February 2, 2023, accorded approval for procurement of renewable power under the group captive scheme and to infuse ₹245 crore in the form of equity investment (without any economic benefit) of 26% in SPV by the Company in partnership with Serentica Renewables India Private Limited ("SRIPL") and to enter into a Power Delivery Agreement ("PDA") for a period of 25 (twenty-five) years.

For M/s Vinod Kothari & Company

Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar

Partner
Membership No.: A37398
CP No.:15113

Place: New Delhi UDIN: A037398D000161346
Date: April 13, 2023 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. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. 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.

List of Documents

1. 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 and Committee meetings' on a sample basis;
3. Annual Report for financial year 2021-22;
4. Financial Statements and Auditor's Report for financial year 2021-22
5. Directors disclosures under the Act and rules made thereunder;
6. Statutory Registers maintained under the Act;
7. Forms filed with the Registrar;
8. Policies framed under Act, 2013 viz. CSR Policy, Remuneration Policy and Whistle Blower Policy;
9. Memorandum of Association and Articles of Association of the Company.

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 aim "To empower and support communities specially neighbourhood communities in achieving greater economic and social well-being". As part of our CSR policy, we believe in partnering with government agencies, development organisations, corporates, civil societies & community-based organisations to implement long term sustainable 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\(d2z119uefzbzxd.cloudfront.net\)](https://www.balcoindia.com/about-us/balco-team/composition-of-committees-of-board/)

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. S.K. Roongta*	Chairman, Independent Director	1	1
2	Mr. Rajesh Kumar**	Member, CEO & Whole Time Director	1	0
3	Ms. Nirupama Kotru	Member, Government Nominee Director	1	1
4	Dr. Anoop Kumar Mittal**	Independent Director	1	0

*Mr. S K Roongta was inducted as Chairman of the CSR Committee w.e.f. 14th July 2022 post resignation of Mr. Arun Todarwal from the directorship of the Company.

**Dr Anoop Kumar Mittal and Mr. Rajesh Kumar became members of the CSR Committee w.e.f. 19th Oct '22 and 15th Feb '23 respectively.

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:

Composition of CSR Committee- <https://www.balcoindia.com/about-us/balco-team/composition-of-committees-of-board/>

CSR Policy- https://d2z119uefzbzxd.cloudfront.net/wp-content/uploads/2023/03/CSR_Policy_19th_May_2021.pdf

CSR projects approved by Board - <https://www.balcoindia.com/csr/annual-action-plan/>

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).

The Executive Summary of the Impact Assessment of the CSR projects is given below:

During the financial year, the company conducted Impact Assessment Study as per its CSR Policy through a third party i.e., KPMG Assurance and Consulting Services LLP, to assess the impact generated through its flagship initiatives Mor Jal Mor Maati, Vedanta Skill School, Unnati, Nayi Kiran, Arogya, Mobile Health Van and Balco Medical Centre and Connect. The study used the OECD DAC framework to assess the growth and impact of the programs covering a sample of 410 across Korba & Raipur district in Chhattisgarh.

Executive Summary as follows:

Sustainable Livelihoods

Mor Jal Mor Maati

- **Improved income & yield** - The programme has supported farmers through dissemination of scientific knowledge. 78% of the respondents reported to have an improved income due to better crop yield. 21% respondents felt reduction in input costs. 50% farmers have adopted scientific and sustainable agricultural practice.
- **Enhancement of Food Security** - 37% of farmers also reported an enhancement in food security which is a positive trend considering the multidimensional poverty index of Chhattisgarh. Also, there is enhanced food consumption in the region through improvement in production thereby making it a sustainable model. Paddy was the main crop cultivated in the district prior to any interventions. However, with the intervention, paddy and vegetables became the district's primary crops.
- **Strategic Initiative** - The improvement in the overall livelihood includes looking at sustainability parameters such as climate resilient agriculture practices, income diversification, just transition, linking natural resource management with income generation activities etc. Hence, this creates potential for various strategic initiatives to emerge and integrate themselves with the existing project. Development of Farmer Producer Organization brings a sustainable angle to the project.

- **Right investments** - BALCO has made investments in the right direction in terms of introducing micro irrigation practices, SRI technique as well as capacity building of farmers increasing entrepreneurial options & better infra support. It's support in convergence with government initiatives is helping in bringing the ecosystem change.
- **Reduction in migration** - Created more opportunities for farmers by diversifying the traditional farming methods and livelihood opportunities through NTFP (lac cultivation), organic farming, commercial fish farming. Around 29% of respondents perceived that the project has reduced outward migration.

Vedanta Skill School

- **Enhanced Employability** - Candidates who attended trainings received placement opportunity, career counselling and were provided training certificates as well. 68% of the trainees were able to retain their jobs. The Skill School thus plays a pivotal role in addressing the unemployment. This reflects that the training program has been able to deliver optimum results.
- **Social Strengthening** - Around 48% respondents reported an increase in confidence and self-esteem whereas 30% respondents have an improved social support network.

Women's Empowerment

Unnati

- **Overall development** - The project has been successful in providing the women with a regular source of income, collective voice and has improved their self-esteem. 67% respondents said that the impact of project interventions has helped them in improved decision making. Through the Unnati programme, the business can enhance the economic empowerment of women in the field locations which in turn has an impact on their, savings and access to financial services etc.
- **First in the region** - It was observed that the beneficiaries did not have access to any other similar comprehensive enterprise-based livelihood project in the region before the introduction of Unnati.
- **Convergences** - The project has found wide acceptance in the district administration and is also supported by National Rural Livelihood Mission.

Health

Nayi Kiran

- **Comprehensive approach** - The project focusing on building awareness, lot of sensitisation workshops and street plays are organised which has created a generational shift in mindset of people and built awareness regarding menstrual hygiene practices. A significant level of awareness about hygiene and waste disposal mechanism was also identified.
- **Giving voice** - Study noted that, women and girls in Korba are very vocal while talking about menstruation related practices. They did not have inhibitions unlike other parts of the country especially in rural spaces, where there are a lot of stigmas attached to menstruation.
- **Change in practices** - As per study, 67% of respondents in Korba have been using sanitary napkins which reflects a significant shift towards the usage of sanitary napkins whereas 17% of them are using cloth instead of napkins.

Arogya

- **Access to Healthcare Services through Rural Health Posts** - 69% of the respondents are accessing health care services twice a month which reflects that there is access to services on a regular basis through Rural Health Posts.
- **Enhanced Maternal & Child Health** - 77% of respondents said that there has been an improvement in access to supplements for children and pregnant women in the household. 69% of respondents said that the project interventions have increased their families access to institutional delivery.
- **Improved awareness & Accessibility** - 65% of beneficiaries believe that there has been an increase in awareness & around 91% of the beneficiaries reported an improved access to and timely availability of healthcare services. Project has made primary health care services affordable and increase awareness towards HIV, Maternal & Child health. Also, it has been positively contributing to the state health department's campaigns around HIV AIDS, Tuberculosis, COVID Vaccination and so on.
- **Reduction in Out-of-pocket expenditure** - 60% of Household spend less than ₹ 5000 on health annually, hence the out-of-pocket expenditure has reduced among the respondents due to lack of services being availed through existing private health infrastructure.

Mobile Health Van

- **Reaching the last person** - 91% of the respondents said that the Mobile Health vans have improved access and timely availability to healthcare services. 69% of respondents pointed out that availability of medicines has increased. 62% respondents said that the frequency of visits for healthcare services has also become more regularised.
- **Bridging the gap** - The mobile health unit has certainly helped in bridging the gap of accessibility by providing doorstep services.
- **Sustainable elements** - When it comes to individual beneficiaries of the program, the impact created by the mobile health van can be gauged as sustainable. Moreover, the program is making healthcare services accessible as well as improving health of the community. The program helps in creating awareness amongst the community members regarding prevalent diseases.

BALCO Medical Centre

- **Expansive reach** - BMC expanded its footprint in the area of cancer screening and early detection in big away, recognizing it as one of the most critical area that can help reduce cancer burden. A MoU was signed with National Health Mission (Chhattisgarh Government), where together, weekly focused cancer screening camps were conducted across the state. The combined strengths of government and BMC were leveraged to make these camps hugely successful.
- **Convergences** - 70% patients are Ayushman Bharat scheme beneficiaries which shows great convergence.

Education

Connect

- **Improving learning environment** - Quality learning is a challenge in rural areas especially in higher classes which leads to more expenditure on coaching and tutors. The project helps in bridging that gap through employee volunteerism and providing capacity building to teachers so that the additional expenditure on education is reduced. Around 64% of the respondents also had access to digital literacy skills and were using tools for the same
- **Yielding results** - Passing percentage of children according to 66% of the households and has further supported 21% households in decreasing their monthly expenditure on education.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ **1732.30 Cr**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ **34.65 Cr**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**
- (d) Amount required to be set-off for the financial year, if any: ₹ **34.65 Cr.**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **NIL**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **23.45 Cr**
- (b) Amount spent in Administrative Overheads: ₹ **0.87 Cr**
- (c) Amount spent on Impact Assessment, if applicable: ₹ **0.21 Cr**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **24.53 Cr**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
24.53 Cr	NIL	NIL	NIL	NIL	NIL

- (f) Excess amount for set-off, if any: ₹ **24.53 Cr.**

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Amount of surplus contribution being carried forward from previous years	72.94 Cr.
(ii)	Two percent of average net profit of the company as per sub-section (5) of section 135	34.65 Cr.
(iii)	Total amount spent for the Financial Year	24.53 Cr.
(iv)	Excess amount spent for the Financial Year [(i)+(ii)-(iii)]	62.88 Cr.
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]	62.88 Cr.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **NIL**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1	FY-22	NA	NA	NA	NA	NA	NA	NA
2	FY- 21	NA	NA	NA	NA	NA	NA	NA
3	FY-20	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
NA	NA	NA	NA	NA	CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. 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/-
(Chief Executive Officer or Managing Director or Director).

Sd/-
(Chairman CSR Committee).

-
[Person specified under clause (d) of subsection (1) of section 380] (Wherever applicable)."

Nomination Policy

1. Legal Framework & Objective

Legal framework and Objectives 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 ₹ 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 the 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.