

## Company's Governance Philosophy

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

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

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

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

## Compliance with Corporate Governance Guidelines

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

## Role of the Company Secretary in overall Governance Process

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

## THE BOARD OF DIRECTORS

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

The Directors on the Board are professionals, having expertise in their respective functional areas and bring an extensive range of skills and experience to the Board. The Board has an unfettered and complete access to any information within the Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson.

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

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

The Board currently comprises of 8 (eight) Directors comprising of 1 (one) Non-Executive, Non-Independent Director, 1 (one) Executive & Whole Time Director, 3 (three) GOI Nominee Director and remaining 3 (three) are Independent Directors. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors

have confirmed that they meet the criteria as mentioned under Section 149 of the Act. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors on the Company's Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on March 31<sup>st</sup>, 2023.

## Director's Profile

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

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

The Chairman's principal responsibility is for the effective running of the Board by acting as the leader of the Board and by presiding over the meetings of the Board and the shareholders.

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

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

## Board Meetings

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board Committee Meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee Meetings is circulated to the

Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The notice of Board/Committee Meetings is given well in advance to all the Directors.

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

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material informations are being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting.

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

## Number of Board Meetings

Seven (7) Board meetings were held during the financial year as against the statutory requirement of four meetings. All Directors have demonstrated high levels of availability and responsiveness for additional meetings and discussions whenever these have been required. The maximum gap between any two meetings was not more than one hundred and twenty (120) days.

Table1: Details of attendance at Board Meeting:

Date	Board Strength	No of Directors present
21 <sup>st</sup> April 2022	8	6
21 <sup>st</sup> July 2022	7	5
19 <sup>th</sup> October 2022	7	5
11 <sup>th</sup> November 2022	8	7
16 <sup>th</sup> January 2023	9	9
02 <sup>nd</sup> February 2023	9	9
15 <sup>th</sup> February 2023	9	8

## Attendance and Directorships Held

Composition of the Board, other Directorship(s)/Committee Membership(s)/ Chairmanship(s) as on 31<sup>st</sup> March 2023 and attendance of directors at Board Meetings, Last Annual General Meeting (AGM) are as given in Table 1.

S.N	Full Name	Category	Relationship with Other Director	DIN	No. of Board Meeting Held During His/Her tenure and attended in 2022-23		Whether Attended Last AGM	No. Of Directorship in Public Companies <sup>#</sup>	No. of committee Position held <sup>@</sup>	
					Held	Attended			Chairman	Member
1	Mr. S. K. Roongta <sup>1</sup>	ID & NED	None	00309302	7	7	No	9	6	13
2	Mr. Tarun Jain	NED	None	00006843	7	6	No	1	-	2
3	Mr. Rajesh Kumar <sup>2</sup>	ED	None	09586370	0	0	No	1	-	-
4	Mr. Abhijit Pati <sup>2</sup>	ED	None	08457230	7	7	Yes	-	-	-
5	Mr.A. K. Mittal <sup>3</sup>	ID & NED	None	05177010	4	4	No	6	-	8
6	Mr. D. D. Jalan	ID & NED	None	00006882	7	7	Yes	4	3	4
7	Mr. Arun Todarwal <sup>4</sup>	ID & NED	None	00020916	1	1	Yes	6	-	-
8	Mr. Mustaq Ahmad <sup>5</sup>	ND	None	08630622	7	4	No	-	-	-
9	Ms. Farida M Naik <sup>6</sup>	ND	None	07612050	4	4	No	3	-	1
10	Ms. Nirupama Kotru	ND	None	09204338	7	5	No	2	-	1
11	Mr. Sanjeev Verma <sup>7</sup>	ND	None	08836996	3	2	No	2	-	-
12	Mr. Shakil Alam <sup>8</sup>	ND	None	09272903	3	2	No	1	-	-

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

<sup>#</sup> Excluding Private limited Companies, Foreign Companies, Section & Companies & alternate Directorship

<sup>@</sup> Considered Audit Committee, NRC Committee, Stakeholder Relationship, Risk Management

<sup>1</sup> Designated as Independent Director w.e.f. 14<sup>th</sup> July 2022.

<sup>2</sup> Mr. Rajesh Kumar was appointed as CEO and Whole Time Director in place of Mr. Abhijit Pati w.e.f. 15<sup>th</sup> February 2023.

<sup>3</sup> Mr. A K Mittal was appointed as Independent Director w.e.f. 19<sup>th</sup> October 2022

<sup>4</sup> Mr. Arun Todarwal ceased to be Independent Director w.e.f. 30<sup>th</sup> June 2022

<sup>5</sup> Mr. Mustaq Ahmad ceased to be a Gov. Nominee Director w.e.f. 27<sup>th</sup> March 2023.

<sup>6</sup> Ms. Farida Naik was appointed as Gov. Nominee Director w.e.f. 21<sup>st</sup> November 2022.

<sup>7</sup> Mr. Sanjeev Verma was appointed as Gov. Nominee Director w.e.f. 26<sup>th</sup> December 2022.

<sup>8</sup> Mr. Shakil Alam ceased to be a Gov. Nominee Director w.e.f. 19<sup>th</sup> November 2022.

### Flow of information to the Board:

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

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

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

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

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

Business reviews by the Group EXCO, Business EXCO and SBU EXCO on the performance and operation of the Company is conducted on monthly basis and update to the Board is given in the quarterly meetings. Board has constituted various committees and sub-committees with clearly agreed reporting procedures and are guided by the charter prescribing the terms of reference.

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

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

## Remuneration to Directors

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

The Company pays sitting fees of ₹ 50,000/- per meeting of the Board and ₹ 25,000/- per meeting of the Audit Committee, Nomination and Remuneration Committee and Corporate

Social Responsibility Committee, to the Non-Executive/ Independent Directors (except Govt. Nominee Director).

## Remuneration to Executive Director

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

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

**Table 2 A: Sitting fee and Commission paid to Directors (NED & ID) for FY 2023 (in ₹)**

Name	Category	Sitting Fees Paid	Commission Paid	Total Payment paid/ payable (FY 2022-23)
Mr. S K Roongta	ID & NED	5,75,000	16,00,000	21,75,000
Mr. D.D. Jalan	ID & NED	5,75,000	15,49,000	21,24,000
Mr. Arun Tadarwal <sup>1</sup>	ID & NED	1,25,000	3,27,000	4,52,000
Mr. A. K. Mittal <sup>2</sup>	ID & NED	2,00,000	6,37,000	8,37,000
Mr. Tarun Jain	NED	4,75,000	13,13,000	17,88,000

<sup>1</sup> Ceased as Director due to resignation on 30<sup>th</sup> June 2022

<sup>2</sup> Appointed as Director w.e.f. 19<sup>th</sup> October 2022

**Table 2 B: Remuneration paid to Executive Directors for FY 2023 (in ₹ Lakh)**

Name of Director	Category	Salary, perquisite & other	Stock Option	Total
Mr. Abhijit Pati	Ex-CEO & WTD	410.72	122.73	533.45
Mr. Rajesh Kumar	CEO & WTD	21.33	0.41	21.74

Non-executive Directors do not hold any shares of the Company and there are no pecuniary relationships or transactions of them, vis-à-vis the Company, except as mentioned above.

The Company has granted stock option to its CEO & Whole time Director.

During FY 2023, the Company did not advance any loan to any of its directors.

## Selection / Appointment procedure

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

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

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Public Limited Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;

- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

## Board Independence

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

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

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

## Separate Independent Directors' Meetings

Independent Directors play a crucial role in ensuring an efficient and transparent work environment, hence all the Independent Directors of the Company separately met once during FY 23 without the presence of any of non-independent directors and/or any of the members of the management on 22<sup>nd</sup> March 2023 inter alia to:

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

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

Directors were considered at the Board meeting and have been implemented.

## Director's Induction and Familiarisation

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

All new Independent Directors are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history and culture of Bharat Aluminium Company Limited, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

## Director Retiring by Rotation

In accordance with the provisions of Act and the Articles of Association of the Company, Mr. Tarun Jain (DIN-00006843) would retire in the upcoming AGM and being eligible, is retiring by rotation and has offered himself for re-appointment. The Board has recommended his re-appointment.

## COMMITTEES OF THE BOARD

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

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

### 1. Audit Committee

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and the internal auditors and the Board of Directors and oversees the financial reporting process. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013. The Committee comprises of three Non-Executive Directors, out of which two (2) are Independent Directors. The followings are the members of Audit Committee:

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

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;

- reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

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

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

The time gap between any two meetings was less than four months. The Committee met 5 (five) times on 21<sup>st</sup> April 2022, 21<sup>st</sup> July 2022, 19<sup>th</sup> October 2022, 16<sup>th</sup> January 2023 and 02<sup>nd</sup> February 2023. The details of the Audit Committee are given in Table 3.

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

Name of Member	Position	Status	No. of Meeting held	No. of Meeting held	Sitting Fees(₹)
Mr. D. D. Jalan	Chairman	ID & NED	5	5	1,25,000
Mr. Tarun Jain	Member	NED	5	5	1,25,000
Mr. Arun Tadarwal <sup>1</sup>	Member	ID & NED	1	1	25,000
Mr. S. K. Roongta <sup>2</sup>	Member	ID & NED	4	4	1,00,000

<sup>1</sup> Ceased to be a member due to resignation on 30<sup>th</sup> June 2022

<sup>2</sup> Inducted as a member subsequent to re-designation as Independent Director w.e.f. 14<sup>th</sup> July 2022

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

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

- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the Internal Control Systems
- Reviewing the adequacy of Internal Audit plan
- Discussion with internal auditors on any significant findings and follow up thereof
- Reviewing the findings of an internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern
- To investigate the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the whistle-blower mechanism
- Appointment of the Chief Financial Officer of the Company
- Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee

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

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

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

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

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

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

## 2. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee was comprising Mr. Arun Todarwal as the Chairman, Mr. S K Roongta and Mr. Abhijit Pati and Ms. Nirupama Kotru as the Members of the Committee till 30<sup>th</sup> June 2022. Due to the cessation of the Directorship of Mr. Arun Todarwal, the formation of the committee changed. Mr. S. K. Roongta was appointed as Chairman of the CSR Committee. Further, Mr. A. K. Mittal an Independent Director joined BALCO's Board and CSR Committee as a member on 19<sup>th</sup> October 2022. Further, pursuant to the resignation of Mr. Abhijit Pati from the office of the CEO & WTD of the Company and the appointment of Mr. Rajesh Kumar as the CEO and WTD, w.e.f. 15<sup>th</sup> February 2023, Mr. Rajesh Kumar replaced Mr. Abhijit Pati as a member of the Committee.

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, and reviewing the performance of the Company in CSR.

The detailed terms of reference of the Corporate Social Responsibility Committee are contained in the 'CSR Policy' which is available on the website of the Company at [CSR Policy 19<sup>th</sup> May 2021.pdf \(d2z1l9uefzbzxd.cloudfront.net\)](https://d2z1l9uefzbzxd.cloudfront.net/CSR_Policy_19th_May_2021.pdf)

During the financial year ended 31<sup>st</sup> March 2023, the Committee met one (1) time on 21<sup>st</sup> April 2022.

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

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. Arun Todarwal <sup>1</sup>	Chairman	ID & NED	1	1	25,000
Mr. S K Roongta <sup>2</sup>	Member (till 14.07.22) Chairman (w.e.f. 14.07.22)	ID & NED	1	1	25,000
Mr. Abhijit Pati <sup>3</sup>	Member	CEO & WTD	1	1	-
Mr. Rajesh Kumar <sup>3</sup>	Member	CEO & WTD	-	-	-
Mr. A K Mittal <sup>4</sup>	Member	ID & NED	-	-	-
Ms. Nirupama Kotru	Member	Govt. Director	1	1	-

<sup>1</sup> Ceased as a member on 30<sup>th</sup> June 2022

<sup>2</sup> Inducted as Chairman on 14<sup>th</sup> July 2022

<sup>3</sup> Mr. Rajesh Kumar inducted as member in place of Mr. Abhijit Pati w.e.f. 15<sup>th</sup> February 2023.

<sup>4</sup> Inducted as Member on 19<sup>th</sup> October 2022

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

During the financial year, the Company has spent ₹ 24.53 Crore on CSR activities.

The Company has conducted a third-party Impact Assessment for its CSR Projects as required under the CSR Policy. The Impact Assessment Report was placed before the CSR Committee and the Board of Directors for their approval. An Executive Summary of the Impact Assessment Report forms part of the Annual Report on CSR Activities for FY 23.

### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised Mr. D. D. Jalan as the Chairman, Mr. S K Roongta and Mr. Arun Todarwal as the Members of the Committee till 30<sup>th</sup> June 2022. Due to the cessation of the Directorship of Mr. Arun Todarwal, the formation of the committee changed. Mr. Tarun Jain was inducted as a member of the NRC Committee.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of the Nomination and Remuneration Committee, inter alia, includes:-

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

During the year, the Nomination and Remuneration Committee met four (4) times on 21<sup>st</sup> April 2022, 19<sup>th</sup> October 2022, 22<sup>nd</sup> November 2022 and 15<sup>th</sup> February 2023. The details of Nomination and Remuneration Committee are given in Table 5.

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

Name of Member	Position	Status	No. of Meeting held	No. of Meeting Attended	Sitting Fees (₹)
Mr. D. D. Jalan	Chairman	ID & NED	4	4	1,00,000
Mr. S K Roongta	Member	NED	4	4	1,00,000
Mr. Arun Todarwal <sup>1</sup>	Member	ID & NED	1	1	25,000
Mr. Tarun Jain <sup>2</sup>	Member	NED	3	2	50,000

<sup>1</sup> Ceased as a member on 30<sup>th</sup> June 2022

<sup>2</sup> Inducted as a member on 14<sup>th</sup> July 2022

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

#### 4. Finance Standing Committee

The Finance Standing Committee (FSC) of Directors is entrusted with the responsibility to consider and approve the finance and treasury-related proposal within the overall limits approved by the Board. The Committee comprises Mr. Tarun Jain as Chairman and Mr. Abhijit Pati as CEO and Whole Time Director till 15<sup>th</sup> February 2023. Due to the cessation of the Directorship of Mr. Abhijit Pati, the formation of the committee changed. Mr. Rajesh Kumar was inducted as a member of the Finance Standing Committee w.e.f. 15<sup>th</sup> February 2023. The Committee meets as and when required.

#### BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, the Company outsourced the Board Evaluation process to a third party to formulate a Questionnaire and prepare an evaluation report based on the responses received, which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors.

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

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

#### SUCCESSION PLANNING

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

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

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

FY ended on	Date	Time	Venue	Special Resolution passed
31 <sup>st</sup> March 2022	27 <sup>th</sup> June 2022	03:30 PM	Through video conferencing ("VC")	-
31 <sup>st</sup> March 2021	17 <sup>th</sup> September 2021		Through video conferencing ("VC")	-
31 <sup>st</sup> March 2020	26 <sup>th</sup> August 2020	03:00 PM	Through video conferencing ("VC")	Appointment of Mr. Abhijit Pati as Whole Time Director of the Company

The 57<sup>th</sup> Annual General Meeting of the members of the Company will be on Tuesday 27<sup>th</sup> June 2023, at 3:30 P.M, through video conferencing ("VC") / other audio-visual means ("OAVM") pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM.

## GOVERNANCE AND COMPLIANCE

### I. Code of Business Conduct & Ethics

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

### II. Whistle Blower Policy

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

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

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and Employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Business Principles of the Company.

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

The Whistle Blower Policy forms part of the Code of Business Conduct and Ethics, and the same has been

displayed on the Company's website at <https://www.balcoindia.com/sustainability/policies-standards/sustainability-policies/>. It is also affirmed that no personnel have been denied access to the Audit Committee.

### III. Internal Control System

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

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

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

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting. Also, the Audit Committee at frequent intervals has independent sessions with the external auditor and the Management to discuss the adequacy and effectiveness of IFC.

### IV. Risk Mitigation Plan

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

### V. Compliance

Our compliance systems cover a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2023, no material

and uncontested financial or non-monetary sanctions were imposed upon the Company except as disclosed in the Financial Statements. Some of the key compliance aspects are dealt with below:

**(a) Disclosure of Related Party Transaction:**

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

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

The Company follows the guidelines of Accounting Standards referred to in section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with early adoption of Accounting Standard (AS) 30 'Financial instruments: Recognition and Measurement' and the consequential limited revisions to certain Accounting Standards issued by the Institute of Chartered Accountants of India

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

The CEO and CFO certification of the Financial Statements for FY 23 is enclosed at the end of this report. **(Annexure-1)**

**Shareholding Pattern by Ownership as on 31<sup>st</sup> March, 2023**

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

# Annexure-I CEO & CFO Certification

We, Rajesh Kumar, Chief Executive Officer & Whole Time Director and Amit Gupta, Chief Financial Officer, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in-compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered-into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified or informed to the auditors and the Audit Committee.
- D. During the year it was disclosed to the Auditors and the Audit Committee that:
- (1) There were no significant changes in internal control over financial reporting;
  - (2) No significant changes in accounting policies were made during the year; and
  - (3) We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements.

**Rajesh Kumar**  
Chief Executive Officer & WTD

**Amit Gupta**  
Chief Financial Officer

Place: New Delhi  
Date: 20<sup>th</sup> April 2023

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## Operations

### I. Korba

- i. 2.45 LTPA pre-bake Aluminium smelter
- ii. 3.25 LTPA pre-bake Aluminium smelter
- iii. 810 MW Captive power plants, comprising 4x67.5 MW (270 MW) and 4x135 MW (540 MW) units
- iv. 1200 MW TPP (3x300 CPP & 1x300 IPP)

### II. Bauxite Mines at Bodai Daldali (Kabirdham District) & Mainpat Mines

### III. Coal Mines at Chotia and Barra

Address of Correspondence  
Mr. Prateek Jain  
Company Secretary  
Bharat Aluminium Company Limited  
Aluminium Sadan, Scope Office Complex, Core-6,  
7 Lodhi Road, New Delhi 110003.