

KIL/SS/SE/Reg. 34(1)/2020-21

Dated: 5th September, 2020

The Secretary
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
(Stock Code – 502937)

The Vice-President
National Stock Exchange of India
Ltd.
“Exchange Plaza”,
Plot no. C/1, G. Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051
(Symbol – KESORAMIND)

The Secretary
The Calcutta Stock Exchange
Ltd.
7, Lyons Range,
Kolkata – 700001
(Scrip code – 10000020)

Annual Report and Accounts for the Financial Year ended 31st March, 2020

Dear Sirs,

Pursuant to the provision of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed a copy of the Annual Report and Accounts of the Company for the Financial Year ended 31st March, 2020 together with the Notice dated 30th July, 2020 convening the 101st Annual General Meeting of the Members of Kesoram Industries Limited to be held on Tuesday, 29th September, 2020 at 10.00 a.m. (IST), through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

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

Thanking you,

Yours faithfully,

For Kesoram Industries Limited



Kaushik Biswas
Company Secretary

Encl: as above.

101st
Annual Report
& Accounts 2020



KESORAM INDUSTRIES LTD.

Tribute to Basant Kumar Birla, our past Chairman.



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

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

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

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

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





CHAIRMAN'S MESSAGE

We completed the Centenary year which is an important milestone and is a testimony to your company's resilience. Kesoram has achieved this landmark, journeying across various economic and business cycles. The following quote aptly reflects the journey of Kesoram

"The soul can never be cut to pieces by any weapon, nor burned by fire, nor moistened by water, nor withered by the wind."

*"nainam chindanti shastrani
nainam dahati pavakah
na chainam kledayanty apo
na sosayati marutah" (Bhagwat Gita: Chapter Two verse 23)*

The demerger of Tyre business sharpens your company's focus in each of its businesses. While your company will be a pure Cement play our subsidiary company will be engaged in Rayon and Transparent paper products.

The financial year under report did start with promise, however from the start of the third quarter challenges started to emanate and the aggravation of pandemic with lockdown in the fourth quarter compounded them.

We are witnessing unprecedented business conditions globally. Its impact on Indian economy is perceptible. Your company too was affected by the Covid pandemic during the various lockdowns. However, we have taken several measures for containing costs and streamlining business operations. We reassure these measures would bear fruits in the times to come.

I thank our esteemed Directors on the Board, employees, and all other stakeholders for providing support during these tumultuous times.

MANJUSHREE KHAITAN



KESORAM



BOARD OF DIRECTORS & KEY MANAGERIAL PERSONS

Manjushree Khaitan, Chairman

DIN: 00055898

Amitabha Ghosh

DIN: 00055962

Lee Seow Chuan

DIN: 02696217

Siddhartha Mohanty

DIN: 08058830

Bhaskar Niyogi

DIN: 03494944

Kashi Prasad Khandelwal

DIN: 00748523

Jikyeong Kang

DIN: 08045661

Sudip Banerjee

DIN: 05245757

P. Radhakrishnan

Whole-time Director & CFO

DIN: 08284551

Kaushik Biswas
Company Secretary

Registered Office

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

Bankers

Axis Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
Lakshmi Vilas Bank Ltd.
Punjab National Bank Ltd.
State Bank of India – Lead Bank
The South Indian Bank Ltd.
YES Bank Ltd.
The Karur Vysya Bank Ltd.
West Bengal Infrastructure
Development Finance
Corporation Ltd.

Auditors

Messrs. Deloitte Haskins & Sells
Chartered Accountants

Share Transfer Agent

MCS Share Transfer Agent Limited,
(Unit: Kesoram Industries Ltd.)
383 Lake Gardens, 1st Floor,
Kolkata – 700045
Phone No.: 033-40724051-52
Fax No.: 033-40724050
E-mail: mcssta@rediffmail.com

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company at least ten days before the date of the Meeting.

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NOTICE

TO THE MEMBERS

NOTICE is hereby given that the **One Hundred and First Annual General Meeting (AGM) of KESORAM INDUSTRIES LIMITED** will be held at 10.00 A.M. on Tuesday, 29th day of September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

General Business:

1. To consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Report of Auditors thereon.
2. To appoint a Director in place of Manjushree Khaitan (DIN: 00055898), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:

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

3. Ratification of Remuneration of Cost Auditor

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 this Meeting hereby confirms and ratifies a remuneration of ₹ 4.11 Lakhs (excluding applicable Taxes and reimbursement of actual travelling and other out of pocket expenses) payable to Mani & Co. Cost Accountants for conducting the audit of the Company's cost accounting records for the Financial Year 2019 - 20."

4. Appointment of Bhaskar Niyogi (DIN: 03494944) as a Non-Executive Nominee Director of the Company

"RESOLVED THAT pursuant to the provisions of Sections 152, 161(3) and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Bhaskar Niyogi (DIN: 03494944), who is holding office up to this Annual General Meeting, be and is hereby appointed as a Non-Executive Nominee Director of the Company for a period of three years, not liable to retire by rotation".

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

5. Re-appointment of Lee Seow Chuan (DIN: 02696217) as an Independent Director for a second term of five years

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the recommendations and / or approvals of the Nomination and Remuneration Committee, Lee Seow Chuan (DIN: 02696217), be and is hereby re-appointed as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundred and First Annual General Meeting to the conclusion of Company's One Hundred and Sixth Annual General Meeting."

6. Appointment of Radhakrishnan Padmalochanan (DIN: 08284551) as a Whole-time Director of the Company, for a period of three years effective 8th August, 2019

"RESOLVED THAT pursuant to Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 ("the Act") and the Rules made thereunder SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the recommendations and / or approvals of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to the appointment of Radhakrishnan Padmalochanan (DIN: 08284551) as a Whole-time Director of the Company, for a period of three years effective 8th August, 2019 and payment of remuneration to him for this period, upon the terms of remuneration set out herein below:

- (a) Basic Salary & Allowances: Not exceeding ₹ 4,32,00,000 (Rupees Four Crores and Thirty Two lakhs only) per annum as may be decided by the Board or any Committee thereof from time to time and as may be permissible under the provisions of Schedule V of the Companies Act, 2013.
- (b) Car with chauffeur for official use only and extension of communication facilities in the form of wi-fi and telephone including cell phone for official purposes will not be reckoned as remuneration.
- (c) No Fees payable for attending Meetings of the Board or any Committee thereof, where so appointed.
- (d) In the event of loss/inadequacy of profits during tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, under Schedule V of the Act.

- (e) Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration. Such expenditure will either be paid by the Company directly or reimbursed to him.

RESOLVED FURTHER that the appointment shall be terminable:

- (a) by efflux of time; or
(b) by one party serving the other a three months' written notice;

RESOLVED FURTHER that for the purpose of giving effect to the Resolution, the Board be and is hereby authorised to do all other acts, deeds and things as are or may be expedient and necessary."

7. To give Loan to any person or other body corporate or give any Guarantee or provide Security in connection with a loan to any other body corporate or person or to acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate

"**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Members be and is hereby accorded to the Board of Directors of the Company or any Committee thereof ("the Board") for giving any loan to any person or other body corporate; or to give any guarantee or provide security in connection with a loan to any other body corporate or person or to acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate, upto ₹ 600 Crores (Rupees Six Hundred Crores only), over and above sixty percent of the aggregate of its paid-up share capital and free reserves and security premium account or one hundred percent of its free reserves and securities premium account of the Company, whichever is higher, as may be decided by the Board or any Committee thereof or persons as may be decided from time to time;

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, any one of the Directors of the Company or the Company Secretary be and are hereby severally authorized to finalise and execute agreements, and/or documents/papers and to do all acts, deeds and things as are or may be expedient under the circumstances."

8. To Re-classify the Authorised Share Capital of the Company

"**RESOLVED THAT** pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to re-classify the Authorized Share Capital of the Company from the present Authorised Share Capital of ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 1,50,00,000 (One Crore and Fifty Lakhs) Preference Shares of ₹ 100/- (Rupees Hundred) each and 55,00,00,000 (Fifty five Crores) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 4,00,00,000 (Four Crores) Preference Shares of ₹ 100/- (Rupees Hundred) each and 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten) each;

RESOLVED FURTHER that the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause 5 thereof with the following new Clause 5 as under:

5. The Authorised Share Capital of the Company is ₹ 700,00,00,000/- (Rupees Seven Hundred Crores only) divided into 4,00,00,000 (Four Crores) Preference Shares of ₹ 100/- (Rupees Hundred) each and 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten) each;

RESOLVED FURTHER that any one of the Directors of the Company or the Company Secretary be and are hereby severally authorised to do all such act(s), deed(s) and things including filing of the requisite forms, documents with Registrar of Companies, West Bengal, Kolkata as may be necessary and incidental to give effect to the aforesaid Resolution."

Registered Office:

9/1, R. N. Mukherjee Road,
Kolkata - 700 001
30th July, 2020

By Order of the Board

Kaushik Biswas
Company Secretary

Notes:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, has allowed companies to conduct their Annual General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the Members at their AGM and accordingly, the 101st Annual General Meeting (the "AGM") of Kesoram Industries Limited (the "Company") will be held through VC or OAVM on Tuesday, 29th September, 2020 at 10:00 A.M. (IST) in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "SEBI LODR").
2. In terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the requirement of sending proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of SEBI LODR, has been dispensed with. Therefore, the facility to appoint proxy by the Members will not be available and consequently, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice conveying the 101st AGM of the Company.
3. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item Nos. 3, 4, 5, 6, 7 & 8 of the Notice is annexed hereto and forms part of this Notice. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI LODR and Secretarial Standards on General Meetings issued by the Institute of **Company Secretaries** of India, in respect of Directors seeking appointment / re-appointment at this AGM are also annexed.
4. The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC / OAVM form part of the Notes to this Notice.
5. No restrictions on account of FIFO entry into AGM, will apply in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc.
6. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution by e-mail to the Scrutinizer at rbajaj@rpaonline.in with a copy marked to evoting@nsdl.co.in. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate authorization letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at rbajaj@rpaonline.in with a copy marked to evoting@nsdl.co.in.
7. As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated 5th May, 2020, the matters of Special Business as appearing at Item Nos. 3 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
8. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
10. In accordance with the MCA Circular dated 5th May, 2020 and SEBI circular dated 12th May, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 101st AGM along with the Annual Report 2019-20 will also be available on the website of the company at www.kesocorp.com and may also be accessed from the relevant section of the websites of the stock exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. These will also be available on the website of NSDL at www.evoting.nsdl.com. Pursuant to the Circulars mentioned above, the Company has not printed the Annual Reports and hence no hard copies of the Annual Report will be provided.

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

The Company will hold the AGM through VC facility without physical presence of the Members. Members will be able to attend the AGM through VC or OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the EVEN for the AGM. The necessary details for joining the Meeting are given below:

- i. The Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsdl.com> under the Shareholders / Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID / Password may retrieve the same by following the remote e-Voting instructions mentioned below to avoid a last-minute rush. Further, Members may also use the OTP-based login for logging into the e-Voting system of NSDL.
- ii. Members may join the Meeting through Laptops, Smartphones, Tablets, and iPads for a better experience. Further, Members will be required to use the Internet with good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge, or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members who face any technical difficulty in accessing and participating in the Meeting may contact toll free no. 1800-222-990. After login, the Members who face any technical difficulty in accessing the VC link may contact toll free no.

12. Procedure to Raise Questions / Seek Clarifications:

- a. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 101st AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at shareddepartment@kesoram.net before 3.00 p.m. (IST) on Wednesday, 23rd September, 2020. Such questions by the Members shall be suitably replied by the Company.
 - b. Members who would like to express their views / ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at shareddepartment@kesoram.net between Wednesday, 23rd September, 2020 (9.30 a.m. IST) and Friday, 25th September, 2020 (5.00 p.m. IST). Only those Members who have preregistered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
13. As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR, the Company is providing the facility of casting votes through the electronic voting system from a place other than the venue of the Meeting ("remote e-Voting") under an arrangement with The National Securities Depository Limited ("NSDL") as specified more fully in the instructions providing in the Notice below.
14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the "cut-off date" i.e. **Tuesday, 22nd September, 2020**, shall be entitled to avail the facility of remote e-Voting at the Annual General Meeting ("AGM"). The procedure for remote e-Voting and e-Voting during the AGM is the same. A person who is not a Member on the cut-off date should treat this Notice for information purposes only.

15. Instructions for Members for Remote e-Voting (before and during the AGM) are as under:

Members are requested to attend the AGM through Video Conferencing Facility, and voting through remote e-Voting (before and during the AGM) will be available, the process and manner of remote e-Voting will be as follows:

- A. The voting period begins from **9.00 A.M. (IST) on Saturday, 26th September, 2020** and ends at **5.00 P.M. (IST) on Monday, 28th September, 2020**. During this period, Members of the Company, holding Shares either in physical form or in dematerialised form, as on the **cut-off date ("record date") i.e. Tuesday, 22nd September, 2020**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. The facility for voting through Ballot Paper is unavailable as the Meeting is being held through VC facility.

B. Instructions and information relating to e-Voting are as follows:

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

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

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

iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v) Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - I. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - II. If your e-mail ID is not registered, please follow steps mentioned below in process for those Shareholders whose e-mail ids are not registered.

vi) You are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.

vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii) Now, you will have to click on "Login" button.

ix) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

- i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii) Select "EVEN" of company for which you wish to cast your vote.
- iv) Now you are ready for e-Voting as the Voting page opens.
- v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders for voting

- 1 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - 2 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available under the download section of NSDL's e-Voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or toll free no. 1800 – 222 – 990 or at E-mail ID: evoting@nsdl.co.in
16. The facility for voting through e-Voting at the AGM shall also be made available to the Members attending the Meeting, who have not already cast their vote by remote e-Voting, shall be permitted to exercise their rights at the Meeting through e-Voting. The procedure for remote e-Voting and e-Voting during the AGM is the same
 17. Members who have cast their vote by remote e-Voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.
 18. Pursuant to the amendments in the SEBI LODR and subsequent notification issued by SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In this regard, SEBI has clarified by a Press Release No. PR/No: 12/2019 dated 27th March, 2019, that the said amendments do not prohibit an investor from holding the shares in physical form and the investor has the option of holding shares in physical form even after 1st April, 2019. However, any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to 1st April, 2019 and returned to the investors due to deficiency in the documents, may be re-submitted for transfer even after 1st April, 2019 provided it is submitted alongwith the necessary documents including PAN card details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated 6th November, 2018.
 19. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof i.e. Voter Identity Card, Aadhaar Card, Electric/Telephone Bill, Driving License, Passport and Bank Statement to the **Registrar and Share Transfer Agent**. In case the shares are held in dematerialised form, then this information should be passed on to the respective **Depository Participant(s)** and not to the **Registrar and Share Transfer Agent**.
 20. **Procedure for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**
 - a) Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited at mcssta@rediffmail.com.
 - b) Email addresses of Members as advised to **Registrar and Share Transfer Agent** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode will be deemed to be the Member's registered email address for serving Company documents / notices as per provisions of the Act and the

instructions of the Ministry of Corporate Affairs until and unless otherwise informed. Members intending to refresh / update their email addresses should do so as soon as possible.

- c) Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring user id and password and registration of e-mail addresses for e-Voting for the resolutions set out in this Notice:
- In case shares are held in physical form, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self- attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
 - In case shares are held in Demat form, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.

21. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.

22. As per the provisions of the Act, the facility for making / varying / cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form SH-13** and any variation / cancellation thereof can be made by giving notice in **Form SH-14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Registrar and Share Transfer Agent or from the Website or the Ministry of Corporate Affairs at www.mca.gov.in**.

23.

- a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 dividends for the financial year ended 31st March, 2013, which remain unpaid or unclaimed for a period of 7 years will be transferred to the '**Investor Education and Protection Fund**' ("**IEPF**") constituted by the Central Government. Members, who have not encashed their dividend, warrant(s) for the Financial Year ended 31st March, 2013 are urged to claim such amount from the **Share Department of the Company / Registrar and Share Transfer Agent**.
- b) Pursuant to the Provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 26th July, 2019 (the date of the last Annual General Meeting) on the website of the Company www.kesocorp.com and also on the website of the Ministry of Corporate Affairs.
- c) Further, pursuant to the Provisions Sections 124 of the Companies Act, 2013 and of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 3,40,251 Equity Shares in respect of which dividend had not been paid or claimed by the shareholder for seven consecutive years, to the Demat Account of the Investor Education and Protection Fund Authority. The Company had sent a communication to all concerned Shareholders and had also published a Notice in the leading Newspaper both in English and Vernacular language, with respect to the formalities and process of such transfer. The Company had also uploaded full details of such Shareholders, whose dividend remained unclaimed on its website www.kesocorp.com.
- d) The Members / claimants whose shares, unclaimed dividend etc. have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on iepf.gov.in) along with requisite fees. The Member / claimant can file only one consolidated claim in a Financial Year as per IEPF Rules.
- e) Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.

24. The last dates of claim for the following dividends are as follows:

Dividend for the Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
31 st March, 2013	31 st July, 2013	2 nd September, 2020

25. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter, it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated 20th May, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for transferee(s) to furnish a copy of PAN Card to the **Registrar and Share Transfer Agent** for registration of such transfer of shares. SEBI on 28th March, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. This measure was to come into effect from 5th December, 2018 but the deadline was extended and the aforesaid requirement of transfer of securities only in demat form has come into force from 1st April, 2019. Hence, Members holding shares in the electronic form are requested to submit their PANs to their Depository Participant(s) with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the **Registrar and Share Transfer Agent**.
26. **As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and re-appointment of Directors are given in the Corporate Governance Section of the Annual Report.**
27. Persons, who have acquired Shares and become Members of the Company after despatch of the Notice for the AGM, but before the **cut-off date**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or sharedepartment@kesoram.net. However, Members already registered with NSDL for remote e-Voting can use their existing user ID and passwords for casting their votes. If a Member has forgotten her / his password, s / he can reset her / his password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free No.: **1800-222-990**.
28. Voting rights of Members shall be in proportion to their share in the Company's Paid-up Equity Share Capital as on the **cut-off date**.
29. Ms. Ritu Bajaj, (CP Registration No. 11933), Practising Company Secretary, has been appointed as the Scrutinizer to enable the voting at venue of AGM and remote e-Voting processes to be conducted in a fair and transparent manner.
30. The Chairman / person shall, at the end of discussion on the Resolutions on which voting are to be held, allow e-Voting for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
31. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman / person of the Meeting or a person authorised by him / her in writing, who shall countersign the same and declare the results of the voting forthwith.
32. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.kesocorp.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman / person of the Meeting or the person authorised by him / her in writing. The results shall also be simultaneously communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at 9/1 R. N. Mukherjee Road, Kolkata – 700 001.
33. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Number 3

Upon the recommendation of the Audit Committee, the Board had appointed Mani & Co., Cost Accountants, to audit the Company's cost accounting records for the Financial Year ended 31st March, 2020 at a total remuneration of ₹ 4.11 lakhs excluding taxes and reimbursement of actual out of pocket expenses, in respect of the Company's Cement Business.

As required under Section 148(3) of the Companies Act, 2013 ("the Act") the remuneration payable to the Cost Auditors require ratification by Shareholders.

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

No Director or Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of this Resolution does not and will not relate to or affect any other company.

Item Number 4

The Company's Lead Working Capital Banker, ("the Bank") had proposed the appointment of Bhaskar Niyogi ("Mr. Niyogi") on the Company's Board as its Nominee Director.

The Board of Directors in its Meeting held on 8th August, 2019 had appointed Bhaskar Niyogi as a Nominee Director of the Company w.e.f. 7th November, 2019 on the recommendation of the Nomination and Remuneration Committee and pursuant to Section 150 of the Companies Act, 2013 he shall hold office upto the conclusion of the ensuing Annual General Meeting (AGM).

Mr. Niyogi (68) holds a Masters Degree in Economics and a Certificate in General Management, IIMC. His shareholding in the Company is Nil and is not related to any Director / Key Managerial Personnel or Promoter of the Company.

The Company has received a declaration from Mr. Niyogi that he is not disqualified to act as a Director under Section 164 of the Companies Act, 2013.

The Company has in terms of Section 160(1) of the Companies Act, 2013 received a valid notice from a Member of the Company, proposing the candidature of Mr. Niyogi for the office of the Non-Executive Nominee Director.

Item No. 4 of the Notice convening the Company's One Hundred and First AGM has accordingly been proposed and the Board commends this Ordinary Resolution to Shareholders for acceptance.

Except Mr. Niyogi, the appointee, none of the Directors / Promoters of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

Item Number 5

Lee Seow Chuan was appointed as an Independent Non-Executive Director of the Company at the Ninety-sixth Annual General Meeting (AGM) for a period of five consecutive years commencing from the conclusion of the said AGM till the conclusion of the Company's One Hundred and First AGM.

As per Section 149(10) of the Act, an Independent Director can be on the Board of a Company for a term of five years, but was eligible for re-appointment for another five year term subject to approval by Special Resolution.

Based upon the recommendation of the Board's Nomination and Remuneration Committee and as approved by the Board, Lee Seow Chuan, being eligible for re-appointment as Independent Director and having offered himself for re-appointment, is proposed for re-appointment as an Independent Directors for a second term of five years from the conclusion of the Company's One Hundred and First AGM till the conclusion of the Company's One Hundred and Sixth AGM.

The Board considers it desirable that the expertise of Mr. Chuan should continue to be available. He has considerable expertise in his areas of specialisation and thus continued availability of his advice and guidance will benefit the Board. Accordingly, it commends to Shareholders, the approval by Special Resolution of the appointment of Lee Seow Chuan.

The Company has received the requisite declarations confirming that the above person meet the criteria of independence as per 149(6) of the Act and the applicable SEBI Regulations, having given his consent to act as Independent Directors, if appointed.

In the opinion of the Board, Mr. Chuan fulfill the conditions specified under Section 149(6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment as Independent Non-Executive Director and is independent

of the Management.

Brief particulars as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 of Mr. Chuan is incorporated in the Report on Corporate Governance.

The Company and its Independent Directors will abide by the provisions specified in Schedule IV of the Act, and be governed and guided by the guidelines of professional conduct, role and functions, duties, manner of appointment, re-appointment, resignation or removal, separate meetings and evaluation mechanism as provided therein, His appointment once made at the Meeting shall be formalised through a letter of appointment, which will set out amongst others:

- (a) the term of appointment;
- (b) the expectation of the Board from the concerned person; the Board-level Committee(s) in which he is expected to serve and its tasks;
- (c) the fiduciary duties that come with such appointments along with accompanying liabilities;
- (d) provision for Directors and Officers (D & O) insurance, if any;
- (e) the Code of Business Ethics that the Company expects its Directors and employees to follow;
- (f) a list of actions that a Director should not do while functioning as such in the Company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other Meetings and profit related commissions, if any.

Formal letter of appointment will be issued to Mr. Chuan upon the general body agreeing to the re-appointment. The terms and conditions of such re-appointment shall be open for inspection at the Registered Office of the Company by any Member during 11.00 AM to 4.00 PM, Monday to Friday, and shall also be posted on the Company's website.

Item No. 5 of the Notice convening the Company's One Hundred and First AGM has accordingly been proposed and the Board commends this Special Resolution to Shareholders for acceptance.

Mr. Chuan should be deemed concerned or interested in the particular Resolution seeking to re-appoint himself. No other Director / Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of the Resolution also do not relate to or affect any other Company.

Item Number 6

Radhakrishnan Padmalochanan ("Mr. Radhakrishnan") (DIN 08284551), Whole-time Director and Chief Financial Officer was originally appointed as a Whole-time Director for a period of three years effective 8th August, 2019. His appointment is also hereby proposed to be regularized as a Whole-time Director in this Annual General Meeting (AGM).

The Board, in accordance with the recommendation of its Nomination and Remuneration Committee, seeks to appoint Mr. Radhakrishnan as a Whole-time Director afresh from 8th August, 2019 for a period of three years at the remuneration indicated in Item No. 6 of the accompanying Notice convening the Company's One Hundred and First AGM.

Mr. Radhakrishnan is a qualified Chartered Accountant, functioning in a professional capacity and is neither a Shareholder nor related to any Director or any other Key Managerial Personnel or Promoter of the Company, at any time during the last two years before or after the date of his appointment. The remuneration offered to him is in line with the Company's Nomination and Remuneration Policy as well as present corporate trends taking due account of his expertise as well as the considerable acumen that he brings to the Company.

As per Schedule V of the Act, Mr. Radhakrishnan's appointment and remuneration requires approval of the general body through a Special Resolution.

Mr. Radhakrishnan, not being a retiring Director by rotation, has been duly proposed by a Member under Section 160 of the Act.

Brief particulars of Mr. Radhakrishnan in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are incorporated in the Report on Corporate Governance.

Information required to be disclosed under the provisions of the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows :

- i. the proposed remuneration has been approved by the Nomination and Remuneration Committee as well as the Board;
- ii. The Company in lieu of default to bank and public financial institutions for repayment of term loans and working capital loans, is required to obtain prior approval from such financial institution for the appointment of Mr. Radhakrishnan. The

Company has already applied for such approval with such financial institutions and expects to obtain the approval prior to the date of the AGM.

- iii. a Special Resolution is being passed at the forthcoming AGM for payment of the remuneration for a period not exceeding three years;
- iv. a statement containing further specified information is set out hereunder:

I. General Information:

(1) Nature of industry:

The Company is at present in the business of manufacturing and marketing Cement.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on 18th October, 1919. It commissioned its two Cement plants in 1969 and 1986 respectively.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

(4) Financial Performance based on given indicators:

Particulars	31.03.2020 (₹ / Crores)
Total Income	2409.30
Profit / (Loss) before Exceptional items & Tax	(98.38)
Exceptional Items	(387.12)
Profit / (Loss) before Tax	(485.50)
Tax Expenses	-
Profit / (Loss) for the Year	(485.50)
Equity Share Capital	142.59

(5) Foreign Investments or Collaborations, if any: None.

II. Information about the Appointee:

- (1) **Background Details:** Mr. Radhakrishnan (51) is a qualified Chartered Accountant and a Cost and Management Accountant, with over twenty five years of rich experience in the accounts, finance and treasury function in Industry. He was appointed as Chief Financial Officer of the Company w.e.f. 31st August, 2018.
- (2) **Past Remuneration:** ₹ 2.77 Crores per annum as on 31st March, 2019.
- (3) **Recognition or Awards:** Nil.
- (4) **Job profile and his suitability:** To run the operation of the Company as a Whole time Director taking in consideration his vast experience.
- (5) **Remuneration proposed:** As set out in Item No. 6 of the Notice of the Annual General Meeting.
- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin):** Mr. Radhakrishnan's remuneration is considered reasonable and is in line with that drawn by his peers in Industry.
- (7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:** Nil.

III. Other information:

(1) Reasons for loss or inadequate profits:

The Company's Earnings Before Interest, Depreciation, Taxation and other Amortisations ("EBIDTA") are positive but sustained at a level lower than the previous year due to lower production volume. The Company's financial

performance, on a stand-alone basis, during 2019-20, has been significantly impacted due to recognition of impairment loss on Subsidiary Loan along with lower production volumes. Company's business volumes were affected by the slowdown in the construction industry from Q3 onwards which muted the traditionally strong last quarter performance during this year. The Business navigated through tough liquidity conditions and exhibited resilience by generating positive cash flows during the current financial year.

(2) Steps taken or proposed to be taken for improvement:

The Business is inherently EBIDTA positive and, indeed, has been EBIDTA positive over the years.

The Tyre Business of the Company has been demerged into a new Company, Birla Tyres Limited w.e.f 1st January, 2019 i.e. the Appointed Date. The Scheme of Arrangement which was filed before National Company Law Tribunal ("NCLT"), Kolkata Bench was approved by NCLT vide its order dated 8th November, 2019. The Company will now remain focused on its Cement business operations fully.

(3) Expected increase in productivity and profits in measurable terms:

The Company draws immense strength from the its long and established track record, strong brand image and a demonstrable marketing network. This Business will continue to be EBIDTA positive and is well poised to fully cater to the gradually increasing demand for cement in its serviced areas.

Overall debt is expected to reduce progressively. As finance costs decline, the corresponding positive effect on the Company's "bottom line" would be better visible.

IV. Disclosures:

The required disclosures are given in the Report on Corporate Governance annexed to the Directors' Report.

The Company accordingly commends for general body acceptance the Special Resolution set out in Item No. 6 of the Notice convening the Company's One Hundred and First AGM.

Mr. Radhakrishnan should be deemed concerned or interested in this Resolution.

No other Director or Key Managerial Personnel, Promoters or any of their relatives have any concern or interest, financial or otherwise in the Resolution.

The passing of this Resolution does not and will not relate to any other Company.

Item Number 7

As per the provisions of Section 186(2)(b) of the Act, no Company can give loan to any person or other body corporate, give any guarantee or provide any security in connection with a loan to anybody corporate or person and acquire by way of subscription/ purchase or otherwise, the securities of any other body corporate beyond the prescribed ceiling of (i) sixty per cent of the paid-up capital, free reserves and securities premium account of the Company or, (ii) hundred per cent of free reserves and securities premium account of the Company, whichever is higher, if not authorized by a Special Resolution by the Shareholders.

As a measure of making available greater financial flexibility to the Company to utilize its resources by giving any loan or providing security or investing in shares out of available resources with the Company to any other body corporate including any group company or person, permission of Shareholders of the Company is sought by proposed Special Resolution, to give power to the Board of Directors to make loan to another company or person or to give guarantee or to provide security in connection with such loan or invest in shares of another company for an amount not exceeding exceeding ₹ 600 Crores (Rupees Six Hundred Crores only) over and above sixty percent of the aggregate of its paid-up share capital and free reserves and security premium account or one hundred percent of its free reserves and securities premium account of the Company, whichever is higher as stipulated under Section 186(2) of the Act.

Item No. 7 of the Notice convening the Company's One Hundred and First Annual General Meeting ("AGM") has accordingly been proposed and the Board commends this Special Resolution to Shareholders for acceptance.

No Director / Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of the Resolution does not and will not relate to or affect any other Company.

Item Number 8

The Company's present Authorised Share Capital stands at ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 1,50,00,000 (One Crore and Fifty Lakhs) Preference Shares of ₹ 100/- (Rupees Hundred) each and 55,00,00,000 (Fifty five Crores) Equity Shares of ₹ 10/- (Rupees Ten) each. The Issued and Paid-up Share Capital as at date stands at ₹ 1,42,59,00,790 (Rupees One Hundred Forty Two Crores Fifty Nine Lakhs Seven Hundred and Ninety only) divided into 14,25,90,079 (Fourteen Crores Twenty Five Lakhs Ninety Thousand and Seventy Nine only) Equity Shares of ₹ 10 (Rupees Ten) each.

The Company wants to Issue Preference Shares to the lenders for partial settlement of their loan amount. In order to achieve this, it is proposed to re-classify the Company's Authorised Share Capital from the present Authorised Share Capital of ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 1,50,00,000 (One Crore and Fifty Lakhs) Preference Shares of ₹ 100/- (Rupees Hundred) each and 55,00,00,000 (Fifty five Crores) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 4,00,00,000 (Four Crores) Preference Shares of ₹ 100/- (Rupees Hundred) each and 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten) each. The Company accordingly seeks Members approval to alter Clause 5 of its Memorandum of Association on the above lines.

As per the provisions of the Companies Act, 2013, any change in Authorised Share Capital and alteration to a Company's Memorandum of Association required to be approved through a Special Resolution by Shareholders.

Item No. 8 of the Notice convening the Company's One Hundred and First Annual General Meeting ("AGM") has accordingly been proposed and the Board commends this Special Resolution to Shareholders for acceptance.

A copy of the existing as well as new Memorandum of Association of the Company shall be available for inspection at the Registered Office of the Company during working hours on any working day between 11.00 AM to 4.00 PM.

No Director / Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of the Resolution does not and will not relate to or affect any other Company.

Registered Office:

9/1, R. N. Mukherjee Road,
Kolkata - 700 001
30th July, 2020

By Order of the Board

Kaushik Biswas
Company Secretary

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH, 2020

The Board presents the Company's One Hundred and First Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

FINANCIAL RESULTS

₹/Crores		
Particulars	31 st March, 2020	31 st March, 2019*
Total Income	2,409.30	2,662.77
Profit / (Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	307.93	367.20
Less : Depreciation and Amortization Expenses (Net of transfer from Revaluation Reserve)	91.26	87.92
Finance Costs	315.05	282.60
	406.31	370.52
Profit / (Loss) before Exceptional Items and Tax	(98.38)	(3.32)
Exceptional Items	(387.12)	-
Profit / (Loss) before Tax	(485.50)	(3.32)
Tax Expenses – Net	-	(11.95)
Profit / (Loss) for the year from continuing operations	(485.50)	8.63
Profit / (Loss) before tax from discontinued operations	-	(262.88)
Total Profit / (Loss) for the year	(485.50)	(254.25)
Other Comprehensive Income (net of tax expense)		
Re-measurement of Post-employment Benefit Obligations	(3.82)	0.11
Fair valuation of Equity Investments	(7.55)	1.44
Total Other Comprehensive Income / (Loss)	(11.37)	1.55
Total Comprehensive Income / (Loss) for the year	(496.87)	(252.70)

*Figures exclude Tyre Business.

DIVIDEND

No dividend is proposed in view of the loss during the year and non-availability of any carry forward surplus.

SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March, 2020 amounted to ₹ 142.59 Crores. The Company has not, during the year, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

DEPOSITS

The Company did not, during the year under report, accept any Deposit within the meaning of Section 73 of the Companies Act, 2013 ("the Act"). Deposits amounting ₹ 4.46 lakhs from two depositors continued to remain unclaimed as at the end of the year. There were no Deposits not in compliance with the requirements of Chapter V of the Act.

GENERAL REVIEW

In the year under report the Company's Earnings before Interest, Depreciation, Taxation and other Amortisations ("EBIDTA") was sustained at a level closer to the previous year. The Business navigated through tough liquidity conditions and exhibited resilience by generating reasonable amount of cash. Company's business volumes were affected by the pandemic and muted the traditionally strong last quarter performance during this year.

The Company along with its wholly-owned subsidiary, Cygnet Industries Limited ("Cygnet") had entered into a 'Product Purchase Agreement' dated 29th June, 2020 with a Japanese Company, Futamura Chemical Company Ltd. ("Futamura"), a worldwide leader in Transparent paper, wherein Cygnet will supply improved variety of Cellophane reel to Futamura or customers assigned by Futamura. Futamura through a separate 'Technical Assistance Agreement' is guiding Cygnet by

deputing manpower and inputs for up-gradation of transparent paper manufacturing process. This will help Cygnet to improve quality of the reels to match international standards and transform the transparent paper applications beyond its present precincts.

DEMERGER OF THE TYRE BUSINESS

The Board, with a view to re-organise Company's operating businesses had proposed a "spin off" of the Tyre Business through the demerger route into a new Company, Birla Tyres Limited ("BTL") effective commencement of business, 1st January, 2019.

The Scheme of Arrangement, which was filed before National Company Law Tribunal ("NCLT"), Kolkata Bench for the demerger of the Tyre Business from our Company to Birla Tyres Limited, was approved by NCLT, Kolkata Bench vide its Order dated 8th November, 2019. The certified copy of the Order was filed by our Company and Birla Tyres Limited with the RoC on 4th December, 2019 (the "Effective Date"). Consequently, in terms of the Scheme of Arrangement, the Tyre Business of our Company was transferred to and vested with Birla Tyres Limited on the Effective Date with the appointed date of 1st January, 2019.

BUSINESS IMPACT DUE TO COVID-19 PANDEMIC

COVID-19 is adversely affecting our Cement division's production volumes, dispatch and sales. To compensate the financial implications due to less turnover, the Company is entering into markets where we can achieve more realization. The company is changing its product mix of OPC and blended cement so as to attain higher profits. Demand for cement is more in the rural areas and the Company is focusing on the rural market as Birla Shakti has excellent acceptance in those areas.

MANAGEMENT DISCUSSION & ANALYSIS, BUSINESS RESPONSIBILITY REPORT AND CORPORATE GOVERNANCE

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

RISK MANAGEMENT

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

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

GOING CONCERN STATUS

No Orders have been passed by the Regulators or Courts or Tribunals which impacts or influence the Company's going concern status and / or its future operations.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

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

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

EVALUATION OF BOARD PERFORMANCE

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

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

NUMBER OF BOARD MEETINGS

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

NOMINATION AND REMUNERATION POLICY

The Company's Nomination and Remuneration Policy prepared in conformity with the requirements of Section 178(3) of the

Act is available on www.kesocorp.com and as a result does not form part of this Report.

All recommendations of the Nomination and Remuneration Committee made during the year were accepted by the Board and there were no instances of any disagreement between the Committee and the Board.

AUDIT COMMITTEE

The Audit Committee is chaired by Amitabha Ghosh, an eminent Chartered Accountant with additional professional qualifications in banking. K P Khandelwal, Sudip Banerjee, Lee Seow Chuan, Jikyeong Kang, Siddhartha Mohanty and Bhaskar Niyogi are the other Members. Padmalochanan Radhakrishnan (P. Radhakrishnan), Chief Financial Officer is a permanent invitee to the Meetings. The Company Secretary acts as Secretary to the Committee.

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

The Kesoram Football Academy, the soccer nursery promoted by the Company, remains a pivotal Corporate Social Responsibility ("CSR") project. The Company continued in its endeavours to nurture the football nursery that it has been assiduously developing into an institution of repute.

The Company's CSR Policy is available on www.kesocorp.com. The CSR Committee of the Board consists of Manjushree Khaitan, Chairman, Amitabha Ghosh and P. Radhakrishnan as Members.

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

RELATED PARTY TRANSACTIONS

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

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

The Company's Related Party Transactions Policy appears on its website at www.kesocorp.com.

SUBSIDIARY AND JOINT VENTURE COMPANY

As at 31st March, 2020, the Company had a wholly-owned subsidiary, Cygnet Industries Limited ("Cygnet") and a Joint Venture Company, Gondkhari Coal Mining Limited ("Gondkhari")

The Financial Statements of Cygnet as at 31st March, 2020 have been consolidated with the Financial Statements of the Company. The Consolidated Financial Statements of the Company in respect of the year appears on pages 135 to pages 200 of this Annual Report.

Cygnet posted positive Earnings before Interest, Depreciation, Taxation and Amortisations (EBIDTA) of ₹ 8.40 Crores during the financial year compared to ₹ 21.85 Crores in previous financial year. Operating performance was affected due to instability in the Power plant and the opportunity cost of the same was about ₹ 12.60 Crores. The Company has initiated steps to improve the quality of Power supply which will in turn improve the operating parameters. Remedial measures undertaken are expected to bring stability and thereby mitigate these costs.

Gondkhari, the Special Purpose Vehicle ("SPV") was incorporated, in 2009 as a Joint Venture between the Company and two other corporate entities for developing and working a coal block in the State of Maharashtra lost its sub-structure once the Supreme Court de-allocated the coal block that was originally allocated in 2014. As a result, the SPV has become defunct leading to full provision by the Company against its portion of the investment in Gondkhari.

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Inter Corporate financial exposures as at the year end appears under Note No. 7 to the Financial Statements. During the year, the Company had issued a Guarantee of ₹ 100 Crores for its wholly-owned subsidiary company.

The Company has not made any investment in shares of any body corporate during the year.

VIGIL MECHANISM

The Whistle Blower Policy of the Company is available on its website at www.kesocorp.com.

STATUTORY AUDITOR AND THEIR REPORT

Shareholders at the Company's Ninety Eighth Annual General Meeting appointed Messrs. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company for a period of five years from the conclusion of that Annual General Meeting.

In the Report of the Auditors for the year ended 31st March, 2020 forming part of this Annual Report, the Auditors have given following observations on: -

- i) Note No. 40(d) of the Notes to Standalone Financial Statements;
- ii) Note No. 42 of the Notes to Standalone Financial Statements and clause 1(e) of the 'Report on Other Legal and Regulatory Requirements' of the Standalone Audit Report read with clause (viii) of the Annexure B to the aforesaid Report and clause 1(e) of the Report of Auditors on the Consolidated Financial Statements by the Independent Auditors; and
- iii) Clause 1(h) of the 'Report on Other Legal and Regulatory Requirements' of the Standalone Audit Report read with clause (xi) of the Annexure B to the aforesaid Report and clause 1(h) of the Report of Auditors on the Consolidated Financial Statements by the Independent Auditors.

In relation to the observation made in Note No. 40(d) referred under point no (i) above, the bifurcation is as per Clause 4.2.10.3 of the Scheme of Arrangement approved by the National Company Law Tribunal, Kolkata in line with Explanation 2(c) to Section 2(19AA) of the Income Tax Act, 1961; in relation to the observations referred under point (ii) above, Note No. 42 read with clause 1(e) and clause (viii) of the Annexure B referred to in Standalone Auditors Report as well as in clause 1(e) of the Consolidated Auditors Report stated above are self-explanatory; and in relation to the observation referred under point (iii) above, the excess managerial remuneration u/s 197 referred by the Auditors will be placed for approval by Special Resolution before the Shareholders at the ensuing Annual General Meeting and on being passed shall be in due compliance of the concerned provisions of the Companies Act, 2013.

COST AUDITOR

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company, as per a recommendation of Audit Committee, appointed Mani & Co., Cost Accountants, to audit the cost accounting records maintained by the Company for the financial year ended 31st March, 2020 at a total remuneration of ₹ 4.11 lakhs, excluding taxation and reimbursement of out of pockets. An appropriate Resolution has been incorporated in the Notice convening the Company's One Hundred and First Annual General Meeting for confirmation and ratification of the remuneration.

SECRETARIAL AUDITOR AND SECRETARIAL STANDARDS

In terms of Section 204 of the Companies Act, 2013, and the rules made thereunder, the Board had appointed Salil Banerjee, Practising Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2019-20. They have submitted their report in Form No. MR-3 and the same is enclosed at **Annexure VI**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Company has complied with Secretarial Standards formulated by the Institute of Company Secretaries of India and notified by the Central Government for implementation.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in **Annexure VII** and forms part of this Report. None of the employees listed in the said Annexure is related to any Director of the Company.

As per the provisions of Section 136 of the Act read with MCA circular dated 5th May, 2020 and SEBI circular dated 12th May, 2020, the Annual Report and Accounts are being sent through electronic mode, to those Members whose e-mail addresses are registered with the Company / Depositories, excluding the information on employees particulars as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This

information is readily available for inspection by Members at the Company's Registered Office between 3 p.m. and 5 p.m. on all working days (excluding Saturdays) up to the date of the forthcoming Annual General Meeting. Should any Member be interested in obtaining a copy (including through e-mail), s/he should write to the Company Secretary at the Company's Registered Office or request by e-mail at kaushik.biswas@kesoram.net.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place requisite Internal Committees as envisaged in the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on the issues covered by the above Act were received during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) the Act and, based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

- (a) in the preparation of the Annual Accounts, applicable accounting standards has been followed along with proper explanation relating to material departures;
- (b) such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2020 and of the loss for that period;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems have been devised to ensure compliance by the Company with the provisions of applicable laws and that such systems were adequate and working effectively.

DIRECTORS

Basant Kumar Birla (DIN: 00055856), Chairman, passed away on 3rd July, 2019. The Board respectfully notes that Late B K Birla joined the Board in 1936 and steered the fortunes of the Company since then. A legend in his lifetime, he had promoted and successfully expanded an empire spanning several critical industries. He expended considerable effort in growing the organisation and it is to his great credit that the Company today has crossed its Centenary Year. Each Board Member individually deemed it a pleasure and personal privilege to serve on the Company's Board with B K Birla as its Chairman (except Mr. Niyogi who joined the Board in November, 2019) and the Board stands determined and resolute in ensuring the carry forward of the rich legacy that this Organisation has imbibed from him.

Upon the demise of Basant Kumar Birla, Manjushree Khaitan, who was already an Executive Vice-Chairperson of the Board, relinquished her position as a Whole-time Director of the Company effective 19th July, 2019 and the Board of Directors re-designated Mrs. Khaitan as Non-Executive Chairman of the Board.

Chander Kumar Jain (DIN: 08125968), Whole-time Director, resigned from the services of the Company effective close of business on 8th August, 2019. The Board wishes to gratefully acknowledge Mr. Jain's committed and dedicated services during his tenure with the Company.

Upon the recommendation of the Nomination and Remuneration Committee, P. Radhakrishnan (DIN: 08284551), Chief Financial Officer, was appointed a Whole-time Director for a term of three years, effective 8th August, 2019. A Special Resolution proposing his appointment and the payment of remuneration to him is included as part of the Notice convening the forthcoming One Hundred and First Annual General Meeting.

Based upon the recommendation of the Nomination and Remuneration Committee, the Board re-appointed Lee Seow Chuan (DIN: 02696217) as Independent Director of the Company for a second term of five years from the conclusion of Company's One Hundred and First Annual General Meeting to the conclusion of Company's One Hundred and Sixth Annual General Meeting. Appropriate Special Resolution, to this effect, is also being proposed at the forthcoming AGM.

State Bank of India, the Company's Lead Working Capital Banker, had proposed the appointment of Bhaskar Niyogi on the Company's Board as its Nominee Director which was subsequently positively recommended by the Nomination and Remuneration Committee and approved by the Board with effect from 7th November, 2019. He shall hold the office up to the ensuing Annual General Meeting. A suitable Resolution has been proposed appointing him as a Non Executive Nominee Director of the Company for a period of three years.

All Independent Directors have furnished to the Company the requisite declarations that they meet the relevant independence

criteria as laid down in Section 149(6) of the Act as well as the Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, they have registered themselves within the stipulated time with the Indian Institute of Corporate Affairs in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with section 150 of the Act.

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

Brief profiles of Directors being appointed / re-appointed at the forthcoming One Hundred and First Annual General Meeting have been given in the Report on Corporate Governance.

KEY MANAGERIAL PERSONNEL

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

Manjushree Khaitan	Whole time Director (DIN: 00055898) (till 19 th July, 2019)
Chander Kumar Jain	Whole time Director (DIN: 08125968) (till 8 th August, 2019)
P. Radhakrishnan	Whole time Director (DIN: 08284551) (w.e.f. 8 th August, 2019)
P. Radhakrishnan	Chief Financial Officer
Gautam Ganguli	Company Secretary (till 11 th September, 2019)
Kaushik Biswas	Company Secretary (w.e.f. 12 th September, 2019)

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, set out in **Annexure VIII** to this Report.

MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There has been no material change between the end of the Financial Year and the date of this Report.

EXTRACTS OF ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the financial year ended 31st March, 2020 is given in **Annexure IX** to this Report.

ANNEXURES FORMING PART OF THIS REPORT

Annexure	Particulars
I	Management Discussion & Analysis
II	Business Responsibility Report
III	Report on Corporate Governance
IV	Report on Corporate Social Responsibility (CSR) activities
V	AOC – 1
VI	Secretarial Audit Report
VII	Remuneration related disclosures per Section 197
VIII	Energy Conservation Particulars
IX	MGT-9

APPRECIATION

The Board gratefully acknowledges the understanding and support received by the Company from its employees and Banking system, Central Government, various State Governments and local authorities during the year.

The Board specifically acknowledges the Members of the Company who have shown immense confidence and understanding in the Company's well being.

For and on behalf of the Board

Manjushree Khaitan
Chairman

Place: Kolkata
Date: 30th July, 2020

P. Radhakrishnan
Whole-time Director & CFO

ANNEXURE I

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Overview

The Company's Business-wise performance during the year is shown below:

		₹/Crores	
S.No.	Particulars	31 st March, 2020	31 st March, 2019*
1	EBIDTA	307.93	367.20
2	Exceptional Income	-	-
3	Finance Cost including interest	315.05	282.60
4	Cash Profit / (Loss)	(7.12)	(84.60)
5	Depreciation	91.26	87.92
6	Profit Before Tax	(98.38)	(3.32)
7	Tax Provision	-	(11.95)
8	Profit / (Loss) for the year from continuing operations	(98.38)	8.63
9	Exceptional Item-Impairment Loss on Subsidiary Loan	(387.12)	-
10	Loss before tax from discontinued operations	-	(262.88)
11	Tax charge / (Credit) of discontinued operations	-	-
12	Loss from discontinued operations after Tax	-	(262.88)
13	Total Profit / (Loss) for the year	(485.50)	(254.25)

*Figures exclude Tyre Business.

Business-wise resume

Cement

Industry Overview

India ranks as the world's second largest cement producer behind China. Cement installed capacity stood at 525 million tonnes per annum (mtpa) as of March, 2020. The top 20 cement groups accounted for almost 84 per cent of the total cement capacity in the Country.

A total of 118 large cement plants (2mtpa and above) account for a cumulative installed capacity of over 373 million tonnes, with 157 smaller plants (0.1 to 1.9 mtpa) accounting for the rest. Of the 118 large cement plants in the country of 2 mtpa and above, 51 plants exists in south India- Andhra Pradesh (14 plants, 45.9 mtpa), Telangana (7 plants, 18.4 mtpa), Tamil Nadu (7 plants, 25 mtpa), Karnataka (11 plants, 38 mtpa), Maharashtra (12 plants, 34 mtpa).

The industry in India, however, actually produces about 325 million tonnes per annum with a per capita consumption of around 212 kg. Per capita cement is currently the lowest among developing countries while the world average is about 580 kg.

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

Risks and Concerns

Progress of the industry in India continues to be largely dependent on the development of infrastructure and housing. Infrastructure development being primarily a Government funded exercise, declining spends on infrastructure adversely impact the wellbeing of the industry. For instance, severe monsoon, pandemic situation etc., can contribute to reduction in infrastructure spending by the Government and cause slowdown. Demand for housing is inextricably linked to economic growth. Although the Government's programme of "housing for all" by 2022 remains a target to be attained, lower disposable income in the hands of the populace on account of muted economic growth will inevitably lead to a "push back" of targeted time lines. Then again, it would be natural for the State to dictate prices at which it would buy cement. The State attitude during price fixation involving typically a clutch of producers is frequently oligopolistic. In the housing sector too, institutionalised buyers, including those in the ready mix concrete category, have the ability to decide on prices at which they would effect the procurement thereby seeking to compound an existing oligopolistic situation in the industry.

Access to insufficient quantities of sand adds to an already difficult scenario as the genesis of concrete (or mortar) which is the basic raw material for any building activity is contingent upon cement being mixed with sand. Certain Indian states are perpetually constrained in making available adequate quantities of natural sand for the sector. A solution could lie in making

available artificial sand known as “machine sand”. This is an area which some states like Maharashtra have already started but yet to percolate across the country.

Price trends of key energy inputs, particularly those of fossil fuels continue to be dynamic and pose a risk on the industry. Industry is trying to reverse the ill effects of continually rising fossil fuel prices on production costs through usage of alternative fuel, substitution of conventional raw materials in the production process, waste heat recovery through cogeneration, increased adoption of renewable energy, particularly solar and wind power, as well as substituting clinker with fly ash and slag. Indeed, the Country has taken rapid strides in this direction and has become a significant player globally in the alternative fuel utilisation segment. However, it has a fair amount of catching up to do. Transport and logistics constitute another major constituent of cement costing. There is realisation that these spends require to undergo a marked reduction through more streamlined supply chain practices for containment of costs.

Progressive depletion of reserves of limestone and other flux minerals required for cement manufacture is also a concern. This is a clear signal for the industry to further gear up identification of fresh reserves. Side by side, there is imminent need to expand production of blended cement and increase mixing of high grade limestone with lower grade limestone for use in clinker production.

Growth Drivers

The prospects of the cement industry continue to be closely linked with progression of national economy. As infrastructure and housing sector moves forward, so will latent demand for cement. It is pertinent to note here that, cement happens to be a cyclical commodity, with well-correlated strong and linear regression equation, with the Country's Gross Domestic Product (“GDP”). Long-term cement demand growth rate is estimated at 1.2 times the GDP growth rate.

Brief comments are now adduced on how the demand curve is expected to shape up:

Housing and Real Estate:

The housing and real estate sector is the biggest demand driver of cement, accounting for about 65 % of total consumption in India. The sector is expected to grow at a Compounded Annual Growth Rate (“CAGR”) of around 5%. The Government's thrust on affordable housing for realising its vision of “Housing for All” by 2022 and the Smart City programmes should also help in demand growth for cement. The primary aim of the Pradhan Mantri Awaas Yojana (“PMAY”) is to ensure that at least two crore dwelling units are built nationally per year.

Further, the Real Estate market in India is expected to reach US\$ 1 trillion by 2023 from US\$ 120 billion in 2017. Overall, strong growth in rural housing, low-cost housing and growth pick up in commercial real estate market should further amplify the demand for cement. Housing and the real estate segment demand is expected to grow by around 5% per annum.

Public Infrastructure and Industrial Development:

The other major consumer of cement includes public infrastructure and industrial development. Higher government spending on infrastructure and rising per capita incomes will rank as leading growth drivers for cement in the Country. There have also been positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising tax structure and administration and opening up more areas for foreign investment through the automatic route. The Government seems to be progressively stepping up infrastructure spending. Thus, outlays on infrastructure development, including for highways, roads and railways have been moving up perceptibly.

The Government has also pushed for construction of concrete roads, highways through its unique Bharatmala & Sagarmala Project, 100 smart cities, construction of rural roads under the Pradhan Mantri Gram Sadak Yojana, dedicated Railway Freight Corridors, ports and Metro rail projects which all augur well for cement demand going forward.

Company's Cement Business going forward

Company's Cement Business is well poised to fully cater to the gradually increasing demand for cement in its serviced areas. The Government of Karnataka has permitted the Business to acquire some 675 acres of land to further augment limestone reserves.

Business's brand, Birla Shakti, is now an approved brand in several Government projects for supply of cement, including the Military Engineering Services and the Ministry of Defence.

To further accelerate penetration of Birla Shakti in the southern, western and central parts of the Country, the Business is closely scrutinising forging of strategic tie ups with those grinding and blending unit owners for utilising their spare facilities for manufacture of cement. Plans are afoot to exponentially grow both in trade category as well as in blended cement category by appropriately leveraging the Birla Shakti brand. Initial results have been quite encouraging.

Reduction of cost of production is another focus operational area that is engaging attention. The quantum of reduction

effected will help boost the Business's Earnings before Interest, Depreciation Taxation and other Amortisations ("EBIDTA").

Sale volumes are expected to rise even further as the Business expands its dealer network and escalates marketing efforts through influencers and market makers. Here also, initial results give rise to increased confidence that incremental efforts will be productive.

The large "overburden" at its Basant Nagar manufacturing facility is proposed to be utilised, subject to the required regulatory approvals, to make stone aggregates and machined sand ("M Sand") that should open new vistas for improved and differentiated product offerings to add to the Business's bottom line. Samples are presently undergoing regulatory testing.

A clear strategic shift is now discernible from giving primacy to volume to delivering profitable volume growth by entering high realisation zones while at the same time driving cost reduction, including through innovation, broadening distribution network, penetrating new geographies as well as bringing rigour in branding and technical services. This emphasis should enable the Business consolidate on its strengths during the current year.

Financial Performance during 2019-20

The "General Review" incorporated in the Directors' Report sets out a brief performance resume of the Company's operating businesses.

The Company's financial performance, on a stand-alone basis, during 2019-20, has been significantly impacted due to lower production volumes and recognition of impairment loss on Subsidiary Loan which has unfavorably influenced the financial ratios. The following critical ratios have changed beyond the 25% indicative threshold specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- A. The Interest Coverage Ratio which stood at 0.99 as at 31st March, 2019 dropped to 0.69 as at 31st March, 2020 due to drop in profit margins for lower production.
- B. Current Ratio went down from 0.51 as at 31st March, 2019 to 0.25 as at 31st March, 2020. This is mainly because of deferment of vendor payments.
- C. Debt Equity Ratio went down from 3.56 as at 31st March, 2019 to 67.72 as at 31st March, 2020 mainly for lower margins and recognition of impairment loss on Subsidiary Loan.
- D. The Net Profit Margin percentage went down from 0.33 as at 31st March, 2019 to (20.84) as at 31st March, 2020 due to lower margins and impairment loss on Subsidiary Loan.
- E. The Return on Equity percentage down from 1.65 as at 31st March, 2019 to (1,774.23) as at 31st March, 2020 due to lower margins and impairment loss on Subsidiary Loan.

The Net Worth at standalone level as at 31st March, 2020 dipped to ₹ 27.36 Crores from ₹ 530.19 Crores in the previous year. This has occurred mainly on account of recognition of impairment loss amounting to ₹ 387.12 Crores on loan given to wholly-owned subsidiary which has been presented as an Exceptional Item in the Statement of Profit and Loss for the year ended 31st March, 2020 and also lower production volumes in tune with the slowdown in the construction industry from Q3 onwards. The impairment assessment is based on the management's business plans/future projections as approved by the Board of Directors. However, in spite of lower margins, the Company has been able to generate positive cash flows during the current period as compared to previous year.

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

Sl. No.	Particulars	2019-20	2018-19 *	Explanation
i)	Debtors Turnover Ratio	8.60	7.72	-
ii)	Inventory Turnover Ratio	1.87	1.73	-
iii)	Interest Coverage Ratio	0.69	0.99	Lower EBIT on account of drop in production volumes in tune with the slag in the construction industry from Q3 onwards.
iv)	Current Ratio	0.25	0.51	Deferring of vendor payments
v)	Operating Profit	13.22	14.23	-
vi)	Debt Equity Ratio	67.72	3.56	Loss on impairment for Subsidiary loan ₹ 387.12 Crores along with drop in EBIT as stated above.
vii)	Net Profit Turnover	(20.84)	0.33	
viii)	Return on Equity	(1774.23)	1.65	

* Figures exclude Tyre Business.

Internal Control Systems and their adequacy

This has been covered in the Directors' Report.

Material Developments in Human Resources

Human Resources continue to be the cornerstone around which the Company functions. The Company engages with the people who work for it on a proactive basis so as to transform the environment from a "place of work" to a 'place to work". The Company believes that such approach has assisted it enormously in promoting harmony and a sense of belonging amongst those working for it thereby seeking to enhance their work life balance. The gradual evolution of this perception constitutes, according to the Company, a defining sign of sustained employee commitment to its well being.

The number of people employed as on 31st March, 2020 is separately covered under Annexure VII to the Directors Report. The employees of the Tyre business has been transferred to Birla Tyres Limited post demerger.

Industrial relations remained cordial during the year.

For and on behalf of the Board

Manjushree Khaitan

Chairman

Place: Kolkata

Date: 30th July, 2020

P. Radhakrishnan

Whole-time Director & CFO

ANNEXURE II

BUSINESS RESPONSIBILITY REPORT**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

S.No.	Particulars	Details											
1	Corporate Identity Number (CIN) of the Company	L17119WB1919PLC003429											
2	Name of the Company	Kesoram Industries Limited											
3	Registered Address	9/1 R. N. Mukherjee Road Kolkata-700 001											
4	Website	www.kesocorp.com											
5	E-mail id	corporate@kesoram.net											
6	Financial Year reported	1 st April, 2019 to 31 st March, 2020											
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table><tr><th>Group</th><th>Class</th><th>Subclass</th><th>Description</th></tr><tr><td>239</td><td>2394</td><td>23941</td><td rowspan="2">Manufacture of Clinker & Cement</td></tr><tr><td></td><td></td><td>23942</td></tr></table>	Group	Class	Subclass	Description	239	2394	23941	Manufacture of Clinker & Cement			23942
Group	Class	Subclass	Description										
239	2394	23941	Manufacture of Clinker & Cement										
		23942											
8	List three key products/services that the Company manufactures/provides	Portland Cement & Pozzolona Cement											
9	Total number of locations where business activity is undertaken by the Company:												
	a) Number of International Locations (Provide details of major 5)	Nil											
	b) Number of National Locations	2 Integrated Cement Units at Sedam & Basant Nagar - Administrative Offices, Branch Offices, Depots etc. at various locations											
10	Markets served by the Company	Pan India across all markets											

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1	Paid-up Capital (INR)	142.59 Crores
2	Total Turnover (INR)	2329.95 Crores
3	Total Profit After Taxes (INR)	(485.50) Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	N.A. as the PAT is negative. (CSR spent is ₹ 1.56 Crores)
5	List of activities in which expenditure in 4 above has been incurred	Social Welfare, Education, Health Care etc.

SECTION C: OTHER DETAILS

S. No.	Particulars	Details
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has one Wholly-owned Subsidiary Company i.e. Cygnet Industries Ltd.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Business Responsibility of the parent company apply to its subsidiary.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR Policy/Policies

S. No.	Particulars	Details
1	DIN Number (if applicable)	08284551
2	Name	P. Radhakrishnan
3	Designation	Whole-time Director & CFO

(b) Details of the BR head

S. No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Gujjula Srinivasa Reddy
3	Designation	Chief Executive Officer (Cement Business)
4	Telephone number	-
5	E-mail id	g.srinivasareddy@kesoramcement.com

2. Principle-wise (as per NVGs) BR Policy / Policies

Name of principles:

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
- P3 – Businesses should promote the well-being of all employees.
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 – Businesses should respect and promote human rights.
- P6 – Businesses should respect, protect and make efforts to restore the environment.
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 – Businesses should support inclusive growth and equitable development.
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	-	-	-	-
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Policy approved by appropriate authority.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	View restricted to selected employees.								

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company. Communication is an on-going process to cover all stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Reviewed by Internal Audit team.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

BR performance of the Company is reviewed periodically by the Management.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report of the Company is a part of the Annual Report for the Financial Year 2019-20. The same will also be available on the website of the Company, i.e. www.kesocorp.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Corporate Governance for Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Corporate Principles and Code of Conduct covers the Company and its Subsidiary and is applicable to all the employees of the Company and its Subsidiary.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has set up a Committee called "Stakeholders Relationship Committee" to look after the grievances of the investors. The Committee consisted of three Directors. The Committee meets at least once in every quarter to look into complaints from investors and the steps taken by the Company for resolving the complaints.

During the year ended 31st March, 2020, the Company has received both directly as also through the Regulatory agencies such as SEBI, the Stock Exchanges, a total of 17 complaints, of which related to Non-receipt of Dividend, Non-receipt of

Share / Debenture Certificate(s), Demat related grievances, Non-receipt of Annual Report(s), etc. All the complaints have been satisfactorily resolved and no complaints were pending / outstanding as on 31st March, 2020.

Principle 2 - Sustainability of Products & Services across Life-cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing process of its products (Portland Cement & Pozzolona Cement), in a manner taking care of its obligations. The Company has deployed best in class technology and processes to manufacture its products with optimal resources. e.g. the manufacturing process involves use of 5 & 6 stage pre-heaters, vertical roller mills, roller presses and advanced technology clinker coolers, hot disc for alternative fuels, which are most energy efficient and technologically advanced as on date. In 2020, Clinker Factor was 92% for OPC and 62% with fly ash utilization of 35% in PPC, thus saving natural resources like limestone. We also co-process plastic, industrial, hazardous waste & carbon black from different industries as alternative fuel. The Company also uses Pet coke as a fuel in its kilns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company consumes alternate materials like fly ash, gypsum etc. which help in conserving natural raw materials used for cement production. Alternative fuels are also used for thermal energy generation which help in the substitution of fossil fuels and allow better management of industrial waste. Recycling water, rain water harvesting and recharging of ground water are standard operating procedures at our manufacturing unit.

b) Reduction during usage by consumers (energy & water) has been achieved since the previous year?

Cement as a product is used for variety of purposes and by diverse consumers. Hence, it is not feasible to measure the usage (energy & water) by consumer.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The criteria for procurement of equipment are based upon resources efficiency, mainly comprising of but not limited to energy efficiency, fuel efficiency, emission control etc. The impact of the product / services being procured is considered over its whole life cycle i.e. from cradle to grave, including giving due weightage to the disposal aspect also, e.g. e-waste/hazardous waste is disposed of in an environmental friendly manner and no compromise, what so ever, is made on the same.

Procurement practices and selection criteria by the Company are focused on protection of environment, societal interest and cost effective procurement seeking resources efficiency, improving the quality of products and services and ultimately optimizing the cost.

The Company believes that sustainability in logistics may be achieved by using less polluting and less fuel consuming transport options or selecting vendors who are close to the manufacturing locations. We fulfill our fuel requirement majorly by domestic fuel reducing import and saving on foreign currency.

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

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has always given preference to local vendors when it comes to sourcing materials. In case of PP packing bag vendors, we have optimized the vendors located near our cement plants, based on their capability and capacity. Sourcing of PP bags from vendors located close to the plants has resulted in lower fuel consumption while transporting the goods.

The Company has consistently increased the breadth of vendors across goods and services through vendor base enhancement. The objective is to focus on indigenous suppliers, mutual collaboration and partnership for long term growth. The Company also believes in long term partnership with the vendors by having rate contracts with them and providing feedback on their performance in terms of quality, delivery, services, environmental health and safety etc.,

which helps the vendor to improve their performance by taking corrective actions on the parameters where they are found lacking.

Transparency and fair approach are maintained while dealing with the vendors during the entire procurement cycle. The Company uses information technology efficiently for reducing the procurement cycle time and payment notification etc. It also helps in reduction of paper usage as most of the activities / documentation are done in electronic format. The Company has a zero tolerance policy for safety compromise and business is done only with those vendors who are approved on stringent safety parameters.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

We have fly ash and bottom ash generated as waste from our captive power plants which is used in our cement production. Entire fly ash generated [100%] is utilized to produce Portland Pozzolama Cement (PPC). Waste water generated from our plant and colony is recycled and reused in dust suppression, gardening, horticulture, etc.

Principle 3 - Employee Well-being

1. **Please indicate the Total number of employees.**

Total number of employees during the financial year was 1,637.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total number of employees hired on temporary/contractual/casual basis during the financial year was 2,686.

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

Number of permanent women employees during the financial year was 21.

4. **Please indicate the Number of permanent employees with disabilities- Nil.**

5. **Do you have an employee association that is recognized by Management?**

Yes, we have recognised trade unions constituted in terms of the Trade Union Act, 1926 at the Company's Manufacturing Units.

6. **What percentage of your permanent employees is members of this recognized employee association?**

All permanent workers are members of trade unions.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

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

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

S. No.	Category of Employees	2019-20	2018-19
1	Permanent Employees	87%	86%
2	Permanent Women Employees	100%	100%
3	Casual/Temporary/Contractual Employees	100%	100%
4	Employees with Disabilities	N.A.	N.A.

Principle 4 - Stakeholder Engagement**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal as well as external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

The Company has identified the disadvantaged, vulnerable and marginalized stakeholder's viz. Communities around its Manufacturing Units and its workers / contractual workers.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company aims at providing sustainable development to the disadvantaged, vulnerable and marginalized stakeholders through "Gramin Abhivrudhi Kendra" by undertaking several initiatives for sustainable livelihood like stitching and tailoring center for ladies, providing them free stitching machines after completion of course, computer training for both gents and ladies. Other initiatives include health care, education, infrastructure development, health check-up camps, providing utensils to schools, plantation, safe and pure drinking water, sports material distribution, installation of street lights in nearby villages etc. We have also taken care of children of Company employees, depending on the eligibility of such children by providing them training and jobs too.

Principle 5 - Human Rights**1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Respecting and understanding Human Rights and addressing any potential violation is a crucial responsibility for any organization. The Company has adopted several policies – viz. Code of Conduct, Whistle Blower Policy etc. which ensures there is no violation of human rights in its conduct, externally or internally.

The Company adheres to all statutes that embody the principles of Human Rights such as non-discrimination, prevention of child labour, prevention of sexual harassment and equal employment opportunities. The Company is committed to a work environment in which all individuals are treated with fairness, respect and dignity.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

The Company did not receive any stakeholder complaint in FY 2019-20 relating to Human Rights.

Principle 6 - Protection and Restoration of the Environment**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

Kesoram Industries Ltd. (KIL) is IS/ISO 9001, 14001, 18001 & 50001 Certified Company. KIL Environmental Policy reflects each & every section in the organization. Our main vision is to conserve the environment through new technologies, new initiatives.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage etc.

To achieve this it has developed a road map focusing on key areas such as further reducing specific energy consumption we are amongst the best in the industry in terms of specific thermal energy consumption, increasing the fly ash utilization rate, increase thermal substitution rate.

- 100 % utilization of Bed ash & Fly ash generated at our CPP is used in Cement manufacturing process and additionally procuring Fly ash from RTPS/ Adani Power/NTPC / Parli / Ramagundum etc.
- Maximum utilization of AFR will reduce Green House gases emission.

3. Does the Company identify and assess potential environmental risks? Y/N

Kesoram Industries Ltd. is IS/ISO 9001, 14001, 18001 & 50001 Certified Company.

The Company follows a structured risk assessments approach which encompasses identifying potential risk, assessing their impact, mitigating them by taking timely action and continuous monitoring.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

At present there is no new project related to Green development mechanism but we have already implemented clean development mechanism system in our plants.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyperlink for web page etc.**

Kesoram Industries Limited, Sedam unit achieved “IconSWM – CE Excellence Award 2019”.

Kesoram Industries Limited, Sedam unit is the First Cement Company in Asia to adopt “Best Available Green Technology Hot Disc Reactor” for co-processing of waste, to conserve natural resource like coal.

The Company had several Committees such as Material Recycling System Monitoring Committee, Water Management Committee, Bag Filters Performance Monitoring Committee, Waste Management Committee and Committee for Maximum use of alternate fuels.

The Company is not letting out any waste water in to Environment. It is ensured that no waste water is discharged outside. Total waste water is treated and used for plantation & dust suppression.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/ waste generated by the Company are within the permissible limits given by Central Pollution Control Board/ State Pollution Control Board.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

No such cases are pending at the end of the financial year and there is no show cause and legal notice issued from SPCB/ CPCB.

Principle 7 - Responsible Advocacy

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

Confederation of Indian Industry (CII).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

Yes (Energy conservation, use of alternative fuels etc.)

Principle 8 - Supporting Inclusive Growth and Equitable Development

1. **Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has specified programs/policies for supporting Inclusive Growth and Equitable Development including social welfare, education, health, women empowerment etc.

2. **Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ Government structures/any other organization?**

The programs/projects undertaken through in-house team as well as through Trusts/NGO/Government collaborations.

3. **Have you done any impact assessment of your initiative?**

Impact assessment is being done internally.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The Company has spent ₹ 1.56 Crores during the financial year 2019-20 for social welfare, education, health, women empowerment etc.

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

Yes, we have taken steps for the same. We visit the houses or shops of the students who had completed the courses from our vocational training centre. We also call them to inform about their success to the next batch so that they get motivated. Also the villages in which we do our plantation work or any other CSR activity they feel elated and request us for helping the villagers more through our CSR initiatives. In order to take informal feedback, we speak to people who are benefited because of our community development activities and they seem to be very satisfied. Depending on such feedback we plan and conduct more such activities.

Principle 9 - Providing Value to Customers and Consumers

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. - NIL
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

The Company displays product information as mandated by Bureau of Indian Standards.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. – NIL
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?
- Yes. Sales force does this on a regular basis during their market visits, to serve customers better.

For and on behalf of the Board

Manjushree Khaitan
Chairman

Place: Kolkata
Date: 30th July, 2020

P. Radhakrishnan
Whole-time Director & CFO

ANNEXURE III

REPORT ON CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31ST MARCH, 2020

1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is structured on principles and practices that seeks to imprint fairness, transparency and ethical behaviour in its dealings with stakeholders.

2. BOARD OF DIRECTORS

i) Composition of the Board as on 31st March, 2020 and their Directorships, Committee positions held in other Companies and shares held by them as on that date:

As on 31st March, 2020, the Company had nine Directors, five of whom were Non-executive Independent, three were Non-executive Non-independent Directors and one was Executive Director. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). Details of Board composition are as follows:

Directors	Designation	Category	No. of other Directorships held *	No. of Independent Directorships held in Listed Companies *	No. of other Board Committees # (of Companies*)		Share-holding in the Company
					As a Member	As a Chairman	
Manjushree Khaitan	Chairman	Non-executive	3	0	0	0	7,20,158
Amitabha Ghosh	Director	Non-executive Independent	2	1	1	0	Nil
Kashi Prasad Khandelwal	Director	Non-executive Independent	5	4	3	3	Nil
Sudip Banerjee	Director	Non-executive Independent	3	2	1	0	Nil
Lee Seow Chuan	Director	Non-executive Independent	0	0	0	0	Nil
Jikyeong Kang	Director	Non-executive Independent	0	0	0	0	Nil
Siddhartha Mohanty	Nominee Director, LIC (Equity Investor)	Non-executive	5	0	1	0	Nil
Bhaskar Niyogi (appointed w.e.f. 07.11.2019)	Nominee Director, SBI (Lender)	Non-executive	1	0	0	0	Nil
P. Radhakrishnan (appointed w.e.f. 08.08.2019)	Whole-time Director	Executive	1	0	2	0	Nil

* Excluding Kesoram Industries Limited, Private Companies, Companies under Section 8 of the Act and foreign companies.

Only two Committees viz. the Audit Committee and the Stakeholders' Relationship Committee have been considered for this purpose in terms of Regulation 26(1)(b) of LODR Regulations.

None of the Directors of the Company are related as per the provisions of the Act.

ii) Details of Directorships in other listed entities held by the Directors of the Company as at 31st March, 2020:

Name of the Directors	Name of Listed Entities	Category
Manjushree Khaitan	Birla Tyres Ltd.	Non Executive Non Independent Director
Amitabha Ghosh	Zenith Fibres Ltd.	Non Executive Independent Director
Kashi Prasad Khandelwal	GPT Infraprojects Ltd.	Non Executive Independent Director
	Balasore Alloys Ltd.	Non Executive Independent Director
	LIC Housing Finance Ltd.	Non Executive Independent Director
	Birla Tyres Ltd.	Non Executive Independent Director
Sudip Banerjee	IFB Industries Ltd.	Non Executive Non Independent Director
	Larsen & Toubro Infotech Ltd.	Non Executive Independent Director
	L&T Technology Services Ltd.	Non Executive Independent Director
Lee Seow Chuan	Nil	N.A.
Jikyeong Kang	Nil	N.A.
Siddhartha Mohanty	LIC Housing Finance Ltd.	Managing Director
Bhaskar Niyogi	Nil	N.A.
P. Radhakrishnan	Birla Tyres Ltd.	Non Executive Non Independent Director

iii) List of core skills / expertise / competencies required in the Company's Board to enable it function effectively and those actually available:

The Board identifies the following core skills / expertise / competencies that it perceives it ought to have in the process of governing the Company. It is further of the view that as a whole it possesses these skills / expertise / competencies and is applying them in governing the Company:

Skill Sets	Directors								
	Manjushree Khaitan	Amitabha Ghosh	Kashi Prasad Khandelwal	Sudip Banerjee	Lee Seow Chuan	Jikyeong Kang	Siddhartha Mohanty	P. Radhakrishnan	Bhaskar Niyogi
Strategising capability	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capacity to identify risks and macro level concerns in the Company.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Aptitude in the arenas of finance, control, information technology and governance mechanisms so as to be able to examine and analyse these areas in the context of the Company's requirements and be in a position to determine gaps in the Management's thought process or the approach to these.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ability to judge the degree of adroitness and clear thinking that go into taking business decisions taken by the Management, identify discontinuities and anomalies, critique such decisions where necessary and thereafter direct initiation of the required action as deemed best under the circumstances.	✓	✓	✓	✓	✓	✓	✓	✓	✓

Skill Sets	Directors								
	Manjushree Khaitan	Amitabha Ghosh	Kashi Prasad Khandelwal	Sudip Banerjee	Lee Seow Chuan	Jikyeong Kang	Siddhartha Mohanty	P. Radhakrishnan	Bhaskar Niyogi
Encouraging diversity in the methodologies of the Company looking at operational and related constraints and suggesting ways forward.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ability to engage in a healthy and cogent debate within itself (including in Board Committees) on the various governance processes with the objective of finding solutions to issues affecting the Company.	✓	✓	✓	✓	✓	✓	✓	✓	✓

iv) **Attendance of Directors at Meetings held during the Financial Year 2019-20:**

Seven Board Meetings were held during the Financial Year ended 31st March, 2020 on 15th May, 2019, 19th July, 2019, 26th July, 2019, 8th August, 2019, 7th November, 2019, 11th February, 2020 and 18th February, 2020. The attendance of each Director at these Meetings and at the Hundredth Annual General Meeting ("AGM") held on 26th July, 2019 was as follows:

Members	Attendance	
	No. of Board Meetings	AGM
Basant Kumar Birla (till 03.07.2019)	0	No
Manjushree Khaitan	7	Yes
Amitabha Ghosh	5	Yes
Kashi Prasad Khandelwal	7	Yes
Sudip Banerjee	7	Yes
Lee Seow Chuan	4	Yes
Jikyeong Kang	4	Yes
Siddhartha Mohanty	5	Yes
Bhaskar Niyogi (appointed w.e.f. 07.11.2019)	2	N.A.
Chander Kumar Jain (till 08.08.2019)	4	Yes
P. Radhakrishnan (appointed w.e.f. 08.08.2019)	3	N.A.

v) Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2019-20:

S. No.	Name of the Directors	Sitting fees paid for (₹ in lakhs)	
		Board Meetings	Committee Meetings*
1	Basant Kumar Birla (till 03.07.2019)	-	-
2	Manjushree Khaitan @	5.00	0.40
3	Amitabha Ghosh	5.00	4.20
4	Kashi Prasad Khandelwal	7.00	7.20
5	Sudip Banerjee	7.00	6.40
6	Lee Seow Chuan #	5.81	5.52
7	Jikyeong Kang #	5.81	6.40
8	Siddhartha Mohanty \$	5.00	4.00
9	Bhaskar Niyogi (appointed w.e.f. 07.11.2019)	2.00	2.00
10	Chander Kumar Jain ^ (till 08.08.2019)	-	-
11	P. Radhakrishnan ^ (appointed w.e.f. 08.08.2019)	-	-
	Total	42.62	36.12

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

@ Relinquished her position as a Whole-time Director effective 19th July, 2019.

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

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

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

No Commission was paid to the Directors during the Financial Year 2019-20.

P. Radhakrishnan was appointed as a Whole-time Director, for a term of three years effective 8th August, 2019 by the Board subject to approval of the Shareholders in General Meeting. The total remuneration paid to him during the period 08.08.2019 to 31.03.2020 is as under:

Particulars	Amount paid ₹/lakhs
Gross Salary:	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	286.86
(b) Value of perquisites	0.72
(c) Others : Contribution to Provident Fund and Superannuation Fund	10.80
Total	298.38

Chander Kumar Jain was appointed a Whole-time Director for a period of one year effective 4th May, 2018 at the Annual General Meeting held on 13th July, 2018. He was re-appointed for a further period of one year effective 4th May, 2019 at the Hundredth Annual General Meeting held on 26th July, 2019. He resigned from the Board effective close of business hours of 8th August, 2019. The total remuneration paid to him during the period 01.04.2019 to 08.08.2019 is as under:

Particulars	Amount paid ₹/lakhs
Gross Salary:	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	156.05
(b) Value of perquisites	Nil
Total	156.05

Manjushree Khaitan was appointed a Whole-time Director for a period of five years effective 5th February, 2013 at the Ninety-fourth Annual General Meeting held on 31st July, 2013. At the Ninety-eighth Annual General Meeting held on 29th June, 2017, she was re-appointed for a further period of two years effective 5th February, 2018. Mrs. Khaitan had relinquished her position as a Whole-time Director effective 19th July, 2019. The total remuneration paid to her during the period 01.04.2019 to 19.07.2019 is as under:

Particulars	Amount paid ₹/lakhs
Gross Salary:	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	84.04
(b) Value of perquisites	0.12
(c) Others :	3.22
Contribution to Provident Fund and Superannuation Fund	
Total	87.38

Apart from the above, no other pecuniary relationships (including stock options) or transactions vis-a-vis the Company existed with any Director during the Financial Year 2019-20.

vi) Code of Conduct:

The Company has a Code of Conduct applicable to all Board Members and Senior Management Staff for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff has declared compliance with the Code of Conduct as at 31st March, 2020. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is available on the website of the Company.

3. AUDIT COMMITTEE

i) Terms of Reference

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

ii) Composition, Name of Members and Chairman

As on 31st March, 2020 the Audit Committee had seven Non-executive Directors as Members, out of which five were Independent Directors and the other two were Nominee Directors. Amitabha Ghosh chairs the Committee.

Four Meetings were held during the Financial Year ended 31st March, 2020 on 15th May, 2019, 8th August, 2019, 7th November, 2019 and 11th February, 2020. The gap between two Meetings has been less than one hundred and twenty days.

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

Members	No. of Meetings attended
Amitabha Ghosh, Chairman	3
Kashi Prasad Khandelwal	4
Sudip Banerjee	4
Lee Seow Chuan	3
Jikyeong Kang	4
Siddhartha Mohanty	4
Bhaskar Niyogi (appointed as a member w.e.f. 07.11.2019)	2

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

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

- the Statutory Auditors, as and when necessary.
- the Internal Auditors, as and when necessary.
- the Cost Auditors, as and when necessary.
- P. Radhakrishnan, Whole-time Director & Chief Financial Officer.
- Business Heads, and other executives who were considered necessary for providing inputs to the Committee.

Amitabha Ghosh, Chairman of the Committee and Kashi Prasad Khandelwal, Member of the Committee are senior Chartered Accountants with expert knowledge in finance, accounting and audit. Lee Seow Chuan is a Fellow member of the Association of International Accountants, UK. Siddhartha Mohanty, Managing Director, LIC Housing Finance Limited, a qualified lawyer, is well versed in Finance. Sudip Banerjee who is an Economics Graduate from St. Stephen's Delhi and has a Diploma in Management is well versed in Finance. Jikyeong Kang, a doctorate in Marketing, is a respected academic and a known specialist in business management. Bhaskar Niyogi is a post graduate in Economics and holds a Certificate in General Management from IIM Calcutta.

All Members of the Committee are therefore financially literate.

Amitabha Ghosh, Chairman of the Audit Committee, was present at the Annual General Meeting ("AGM") of the Company held on 26th July, 2019 to answer Member's queries.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Composition, Name of Members and Chairman:

As on 31st March, 2020, the Nomination & Remuneration Committee consisted of three Non-executive Independent Directors as Members.

The Committee met two times during the Financial Year 2019-20 on 15th May, 2019 and 8th August, 2019. Amitabha Ghosh chaired both the Meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

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

Members	No. of Meetings attended
Amitabha Ghosh, Chairman	2
Kashi Prasad Khandelwal	2
Lee Seow Chuan	2

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

ii) Nomination and Remuneration Policy:

The Committee formulated Policy accepted by the Board for implementation is available on the website of the Company at www.kesocorp.com.

The performance of individual Board Members including Independent Directors was subject to peer evaluation during the Financial Year.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

i) Composition, Name of Members and Chairman:

As on 31st March, 2020, the Committee consisted of three Directors, out of whom two were Non-executive Independent and one was Executive.

The Committee met five times during the Financial Year 2019-20 on 15th May, 2019, 8th August, 2019, 7th November, 2019, 11th February, 2020 and 19th March, 2020.

Kashi Prasad Khandelwal, appointed as the Chairman w.e.f. 01.04.2019, chaired all the Meetings.

The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Kashi Prasad Khandelwal, Chairman	5
Sudip Banerjee (from 01.04.2019)	5
Chander Kumar Jain (from 01.04.2019 to 08.08.2019)	2
P. Radhakrishnan (appointed w.e.f. 08.08.2019)	3

The terms of reference of the Committee cover all the areas as mentioned under Regulation 20 of the LODR Regulations and Section 178 of the Act.

ii) Shareholder complaints received and redressed during the Financial Year 2019-20:

Nature of Grievances	Complaints received from				Total complaints received during 2019-20	Total complaints redressed	No. of complaints outstanding as on 31 st March, 2020
	Investors directly	Stock Exchanges	SEBI "SCORES"	ROC			
Non-receipt of Dividend/ Interest/ Redemption Warrants/NECs	8	Nil	Nil	Nil	8	8	Nil
Non-receipt of Share / Debenture Certificate(s)	1	Nil	3	Nil	4	4	Nil
Non-receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related grievances	1	Nil	Nil	Nil	1	1	Nil
Non-receipt of Annual Report(s)	1	Nil	Nil	Nil	1	1	Nil
Status of Application lodged for Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reason for Non- Allotment of Shares in Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Change of Name on Securities	Nil	Nil	3	Nil	3	3	Nil
TOTAL	11	Nil	6	Nil	17	17	Nil

iii) Details of outstanding Shares in the Unclaimed Suspense Account:

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on 1 st April, 2019	1	5
Shareholders, who approached the Company for transfer/delivery during 2019-20	Nil	Nil
Shares transferred/delivered during the year 2019-20	Nil	Nil
Shareholders, who approached the Company for transfer/ delivery pending compliance of verification process	Nil	Nil
Shares transferred to Investor Education and Protection Fund (IEPF) u/s 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	Nil	Nil
Balance as on 31 st March, 2020	1	5

The voting rights on these outstanding shares in the Unclaimed Suspense Account and transferred to IEPF shall remain frozen till the rightful owner of such shares claim the shares.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135 of the Act, a Corporate Social Responsibility Committee was first constituted on 29th April, 2014. Post the resignation of Chander Kumar Jain, the Committee was re-constituted effective 8th August, 2019 with Manjushree Khaitan as the Chairman, Amitabha Ghosh and P. Radhakrishnan as Members. The terms of reference of the Committee are aligned with the requirements of Section 135 of the Act. The Committee met once during the Financial Year 2019-20 on 11th February, 2020. Except Amitabha Ghosh, all the Members attended the Meeting.

The Company Secretary acts as Secretary to the Committee.

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the LODR Regulations, a separate Meeting of the Company's Independent Directors was held during the Financial Year 2019-20. Except Lee Seow Chuan, all the Independent Directors attended the Meeting.

All Independent Directors have furnished to the Company the requisite declarations that they meet the relevant independence criteria as laid down in Section 149(6) of the Act read with Regulation 16 (b) of LODR Regulations.

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme for Independent Directors is available on the website of the Company at www.kesocorp.com.

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

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

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

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

10. COMPLIANCE OFFICER

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

11. GENERAL BODY MEETINGS

(A) Details of last three AGMs held:

AGMs	Date of AGM	Location	Time
100 th AGM	26 th July, 2019	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.
99 th AGM	13 th July, 2018	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.
98 th AGM	29 th June, 2017	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.

(B) Special Resolutions passed at previous three AGMs:

a) AGM held on 26th July, 2019:

Four Special Resolutions were proposed and passed as stated hereunder:

- re-appointment of Kashi Prasad Khandelwal as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundredth Annual General Meeting to the conclusion of Company's One Hundred and Fifth Annual General Meeting.
- re-appointment of Sudip Banerjee as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundredth Annual General Meeting to the conclusion of Company's One Hundred and Fifth Annual General Meeting.
- re-appointment of Amitabha Ghosh as an Independent Director for a second term of 5 (Five) years from the

conclusion of Company's One Hundredth Annual General Meeting to the conclusion of Company's One Hundred and Fifth Annual General Meeting.

- iv) re-appointment of Chander Kumar Jain, as Whole-time Director and payment of remuneration for a further period of one year effective from 4th May, 2019 in terms of Sections 196, 197 and Schedule V to the Act read with Rules made thereunder.

b) AGM held on 13th July, 2018:

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

c) AGM held on 29th June, 2017:

Three Special Resolutions were proposed and passed as stated hereunder:

- i) payment of remuneration to Manjushree Khaitan, a Whole-time Director, for the period commencing from 1st April, 2017 to 4th February, 2018 in terms of Sections 196, 197 and Schedule V to the Act read with rules made thereunder.
- ii) re-appointment of Manjushree Khaitan, as Whole-time Director and payment of remuneration for a further period of two years effective from 5th February, 2018 in terms of Sections 196, 197 and Schedule V to the Act read with Rules made thereunder.
- iii) appointment of Tridib Kumar Das, as Whole-time Director and payment of remuneration for a period of three years effective 1st April, 2017 in terms of Sections 196, 197 and Schedule V to the Act read with Rules made thereunder.

(C) National Company Law Tribunal ('NCLT') Convened Meeting held during the last year and the Resolution passed therein:

As per the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT') vide its Order dated 18th June, 2019, a Meeting of the Ordinary Shareholders of the Company was convened on Tuesday, 6th August, 2019 at 11.00 a.m. at "Kala Kunj", 48, Shakespeare Sarani, Kolkata - 700 017 to approve the Scheme of Arrangement between Kesoram Industries Limited ("the Demerged Company") and Birla Tyres Limited ("the Resulting Company") and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 for the demerger of the Tyre Business of the Demerged Company to the Resulting Company ('the Scheme of Arrangement')

(D) Postal Ballot:

During the year, pursuant to Sections 230-232 read with Section 108 and 110 and other applicable provisions of the Act and Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company had provided the facility of remote e-Voting and Postal Ballot to its Members as well as facility of voting through electronic voting at the venue of the Meeting for obtaining the approval of the Members of the Company on the Scheme of Arrangement.

The Hon'ble Tribunal had appointed Mr. Arun Kumar Gupta, Practicing Chartered Accountant, (Membership No. 060892) to act as Scrutinizer to scrutinise the votes cast at the Meeting, as also the votes cast by way of postal ballot and remote e-Voting, in an independent and fair manner. The Company had sent the Notice dated 19th June, 2019, together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members on the cut-off date i.e. 21st June, 2019. The voting period for remote e-Voting as well as postal ballot commenced on Sunday, 7th July, 2019 at 9.00 a.m. and ended on Monday, 5th August, 2019 at 5.00 p.m. and the e-Voting platform was disabled thereafter. The consolidated report on the result of the remote e-Voting/postal ballot forms and the voting conducted at the venue of the NCLT convened meeting in respect of the resolution for approving the Scheme of Arrangement was provided by the Scrutinizer on 6th August, 2019. The details of Voting on the above resolution passed by votes cast at the Meeting, votes cast by way of postal ballot and remote e-Voting are as under:

Resolution passed through Postal Ballot and e-Voting	Votes in favour of the Resolution (%)	Votes against the Resolution (%)
Resolution for approval of the Scheme of Arrangement between Kesoram Industries Limited and Birla Tyres Limited and their respective shareholders.	99.99	0.01

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

12. DISCLOSURE IN RELATION TO THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As required under Regulation 36(3) of the LODR Regulations, brief profiles of Manjushree Khaitan, Lee Seow Chuan and P. Radhakrishnan are appended:

Manjushree Khaitan (Non Executive, Non Independent) DIN: 00055898: Manjushree Khaitan, MA (64) was appointed a Non Executive Director of this Company on 30th October, 1998. She is today a Non Executive Non Independent Director designated as the 'Chairman'. Apart from being a post graduate in English Literature from Calcutta University she has attended several Executive Development Programmes both at the London Business School and IMD, Switzerland. Further, as an industrialist, she has been associated with the chemicals industry, tea and coffee plantations, and information technology for three decades. She is the Chairperson of Manjushree Plantations Limited. She is also a member of the Board of Governors of Birla Institute of Technology and Science, Pilani. In addition, she is closely associated with several educational and cultural trusts, including Birla Education Trust. She holds 7,20,158 Equity Shares of the Company.

Bhaskar Niyogi (Non Executive, Nominee Director) DIN: 03494944: Mr. Niyogi (68) was appointed by the Board as a Nominee Director w.e.f. 7th November, 2019 on the recommendation of the Nomination and Remuneration Committee. He is a consultant at RBL Bank, currently engaged in overseeing Internal Financial Controls, Root Cause Analysis of Human Resource Operations. He holds a Masters Degree in Economics and a Certificate in General Management, IIMC. He possess more than 42 years of experience in the Banking, Risk, Operations, Management and Human Resource Sector. He is also on the Board of Ratnagiri Gas and Power Private Limited and Baroda Global Shared Services Limited and holds no shares in the Company.

Lee Seow Chuan (Non Executive, Independent) DIN: 02696217: Lee Seow Chuan (72), Singapore National has been on the Company's Board since 8th August, 2014 and is being re-appointed as an Independent Director for second term. A reputed finance professional and a fellow member of the Association of International Accountants, UK, he has spent over two decades managing the finances of the Dairy Farm Group. He holds no other Directorship and holds no shares in the Company.

P. Radhakrishnan (Executive, Whole-time Director) DIN: 08284551: P. Radhakrishnan Padmalochanan (51) has been the Company's CFO since 31st August, 2018 and was also appointed as Whole-time Director effective 8th August, 2019. He is a qualified Chartered Accountant and a Cost and Management Accountant with over twenty five years of rich experience in the accounts, finance and treasury function in Industry. He holds no other Directorship and holds no shares in the Company.

13. DISCLOSURES

1. The policy on Related Party Transactions as approved by the Board and amended from time to time is uploaded on the Company's website at www.kesocorp.com.
2. Transactions with Related Parties, as per requirements of Indian Accounting Standard 24 (IND-AS 24) in the prescribed format of Para A of Schedule V of LODR Regulations, 2015 are disclosed in the Notes to Accounts annexed to the Financial Statements. There are no materially significant transactions with Related Parties viz. Promoters, Directors or the Management or their relatives or Subsidiaries that had or could have potential conflict with the Company's interest. There were no Related Party Transactions in terms Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, which required disclosure in Form AOC-2 as such the same does not form part of the Directors' Report.
3. The Company has complied with all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended, while preparing the Financial Statements.
4. There are/were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which have or could have potential conflict with the interests of the Company at large.
5. The Company has complied with all requirements of the LODR Regulations as well as other Regulations and guidelines prescribed by the Securities and Exchange Board of India ("SEBI") for the financial year ended 31st March, 2020 except for late submission of Statement of Investor Complaints for quarter ended March, 2020 under Regulation 13(3) of LODR Regulations within the stipulated time for which the penalties were imposed by the Stock Exchanges but the Company has requested the exchanges to waive those penalties keeping in mind the lockdown period due to COVID-19 pandemic. No other penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
6. The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that critical risks are controlled by the executive management. No Risk Management Committee has been constituted since this is not mandated for the Company under the LODR Regulations.
7. As on 31st March, 2020, the Company had a wholly-owned subsidiary - Cygnet Industries Limited. The Policy on Material Subsidiaries is available on the Company's website at www.kesocorp.com.

8. Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Regulation 16 (b) of the SEBI LODR Regulations.
9. The Company has adopted a Whistle Blower Policy that has been placed on the website of the Company at www.kesocorp.com. The Policy contains guidelines to be followed by a whistle blower. No person has been denied access to the Audit Committee.
10. Commodity price risks and foreign exchange risks are hedged from time to time in accordance with a Board approved Hedging Policy.
11. The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of LODR Regulations.
12. All recommendations of the Board Committees made during the year were accepted by the Board. There were no instances of any disagreement between the Committees and the Board.
13. The status of compliance with non-mandatory recommendations of the Part E of Schedule II of LODR Regulations are provided below:
 - a) Non-Executive Chairman's Office: The Non-Executive Chairman maintains an office at the Company's Registered and Head Office in Kolkata.
 - b) Shareholders' Rights: As the quarterly and half yearly financial performance are submitted to the Stock Exchanges, published in the news papers and posted on the Company's website, these are not sent to shareholders separately.
 - c) Audit Qualifications: The Company's financial statement for the year 2019-20 does not contain any audit qualification.
 - d) Separate posts of Chairman and CEO: The Chairman of the Board is a Non Executive Director and her position is separate from that of CEO. P. Radhakrishnan is the Whole-time Director & CFO.
 - e) Reporting of Internal Auditor: The Internal Auditor and an in house team reports to the Audit Committee.

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

The Company has not, during the financial year 2019-20, raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the LODR Regulations.

15. DISCLOSURE WITH RESPECT TO PAYMENT MADE TO STATUTORY AUDITORS

Details with respect to payment made by the Company and its subsidiary for the services provided by the Statutory Auditors appears separately under Note No. 28 to the Financial Statements.

16. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on the issues covered by the above Act were received during the year:

a.	Number of complaints filed during the financial year 2019-20	Nil
b.	Number of complaints disposed of during the financial year 2019-20	Nil
c.	Number of complaints pending as on end of the financial year 2019-20	Nil

17. MEANS OF COMMUNICATION

(I) Financial Results and other related information:

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges where the Company's Shares are listed and then published in various leading national newspapers, viz. Business Standard (English – all editions) and Dainik Statesman (Bengali edition). The Results are also posted on the Company's website at www.kesocorp.com. The Company has not made any presentation to institutional investors or analysts. All official releases and other related information are also displayed on this website.

(II) Management Discussion and Analysis:

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

18. GENERAL SHAREHOLDER INFORMATION

a) Next AGM

Time	10.00 A.M.
Day	Tuesday
Date	29 th September, 2020
Venue	To be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

b) The Company's Financial Year

The Financial Year of the Company is from 1st April to 31st March.

c) Date of Book Closure

No Book Closure since no dividend is being declared.

d) Stock Exchange related information

i. Listing on Stock Exchanges :

Equity Shares	BSE Limited("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Limited("NSE"), Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai-400 051
	The Calcutta Stock Exchange Ltd.("CSE"), 7, Lyons Range, Kolkata-700 001
	Societe de la Bourse de Luxembourg, Societe Anonyme/R.C.B. 6222, B.P. 165, L-2013 Luxembourg (for GDRs)

ii. Codes:

i) Equity Shares	
BSE	502937
NSE	KESORAMIND
CSE	10000020
Luxembourg Stock Exchange	US4925322053

There are no arrears in payment of Listing Fees.

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

Equity Shares in Demat Form	INE087A01019
Global Depository Receipts	US4925322053

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

g) Stock Market Price Data:

₹/Share

Month	BSE Sensex		Share Price	
	Close	High	Low	Close
April, 19	39,031.55	75.90	66.05	66.80
May, 19	39,714.20	74.20	62.10	69.05
June, 19	39,394.64	75.55	57.85	63.65
July, 19	37,481.12	73.00	56.20	60.40
August, 19	37,332.79	67.40	48.05	52.85
September, 19	38,667.33	63.95	49.80	54.35
October, 19	40,129.05	58.30	45.95	57.50
November, 19	40,793.81	74.10	53.55	59.95
December, 19	41,253.74	64.40	50.00	51.55
January, 20	40,723.49	58.90	50.65	53.25
February, 20	38,297.29	54.20	35.65	36.30
March, 20	29,468.49	37.15	17.05	18.40

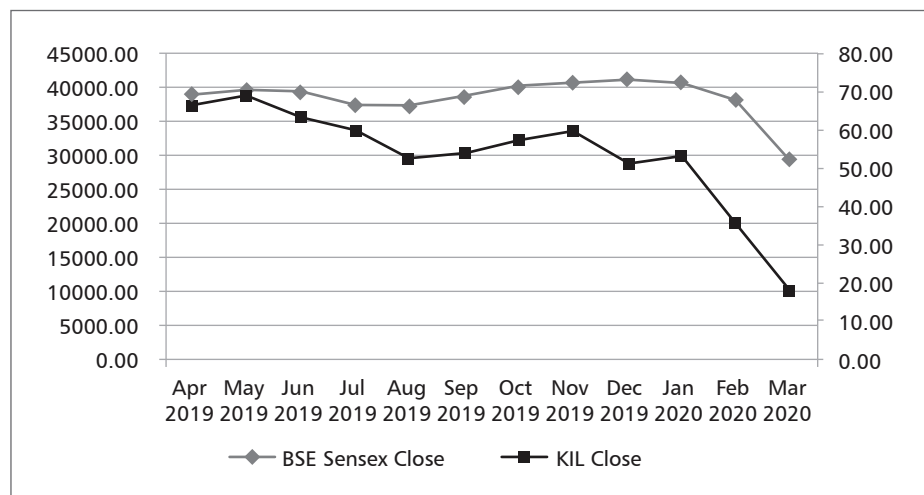
₹/Share

Month	NSE Nifty		Share Price	
	Close	High	Low	Close
April, 19	11,748.15	75.95	66.00	66.40
May, 19	11,922.80	74.40	62.10	69.35
June, 19	11,788.85	74.90	57.70	63.60
July, 19	11,118.00	73.50	56.10	60.30
August, 19	11,023.25	67.30	48.10	52.80
September, 19	11,474.45	64.35	49.75	54.40
October, 19	11,877.45	58.70	46.60	57.50
November, 19	12,056.05	67.70	53.85	60.00
December, 19	12,168.45	63.95	55.05	57.65
January, 20	11,962.10	58.70	51.50	53.15
February, 20	11,201.75	54.10	35.50	36.40
March, 20	8,597.75	37.45	16.80	18.35

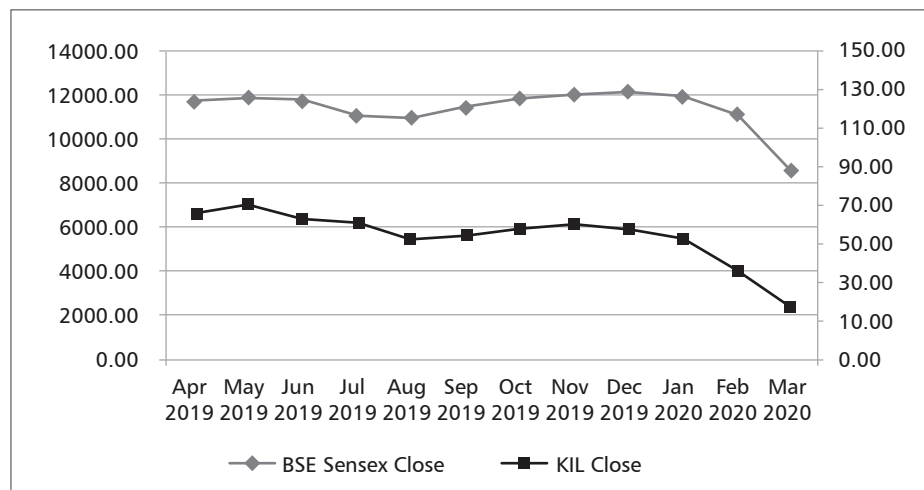
During the year there was no trading on The Calcutta Stock Exchange Ltd. as well as Societe de la Bourse de Luxembourg.

h) Performance in comparison to broad based indices such as BSE SENSEX and NSE NIFTY

Kesoram Industries Limited (KIL) Share Price on BSE vis-a-vis BSE Sensex 2019-20



Kesoram Industries Limited (KIL) Share Price on NSE vis-a-vis NSE Nifty 2019-20



i) Registrar and Share Transfer Agents:

MCS Share Transfer Agent Limited

(Unit: Kesoram Industries Ltd.)

383, Lake Gardens, 1st Floor, Kolkata -700 045

Phone Nos.: 033-40724051-52

Fax No.: 033 40724050

E-mail: mcssta@rediffmail.com

j) Share Transfer System

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

k) Distribution of shareholding as on 31st March, 2020

(a) According to category of holding:

Category	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
Promoters	15	0.02	7,57,61,340	53.13
Mutual Funds / UTI	11	0.01	83,341	0.06
Financial Institutions & Banks	36	0.04	2,13,813	0.15
Foreign Portfolio Investors	2	0.00	6,700	0.00
Insurance Companies	5	0.01	50,34,087	3.53
NRI/OCB's	757	0.87	45,82,040	3.21
Enemy Property	5	0.01	1,296	0.00
Private Body Corporates / Trust	901	1.04	1,40,41,091	9.85
Individuals	85,309	98.00	3,52,91,960	24.75
Unclaimed Suspense A/c	1	0.00	5	0.00
GDRs	1	0.00	70,41,875	4.94
IEPF Authority	1	0.00	3,40,251	0.24
NBFC Registered with RBI	3	0.00	1,67,280	0.12
Co operative Society	1	0.00	25,000	0.02
Total	87,048	100.00	14,25,90,079	100.00

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

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Shares
1-100	57,561	66.13	21,84,801	1.53
101-200	9,604	11.03	16,10,984	1.13
201-500	10,248	11.77	37,48,724	2.63
501-1000	4,765	5.47	38,85,477	2.72
1001-5000	3,997	4.59	87,93,506	6.17
5001-10000	474	0.55	35,21,510	2.47
10001 and above	399	0.46	11,88,45,077	83.35
Total:	87,048	100.00	14,25,90,079	100.00

l) Dematerialisation and Rematerialisation

Requests for Dematerialisation and Rematerialisation should be sent either to the Company's Registrar and Share Transfer Agents or to the Share Department at Birla Building, 9/1 R. N. Mukherjee Road, Kolkata -700 001.

m) Dematerialisation of shareholding

The Company's Equity Shares are compulsorily traded in the dematerialised form. 14,16,92,834 Equity Shares of the Company representing 99.37% of the total Equity Shares issued were held in dematerialised form as on 31st March, 2020. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

n) Outstanding GDRs

70,41,875 Equity shares of the Company were held as Global Depository Receipts as on 31st March, 2020.

o) Insider Trading

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

p) Plant Locations

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

q) Address for Correspondence**(a) For routine matters:**

Any assistance regarding share transmission, change of address, non-receipt of dividend, duplicate / missing Share Certificate, demat and other matters, investors are welcome to get in touch with the Share Department of the Company at the address given below:

Share Department

Kesoram Industries Limited
Birla Building, 9/1, R. N. Mukherjee Road, Kolkata-700 001
Phone No.: +91-33-22101545
Fax No.: +91-33-22109455
E-mail: sharedepartment@kesoram.net

Or

Registrar and Share Transfer Agents:

MCS Share Transfer Agent Limited
(Unit: Kesoram Industries Ltd.)
383, Lake Gardens, 1st Floor, Kolkata -700 045
Phone Nos.: 033-40724051-52
Fax No.: 033 40724050
E-mail: mcssta@rediffmail.com

(b) For Redressal of Complaints and Grievances:

The Company Secretary
Kesoram Industries Limited
Birla Building, 9/1 R. N. Mukherjee Road, Kolkata-700001.
Telephone Nos. : +91 33 22435453/22429454/22135121
Fax No.: +91 33 22109455
E-mail: corporate@kesoram.net

19. CREDIT RATINGS

Credit Ratings obtained by the Company along with any revisions thereto during the financial year 2019-20 are as follows:-

Rating Agency	Limit	Type	Rating	Date of Rating	Rating Action
CARE Ratings	₹ 1271 Cr	Working Capital	CARE BB + / A4+	11.09.2019	Re-affirmed
Brickwork Ratings	₹ 3286.88 Cr	Working Capital & Term Loan	BWR BBB+ / A2	27.09.2019	Upgraded
CARE Ratings	-	Working Capital	Rating Withdrawn	18.11.2019	Rating Withdrawn
Brickwork Ratings	₹ 3314.26 Cr	Working Capital & Term Loan	BWR D	10.03.2020	Downgraded

20. CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

A Certificate has been issued by Whole-time Director & CFO as required under Regulation 17(8) of the LODR Regulations.

21. RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified Practising Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

22. CERTIFICATES FROM A PRACTISING COMPANY SECRETARY

- The Company has obtained a Certificate from a Practising Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para C of the Schedule V of the LODR Regulations.
- The Company has obtained a Certificate from a Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date: 30th July, 2020

DECLARATION

All Board Members as on 31st March, 2020 and Senior Management Personnel have affirmed their compliance with the "Code of Conduct for Members of the Board and Senior Management" for the period from 1st April, 2019 to 31st March, 2020 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Kesoram Industries Limited

Place: Kolkata
Date: 30th July, 2020

P. Radhakrishnan
Whole-time Director & CFO

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Kesoram Industries Limited

I have examined all relevant records of **Kesoram Industries Limited ("the Company")** for the purpose of certifying compliance of conditions of Corporate Governance under Para C & D of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on **31st March, 2020**. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedure and implementation thereof and was carried out in accordance with the guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. It is neither an audit nor an expression of opinion on the financial statement of the company. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the company has complied with all the mandatory conditions as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C & D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Kolkata
Date: 17th July, 2020
UDIN: F002288B000467929

SALIL BANERJEE
FCS 2288 CP 1140

CERTIFICATE FROM THE COMPANY SECRETARY IN PRACTICE AS PER PARA C
CLAUSE 10 (i) OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

To,
The Members,
Kesoram Industries Limited

I have examined all relevant records including the annual declarations from the directors in Form DIR-8 of **Kesoram Industries Limited ("the Company")** for the purpose of certifying that none of the directors on the board have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as per Para C Clause 10(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31st March, 2020.

Place: Kolkata
Date: 17th July, 2020
UDIN: F002288B000467962

SALIL BANERJEE
FCS 2288 CP 1140

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs:

The Company fully recognises its commitment to the fulfillment of its social responsibilities. Programmes to benefit society in general and those living in the vicinity of its facilities in particular have been consistently implemented over the years. In so doing, the Company has been faithfully following and implementing the vision of its former Chairman, Late Basant Kumar Birla, who instilled in the Company the consciousness of being responsive to the needs of the less privileged. Such observance has been Company Policy for decades much before statutory mandates were even thought of. Although, under the provisions of Section 135(5) of the Companies Act, 2013, the Company need not statutorily spend on CSR activities since the average net profit of the last three years is negative, the Company's CSR schemes primarily focusses on activities that benefit the less privileged in the society.

The Company's CSR Policy has been hosted on the Company's website at www.kesocorp.com.

2. The Composition of the CSR Committee: The Committee is chaired by Manjushree Khaitan with Amitabha Ghosh and P. Radhakrishnan (w.e.f. 08.08.2019) as Members.
3. Average net profit of the company for last three financial years:

Particulars	Last three financial years (₹/ Crores)			Average Net Profit/(Loss) for calculating CSR expenditure (₹/Crores)
	2018-19	2017-18	2016-17	
Net Profit (Loss)*	(254.30)	(463.56)	(245.54)	(321.13)

*Dividend income of ₹.0.05 Crores, ₹ 0.05 Crores and ₹ 0.06 Crores for the financial years 2018-19, 2017-18 and 2016-17 respectively have been deducted from the net profits of the respective financial years in terms of the proviso to Clause (ii) to Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): As will be evident from the above that the Company has made losses during the financial years 2018-19, 2017-18 and 2016-17. And the average net profit for the last three financial years is negative. In view of the above, no CSR expenditure during the Financial Year 2019-20 is mandated.
5. Details of CSR spent during the financial year:
 - a) Total amount to be spent for the financial year: Nil
 - b) Amount unspent, if any: **Not Applicable**
 - c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (i) Local area or others; (ii) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
Not Applicable for Financial year under review							

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: **Not Applicable**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: **The implementation and monitoring of CSR Policy is in compliance/ will be in compliance with CSR objectives and Policy of the Company.**

For and on behalf of the Board

Place: Kolkata
Date: 30th July, 2020

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

ANNEXURE V

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiary / Associate Company / Joint Venture

Part "A": Subsidiary

(₹/Crores)

S. No.	Particulars	Details
1.	Name of the subsidiary	Cygnnet Industries Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
4.	Share Capital	430.05
5.	Reserves & Surplus	(511.66)
6.	Total Assets	650.20
7.	Total Liabilities	731.81
8.	Investments	0.01
9.	Turnover	316.08
10.	Profit before taxation	(89.12)
11.	Provision for taxation	Nil
12.	Profit after taxation	(89.12)
13.	Proposed Dividend	Nil
14.	% of Shareholding	100.00

Notes:

1. Cygnnet Industries Limited is a Wholly-owned Subsidiary of Kesoram Industries Limited w.e.f. 7th May, 2016.

Part "B": Associate and Joint Venture

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Venture

(₹/Crores)

S. No	Name of Associates / Joint Ventures	Gondkhari Coal Mining Limited
1	Latest audited Balance Sheet Date	31 st March, 2020
2	Shares of Associates / Joint Ventures held by the Company on the year end	
	a) Number	22,730
	b) Amount of Investment in Associates / Joint Venture	0.02
	c) Extent of Holding %	45.46
3	Description of how there is significant influence	Joint Venture
4	Reason why the associate / joint venture is not consolidated	Consolidation is done using the Equity Method as per IND AS 28 para 16.
5	Net worth attributable to shareholding as per latest audited Balance Sheet	(0.56)
6	Profit / Loss for the year	0.01
	a) Considered in Consolidation	0.00
	b) Not Considered in Consolidation	0.01

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date: 30th July, 2020

Form No. MR-3**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

TO,
THE MEMBERS,
KESORAM INDUSTRIES LIMITED
9/1, R. N. MUKHERJEE ROAD,
KOLKATA-700001, WEST BENGAL.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESORAM INDUSTRIES LIMITED (CIN: L17119WB1919PLC003429)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NOT APPLICABLE AS THERE WAS NO SUCH EXPOSURE DURING THE PERIOD UNDER AUDIT)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE AS THE COMPANY DID NOT FLOAT ANY SUCH SCHEME DURING THE PERIOD UNDER AUDIT)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE AS THE COMPANY DID NOT ISSUE ANY SUCH SECURITIES DURING THE PERIOD UNDER AUDIT)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE AS THE COMPANY DID NOT APPLY FOR DELISTING DURING THE PERIOD UNDER AUDIT)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE AS THERE WAS NO BUY BACK DURING THE PERIOD UNDER AUDIT) and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditors for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

I further report that the company has delayed compliance by a period of 12/13 days with regulation 13(3) of SEBI (LODR) Regulations, 2015 for the quarter ended 31st March, 2020 and due to which a fine has been levied by the exchanges on the company. The Company has requested the exchanges for waiver as per the provisions of SEBI SOP circular dated 22nd January, 2020.

I also report that on 07th March, 2020 the company has a default of ₹ 79.13 Crore in payment of interest and repayment of principal amount on loans from banks or financial institutions. The default is still continuing. However, due to CoVID-19 pandemic a moratorium has been granted.

Place: Kolkata
Date: 17.07.2020
UDIN: F002288B000467852

Salil Banerjee
FCS 2288 CP 1140

This report should be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE I'**The List of Various Applicable Laws to the Company**

- | | |
|--|---|
| 1. Employees' Provident Fund Act, 1952 and Rules, | 12. Water (Prevention & Control of Pollution) Act, 1974, |
| 2. Payment of Gratuity Act, 1972, | 13. Water (Prevention & Control of Pollution) Cess Act and Rules, |
| 3. Apprentices Act, 1961, | 14. Payment Of Wages Act, 1936, |
| 4. Contract Labour (R&A) Act, 1970, | 15. The Industrial Employment (Standing Orders) Act, 1946, |
| 5. Employees State Insurance Act, 1948, | 16. Finance Act, 1994, |
| 6. Employees Provident Fund & Misc Provision Act, 1952, | 17. The Factories Act, 1948, |
| 7. Minimum Wages Act, 1948, | 18. The Equal Remuneration Act, 1976, |
| 8. Payment of Bonus Act, 1965, | 19. Workmen's Compensation Act, 1923 & Rules, |
| 9. West Bengal Shops and Establishments Act and Rules, | 20. The Maternity Benefit Act, 1961 |
| 10. The West Bengal State Tax On Professions, Trades, Callings And Employments Act & Rules, | 21. The Negotiable Instrument Act, 1881; and |
| 11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, | 22. Goods and Service Tax Act, 2017 |

'ANNEXURE A'

**TO,
THE MEMBERS,
KESORAM INDUSTRIES LIMITED
9/1, R. N. MUKHERJEE ROAD,
KOLKATA-700001, WEST BENGAL.**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Kolkata
Date: 17.07.2020
UDIN: F002288B000467852

Salil Banerjee
FCS 2288 CP 1140

ANNEXURE VII

Details as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31st March, 2020.

S. No.	Requirement	Details
(i)	The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year.	Basant Kumar Birla * - 0.00:1 Manjushree Khaitan # - 18.37:1 Amitabha Ghosh - 1.82:1 Kashi Prasad Khandelwal - 2.81:1 Sudip Banerjee - 2.65:1 Lee Seow Chuan \$ - 2.24:1 Jikyeong Kang \$ - 2.42:1 Siddhartha Mohanty @ - 1.78:1 Chander Kumar Jain ^ - 30.90:1 P. Radhakrishnan + - 59.08:1 Bhaskar Niyogi** - 0.79:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year.	Directors : Basant Kumar Birla *- (100.00) Manjushree Khaitan # - (68.443) Amitabha Ghosh - (41.026) Kashi Prasad Khandelwal - (6.579) Sudip Banerjee - 8.065 Lee Seow Chuan \$ - (26.415) Jikyeong Kang \$ - 40.00 Siddhartha Mohanty @ - 125.00 Chander Kumar Jain ^ - (33.781) P Radhakrishnan + - 71.948 Bhaskar Niyogi **- 0.00 Key Managerial Person : P Radhakrishnan, WTD & CFO + - 71.948 Gautam Ganguli, CS*** - (44.098) Kaushik Biswas, CS**** - 0.00
(iii)	The percentage increase in median remuneration of employees in the Financial Year.	16.39%
(iv)	The number of permanent employees on the rolls of the Company.	1637 employees as on 31.03.2020
(v)	a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year	a) (57.737)
	b) Its comparison with the percentile increase in the managerial remuneration.	b) (21.77)

S. No.	Requirement	Details
	c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	c) There are no exceptional circumstances for increase in managerial remuneration.
(vi)	Affirmation that the remuneration is as per the Remuneration policy of the Company.	Yes

* Deceased on 03.07.2019

Re-designated from Whole-time Director to Non-Executive Chairman of the Company effective 19.07.2019

\$ inclusive of taxes borne by the Company.

@ sitting fees paid to LIC

^ Resigned w.e.f. 08.08.2019

+ Appointed as a CFO effective 31.08.2018 and a Whole-time Director effective 08.08.2019

** Appointed as a Nominee Director effective 07.11.2019

*** Resigned w.e.f. 11.09.2019

**** Appointed effective 12.09.2019

For and on behalf of the Board

Manjushree Khaitan
Chairman

Place: Kolkata
Date: 30th July, 2020

P. Radhakrishnan
Whole-time Director & CFO

ANNEXURE VIII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND EXCHANGE EARNINGS AND OUTGO

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

A. CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

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

Cement

VFD for Packing Plant Dust Collector Fan-1, 2, 3, 4 has been installed and Damper has been removed resulting in reduction of Motor RPM and power saving. In Kiln section 150W Metal Halide lamps have been replaced with 120W LED Lamps resulting in power saving. VFD for RM-1 and 3 Transfer point has been installed and Damper has been removed resulting in reduction of Motor RPM and power saving. VFD for secondary crusher Dust Collector has been installed and Damper has been removed resulting in reduction of Motor RPM and power saving. In TPH 22 Nos. of Conventional lights has been replaced with 12 Nos. of 36W Led lights without effecting the illumination resulting in power saving. Furnace draft reduced from -1.5 mmwc to -1.0 mmwc for reducing LOI. Cooler cooling air optimisation. Observed clinker exit temperature and reducing cooler fan flow increase in secondary air temperature and reduction in power and observed 0.6 KW per ton of clinker, by reducing cooling air in K-1 = 1.8 to 1.65 NM³ and in K-2 = 1.9 to 1.80 NM³. Cement mill-3 by-pass DC & twin cyclones. Twin cyclones dismantled & by-pass air directly connected to by-pass dust collector. New duct with dia 600 mm & 12 meter length fabricated & erected. Replacement of Kiln-1 K-Line Heat exchanger 550 damaged tubes with new tubes to avoid infiltration of false air resulting in power saving. Achieved reduction of Electrical energy consumption of 0.39 KWH/MT of Cement by implementing the following energy conservation measures:

- a) Fly ash re-circulation system has been modified.
- b) Compressors pressures in plant operation has been optimised.
- c) Avoided the idle running of screw compressors at cement Mill -1 & 2.
- d) PID Loop has been introduced for running of CSP top dust collector fan.
- e) Variable Frequency Drives has been installed for compressors and belt conveyers.
- f) Replaced old conventional LT motors with Energy efficient premium motors.
- g) Cement mill -3 Grinding media has been optimised.
- h) Redesigned piping for cooler fans and dust collector fans.
- i) Replaced Cast iron fan with E-Gloss Epoxy FRP fan at Power plant cooling tower.
- j) Replaced old conventional light fittings with LED Light fittings.

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

2.96% of Black Carbon is used as substitution of coal for clinker manufacturing during the F.Y. 2019-20. Alternative fuels and Raw Materials 4.79% TSR is achieved for clinker manufacturing. 1.4 MT grinding aid is used for cement grinding to reduce power consumption.

iii) Capital investment on energy conservation equipments

₹ 0.28 Crores

B. TECHNOLOGY ABSORPTION:

i) Efforts made towards technology absorption

Installed SPRS System for all process fans, HT Motors in the Cement Plant. Cast iron fan replaced with E-glass FRP fan at power plant cooling tower. VFDs installed for most of the fans, pumps and compressors. Conventional light fittings replaced with LED Fittings. 10 nos. conventional low efficiency old LT Motors replaced with premium energy efficient LT Motors for shell cooling fans and Silo Aeration blowers.

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

Cement

In CPP, Vibrating screen bottom deck mesh safety rubber strip provided. Provided SS shrouding for avoiding erosion

of bed super heater coil. Arrested oil cooler cooling tube leakage by providing dummy plug. To remove and level soil set material at unit - 1 wagon loading platform, to avoid untowards unsafe incidents. (Removed set material and level the floor, to set the ladder in position). Replacement of old type EH 700 ABB power contactor with new type AF750 ABB contactor by modifying existing bus in kiln - 2 main drive panel. To avoid over travelling of LR mechanism. (We provided stopper at the bottom of the counter weight. So when the LR came to reverse, first limit switch will get cutting and the same time stopper will not allow to move excess travelling, and limit switches also in safe). Avoiding break downs (We taken transducers control supply from feeding system MCC. So, if we stops RM-2 main MCC supply, it will not effect on Raw mill-1). Loader bucket teeth and edge plate damaged, plate and teeth replacement and modified. (Damaged teeth and edge plate removed. Now we are fabricated new 16mm plate as a edge plate. New teeth welded and bottom side hard facing plates are welded, production increase, cost saving). Steep approach to O-sepa dust collector top. (By using old steel material we have fabricated and erected new approach with proper angle for easy approach). Un safe near bag godown for lift the empty bags through hoist. (Provided the fabricated lock for lifting hook). Kiln-2 storage silo elevator pit roof supporting structure is strengthened and also supporting plates have been changed. In Mines Light vehicles, frequently breaking of cutting edge plate. (Replaced with high carbon steel plate 96" length and 8" width, which was taken from scrap yard, and the cutting edge fitted to tractor blade, found it is working ok). In Mines Light vehicles, To avoid hydraulic oil leakage. (Lift cylinder seal made on lathe machine with teflon 62X50X6.5mm and fixed in the cylinder and arrested the hydraulic oil leakage). TPS no.2 sweeping machine. (New version pump assy was fitted, Forward & Reverse valve assy was fitted, inlet and outlet lines are fabricated as per requirement and fitted, design change). Cement mill -3 O-Sepa dust collector inlet. (By using old steel material we have fabricated and erected new approach with proper angle for easy approach. With this approach, we can attend maintenance /inspection activity safely). Reduction in power consumption in the manufacturing process Up to clinkerisation from 52.15 to 51.33 KWH/MT of CLK. Up to grinding & packing from 68.68 to 68.29 KWH/MT of Cement.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) Details of technology imported

No technology was imported during the last three years by the Company.

(b) Year of import

Not applicable.

(c) Whether the technology has been fully absorbed

Not applicable.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

Not applicable.

iv) Expenditure incurred on Research & Development:

Cement

₹ 1.43 Crores

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹/Crores	
	2019-20	2018-19
Foreign exchange earned (F.O.B basis)	Nil	129.29
Foreign exchange outflow	10.72	213.92

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date: 30th July, 2020

ANNEXURE IX

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L17119WB1919PLC003429
(ii)	Registration Date	18 th October, 1919
(iii)	Name of the Company	KESORAM INDUSTRIES LIMITED
(iv)	Category/Sub-Category of the Company	Public Company
(v)	Address of the Registered Office and contact details	9/1, R.N. Mukherjee Road, Kolkata - 700001 Phone: +91 33 22429453 / 22435454 / 22135121 Fax: +91 33 2210 9455 E-mail: corporate@kesoram.net
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 383, Lake Gardens, 1 st Floor, Kolkata - 700045 Phone: +91 33 4072 4051-52, Fax: +91 33 40724050 E-mail: mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of Main Products /Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Cement	23942	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	Cygnat Industries Limited 8 th floor, Birla Building, 9/1, R. N. Mukherjee Road, Kolkata 700 001	U74900WB2015PLC206720	Subsidiary	100.00	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on 1 st April, 2019				No. of Shares held as on 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1312409	Nil	1312409	0.92	1247331	Nil	1247331	0.87	(-) 0.05
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	74514009	Nil	74514009	52.26	74514009	Nil	74514009	52.26	0.00
e) Banks/Fls	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held as on 1 st April, 2019				No. of Shares held as on 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
Sub-total (A)(1)	75826418	Nil	75826418	53.18	75761340	Nil	75761340	53.13	(-) 0.05
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fls	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	Nil	Nil	Nil	0.00	Nil	Nil	Nil	0.00	0.00
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	75826418	Nil	75826418	53.18	75761340	Nil	75761340	53.13	(-) 0.05
B. Public Shareholding									
1. Institution									
a) Mutual Funds	108263	11230	119493	0.08	72111	11230	83341	0.06	(-) 0.02
b) Banks/Fls	247615	15386	263001	0.18	198427	15386	213813	0.15	(-) 0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	5434211	200	5434411	3.81	5033887	200	5034087	3.53	(-)0.28
g) Flls	2068591	6800	2075391	1.46	Nil	6700	6700	0.00	(-) 1.46
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	7858680	33616	7892296	5.53	5304425	33516	5337941	3.74	(-) 1.79
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	16883404	19589	16902993	11.85	14019532	19563	14039095	9.85	(-)2.00
ii) Overseas	3741945	Nil	3741945	2.62	3741945	Nil	3741945	2.62	0.00
iii) NBFCs registered with RBI	133561	Nil	133561	0.09	167280	Nil	167280	0.12	0.03
iv) Central govt/State Govt(s) POI/IEPF Authority	340251	Nil	340251	0.24	340251	Nil	340251	0.24	0.00
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹ 1 lakh	19875385	846617	20722002	14.53	21270470	812474	22082944	15.49	0.96
ii) Individuals shareholders holding nominal share capital excess of ₹1 lakh	9003783	24822	9028605	6.33	13184194	24822	13209016	9.26	2.93
c) Others (specify)									
i) NRI	926095	5574	931669	0.65	834521	5574	840095	0.59	(-) 0.06
ii) Enemy Property	Nil	1296	1296	0.00	Nil	1296	1296	0.00	0.00
iii) Trust	2163	Nil	2163	0.00	1996	Nil	1996	0.00	0.00
iv) Unclaimed Suspense A/c	5	Nil	5	0.00	5	Nil	5	0.00	0.00
v) Co-operative Society	25000	Nil	25000	0.02	25000	Nil	25000	0.02	0.00
Sub-total (B)(2):-	50931592	897898	51829490	36.35	53585194	863729	54448923	38.19	1.84
Total Public Shareholding (B)=(B)(1)+(B)(2)	58790272	931514	59721786	41.88	58889619	897245	59786864	41.93	0.05
C. Shares held by Custodian for GDRs & ADRs	7041875	Nil	7041875	4.94	7041875	Nil	7041875	4.94	0.00
Grand Total (A+B+C)	141658565	931514	142590079	100	141692834	897245	142590079	100	0.00

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding as on 1 st April, 2019			Shareholding as on 31 st March, 2020			% change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	
1	Basant Kumar Birla*	402496	0.28	-	402496	0.28	-	0.00
2	Rajashree Birla	3250	0.00	-	3250	0.00	-	0.00
3	Kumar Mangalam Birla	300	0.00	-	300	0.00	-	0.00
4	Vasavadatta Bajaj	5750	0.00	-	5750	0.00	-	0.00
5	Jayashree Mohta	65078	0.04	-	Nil	0.00	-	(0.04)
6	Manjushree Khaitan	720158	0.51	-	720158	0.51	-	0.00
7	Vidula Jalan	115377	0.08	-	115377	0.08	-	0.00
8	Manav Investment & Trading Company Ltd.	33959679	23.82	16.64	33966691	23.82	23.82	0.00
9	Aditya Marketing & Manufacturing Ltd.	2449111	1.72	-	2449111	1.72	-	0.00
10	B.K. Birla Foundation	7012	0.01	-	Nil	0.00	-	(0.01)
11	Birla Education Trust	954171	0.67	-	954171	0.67	-	0.00
12	Prakash Educational Society	910922	0.64	-	910922	0.64	-	0.00
13	Birla Educational Institution	362643	0.25	-	362643	0.25	-	0.00
14	Birla Institute of Technology & Science	1515806	1.06	-	1515806	1.06	-	0.00
15	Century Textiles & Industries Ltd.	5116800	3.59	-	5116800	3.59	-	0.00
16	Pilani Investment and Industries Corporation Ltd.	27338750	19.17	-	27338750	19.17	-	0.00
17	Padmavati Investment Ltd.	1899115	1.33	-	1899115	1.33	-	0.00
	Total	75826418	53.18	16.64	75761340	53.13	23.82	(0.05)

*deceased on 03.07.2019.

(iii) Change in Promoters' Shareholding in the Financial Year 2019-20:

S. No.	Name of Promoter	Shareholding as on 1 st April, 2019		Shareholding as on 31 st March, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Manav Investment & Trading Company Ltd.				
	At the beginning of the year	33959679	23.82	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Inter-se transfer among promoters on 11.03.2020	7012	0.01	33966691	23.82
	At the end of the year	-	-	33966691	23.82
2	B. K. Birla Foundation				
	At the beginning of the year	7012	0.01	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Inter-se transfer among promoters on 11.03.2020	(7012)	(0.01)	Nil	0.00
	At the end of the year	-	-	Nil	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholder	Shareholding as on 1 st April, 2019		Shareholding as on 31 st March, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Euston Industries Limited	7165325	5.03	7165325	5.03
2	Life Insurance Corporation of India	3716952	2.61	3716952	2.61
3	Devi Investment and Development Inc.	3441945	2.41	3441945	2.41
4	Hardik Bharat Patel ^	Nil	0.00	2561442	1.80
5	Minal Bharat Patel ^	671	0.00	1512648	1.06
6	Century Enka Limited	1403985	0.98	1403985	0.98
7	Life Insurance Corporation of India P & GS Fund	1266865	0.89	1266865	0.89
8	Viral Amal Parikh	975262	0.68	807764	0.57
9	Kajal Synthetics and Silk Mills Ltd.	550000	0.39	550000	0.39
10	B N Nagamani ^	369444	0.26	369444	0.26
11	Finquest Securities Pvt. Ltd. – Client Beneficiary A/C. *	2203200	1.55	Nil	0.00
12	Hypnos Fund Limited *	1694521	1.19	Nil	0.00
13	Shah Jigar Lalchand *	590342	0.41	Nil	0.00
		23378512	16.40	22796370	16.00

^ were not in the top 10 shareholders list on 31/03/2019 but are as on 31/03/2020

* their shareholding had ceased and were not part of top 10 shareholders as on 31/03/2020

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding as on 1 st April, 2019		Shareholding as on 31 st March, 2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Basant Kumar Birla *	402496	0.28	402496	0.28
2	Manjushree Khaitan	720158	0.51	720158	0.51
3	Gautam Ganguli #	740	0.00	740	0.00
		1123394	0.79	1123394	0.79

* deceased on 03.07.2019

ceased to be a KMP w.e.f. close of business hours of 11.09.2019

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness ₹/ Crores
Indebtedness at the beginning of the financial year (1st April, 2019) *				
i) Principal Amount	1,828.06	26.73	100.27	1,955.06
ii) Interest due but not paid	7.59	-	3.30	10.89
iii) Interest accrued but not due	2.37	-	-	2.37
Total (i+ii+iii)	1,838.02	26.73	103.57	1,968.32
Change in Indebtedness (Principal) during the financial year				
Addition	879.83	200.00	131.30	1,211.13
Reduction	915.63	203.00	132.39	1,251.02
Net Change	(35.80)	(3.00)	(1.09)	(39.89)
Indebtedness at the end of the financial year (31st March, 2020)				
i) Principal Amount	1,792.26	23.73	99.18	1,915.17
ii) Interest due but not paid	26.10	0	4.90	31.00
iii) Interest accrued but not due	10.91	0	0	10.91
Total (i+ii+iii)	1,829.27	23.73	104.08	1,957.08

* Opening Balance is excluding Loans & Deposits pertaining to Tyre division.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of WTD			Total Amount (₹)
		Chander Kumar Jain *	Manjushree Khaitan #	P. Radhakrishnan ^	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,56,04,839	84,03,774	2,86,85,890	5,26,94,503
	(b) Value of perquisites u/s 17(2) Income Tax Act 1961	Nil	11,961	72,000	83,961
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others				
5.	Others				
	- Provident Fund	Nil	3,22,258	10,80,000	1,402,258
	- Superannuation Fund	Nil	Nil	Nil	Nil
	Total (A)	1,56,04,839	87,37,993	2,98,37,890	4,41,80,722
	Ceiling as per Act	Remuneration is within limits of provisions of law			

* Chander Kumar Jain was a Whole-time Director of the Company upto 8th August, 2019#Manjushree Khaitan was a Whole-time Director of the Company upto 19th July, 2019^ P. Radhakrishnan was appointed as a Whole-time Director of the Company w.e.f. 8th August, 2019

B. Remuneration to other Directors:

I. Independent Directors

Particulars of Remuneration	Name of Directors					Total Amount (₹)
	Amitabha Ghosh	Kashi Prasad Khandelwal	Sudip Banerjee	Lee Seow Chuan*	Jikyeong Kang*	
Fees for attending Board & Committee Meetings	9,20,000	14,20,000	13,40,000	11,33,721	12,20,931	60,34,652
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	9,20,000	14,20,000	13,40,000	11,33,721	12,20,931	60,34,652

II. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors				Total Amount (₹)
	Basant Kumar Birla**	Manjushree Khaitan	Siddhartha Mohanty #	Bhaskar Niyogi	
Fees for attending Board & Committee Meetings	Nil	5,40,000	9,00,000	4,00,000	18,40,000
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total (2)	Nil	5,40,000	9,00,000	4,00,000	18,40,000
Total B = (1)+(2)					78,74,652
Ceiling as per Act	Remuneration is within limits of provisions of law				

* Includes Income Tax borne by the Company

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

** deceased on 03.07.2019

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTM

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
		Gautam Ganguli - Company Secretary*	Kaushik Biswas - Company Secretary#	P. Radhakrishnan - Chief Financial Officer ^	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,62,82,764	67,74,311	2,86,85,890	5,17,42,965
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	39,293	36,261	72,000	1,47,555
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others	Nil	Nil	Nil	Nil
5.	- Others PF	4,83,000	1,91,040	10,80,000	17,54,040
	Total	1,68,05,057	70,01,612	2,98,37,890	5,36,44,560

*upto 11/09/2019

#appointed w.e.f. 12/09/2019

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

TYPE	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees Imposed	Authority [RD/NCLT/ Court]	Appeal Made, If Any
A. COMPANY					
PENALTY			Nil		
PUNISHMENT					
COMPOUNDING					
B. DIRECTORS					
PENALTY			Nil		
PUNISHMENT					
COMPOUNDING					
C. OTHER OFFICERS IN DEFAULT					
PENALTY			Nil		
PUNISHMENT					
COMPOUNDING					

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date: 30th July, 2020

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

(All amounts in Rupees Crores, unless otherwise stated)

Particulars	31-03-2020 *	31-03-2019 *	31-03-2018 *	31-03-2017 *	31-03-2016
a. Net Fixed Assets					
Gross Fixed Assets	2,031.80	3,421.52	3,395.78	2,863.91	3,635.18
Less: Total depreciation	348.27	372.88	249.75	122.83	1,677.43
	1,683.53	3,048.64	3,146.03	2,741.08	1,957.75
b. Investments	499.55	507.12	508.41	101.25	705.62
c. Other Non Current Assets / (Liabilities) (net)	357.97	187.94	(119.78)	198.92	381.79
d. Other Current Assets / (Liabilities) (net)	(660.69)	(424.12)	580.46	983.40	2,061.53
Capital Employed	1,880.36	3,319.58	4,115.12	4,024.65	5,106.69
e. Less: Loan Funds	1,853.00	2,789.39	3,341.42	3,178.38	4,703.60
Net Worth	27.36	530.19	773.70	846.27	403.09
THE COMPANY'S NET WORTH IS REPRESENTED BY					
a. Equity Share Capital	142.59	142.59	137.34	117.27	124.77
b. Reserve & Surplus	(115.23)	387.60	636.36	729.00	278.32
	27.36	530.19	773.70	846.27	403.09

* Figures for 31-03-2020, 31-03-2019, 31-03-2018 and 31-03-2017 are as per Ind AS compliant Financial Statements. 31-03-2016 figures are as per previous GAAP Financial Statements.

Figures for previous years have been regrouped / rearranged where considered necessary.

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

(All amounts in Rupees Crores, except otherwise stated)

Particulars	2019-20*	2018-19*#	2017-18*	2016-17*	2015-16#
RECEIPTS					
1. Revenue From Operations	2,329.95	3,878.66	3,704.57	4,137.42	4,387.10
2. Other Income	79.35	109.65	153.23	227.37	1,256.00
Total Receipts (A)	2,409.30	3,988.31	3,857.80	4,364.79	5,643.10
EXPENDITURES					
1. Raw Materials and Finished Goods	240.85	1,198.35	1,220.46	1,331.02	1,643.71
2. Employee Benefit Expenses	133.93	271.54	323.41	313.21	389.13
3. Other Expenses	1,726.59	2,213.09	2,229.97	2,469.52	2,670.82
4. Finance Costs	315.05	438.45	421.24	282.10	677.54
Total Expenses (B)	2,416.42	4,121.43	4,195.08	4,395.85	5,381.20
GROSS PROFIT (LOSS) (C)= (A)-(B)	(7.12)	(133.12)	(337.28)	(31.06)	261.90
Exceptional Item (D)	(387.12)	-	-	-	-
GROSS PROFIT (LOSS) post Exceptional Items(C)-(D)	(394.24)	(133.12)	(337.28)	(31.06)	261.90
OTHER COMPREHENSIVE INCOME	(11.37)	1.55	(1.74)	6.27	-
TOTAL COMPREHENSIVE INCOME	(405.61)	(131.57)	(339.02)	(24.79)	261.90
APPROPRIATIONS/TRANSFERS					
1. Depreciation (Net)	91.26	133.08	128.23	123.05	124.78
2. Provision for Taxation	-	(11.95)	-	2.33	-
3. Reversal of MAT Credit Entitlement	-	-	-	-	-
4. Provision for Deferred Tax - charge/ (credit)	-	-	(2.00)	(1.57)	-
5. Surplus/(Deficit)	(496.87)	(252.70)	(465.25)	(148.60)	137.12
	(405.61)	(131.57)	(339.02)	(24.79)	261.90

* Figures for 2019-20, 2018-19, 2017-18 and 2016-17 are as per Ind AS compliant Financial Statements. 2015-16 figures are as per previous GAAP Financial Statements.

All figures are inclusive of Discontinuing Operation.

Figures for previous years have been regrouped / rearranged where considered necessary.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of KESORAM INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **KESORAM INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 42 to the standalone financial statements regarding preparation of the financial statements of the Company on a going concern. The Company had losses during the previous year and has continued to incur losses during the year. The net current liabilities are ₹1,176.23 crores as at 31st March, 2020. These conditions, along with other matters as set forth in Note 42, indicate existence of material uncertainty, which may cast significant doubts about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 40 (d) to the standalone financial statements, which state that the external borrowings from banks is after giving effect to transfer of borrowings to the Resulting Company in accordance with the NCLT approved scheme and that the banks are in the process of splitting the loan as per the order. The Company has received the external confirmations from some banks on the outstanding loan balances as on 31st March, 2020 without giving effect to transfer of borrowings to the Resulting Company in accordance with the NCLT approved scheme and the balance as per confirmation does not match to the balance disclosed, to the extent of borrowings transferred to the Resulting Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Impairment of Investment in Subsidiary and Loan to subsidiary (Cygnnet Industries Limited) – Note 5 A and 7 of the Standalone Financial Statements. The Company has a wholly owned subsidiary (Cygnnet Industries Limited) involved in the business of manufacturing Rayon and Transparent paper. The said subsidiary, due to adverse business conditions, is not performing well and is having a negative net worth. As on 31st March, 2020 the Company has an investment of ₹430 crores and outstanding loans of ₹426 crores in the said subsidiary and has recognised impairment loss on loan of ₹387 crores as on 31st March, 2020. The management at each reporting date assesses if there are any indicators that the investments and loans in the subsidiary is impaired and, if indicators exist, performs an impairment test on these investments by making an estimate of recoverable amount, being the higher of fair value less costs to sell and value in use. The recoverable amount of the investment and loan in subsidiary is assessed based on complex assumptions that require the management to exercise their judgment such as future expected revenue, future expected revenue growth rate, EBIDTA (earnings before interest, depreciation and tax) margins, future cash flow, determination of historical trends, the most appropriate discount rate. We focused on this area due to significant carrying amount of the investment and loan in subsidiary and the significant management judgement and estimates involved in recoverable amount.	How the Key Audit Matter Was Addressed in the Audit Our audit procedures, included challenging management on the appropriateness of the impairment models and reasonableness of the assumptions used, focusing in particular the business projections of Cygnnet Industries Limited through the following procedures: • We obtained an understanding of controls instituted by the management to assess impairment indicators and tested the effectiveness of the management controls over the impairment assessment process and preparation of impairment workings. • Benchmarking key market- related assumptions in the models, including discount rates and long term growth rates, against external data, using our valuation specialists. • Tested the mathematical accuracy and performed sensitivity analysis in order to assess the potential impact of changes in the inputs used on the recoverable amount; • Performed a detailed analysis of the revenue and cost projections and various assumptions relating to revenue growth for assessing the reliability of cash flow forecast, compared the revenue projections and coherenced the forecast with market trend through a review of actual past performance and comparison to previous forecasts to understand the appropriateness/realistic of the management estimates. • Evaluated the adequacy of disclosures in the financial statements with respect to the assumptions and checked whether they were appropriately presented.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the following Annexures thereto (namely Management Discussion and Analysis, Report on Corporate Governance, Annual Report on Corporate Social Responsibility Activities, Form AOC – 1, Conservation of energy, Technology Absorption and Exchange Earnings and Outgo), but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- On the basis of the written representations received

Period	Number of Managerial Personnel	Amount of Excess Remuneration (₹ in crores)	Treatment in Standalone Financial Statements
2019 - 2020	1	0.92	The amount is debited in Employee Benefit Expenses in the financial statements

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
 - The Company did not have any long-term contracts including derivative contracts for

from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its director during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limit laid down under this section are as given below:

which there were any material foreseeable losses.

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Abhijit Bandyopadhyay
Partner

Membership No. 054785
UDIN: 20054785AAAACG8185

Place: Kolkata
Date: 30th July, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of KESORAM INDUSTRIES LIMITED (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Kolkata
Date: 30th July, 2020

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Abhijit Bandyopadhyay
Partner
Membership No. 054785
UDIN: 20054785AAAACG8185

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed, conveyance deed, mutation of title papers, provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory, except for goods-in-transit and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the

Company's interest except for one loan to Gondkhari Coal Mining Limited a joint venture aggregating ₹ 7.11 crores as on at 31st March, 2020, with a maximum amount of ₹ 7.11 crores outstanding during the year, which was granted without any agreement specifying terms and conditions, and is therefore in our opinion prejudicial to the Company's interests.

(b) In respect of the aforesaid loan of ₹ 7.11 crores, the outstanding towards principal is fully provided for and no interest is being charged. The other loan amounting to ₹ 39.52 crores (Net of Impairment Loss of ₹ 387.12 crores) is repayable on demand. The party is regular in repayment of principal and payment of interest as applicable.

(c) In respect of the aforesaid loans, except for an amount aggregating ₹ 7.11 crores which is already provided for, there is no amount which is overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable, except in respect of an amount receivable from another body corporate which has arisen on demerger accounting as per the scheme of arrangement approved by the NCLT. As per the legal opinion obtained by the Company the court approved scheme override the provisions of Section 186 of the Companies Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities except for Interest on Goods and Service tax though the delays in deposit have not been serious.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable except for Goods and Service tax (including interest) the details of which are given below:

Name of the Statute	Nature of Dues	Amount (₹ In crores)	Period to which the amount relates	Due date	Date of Payment
The Central, State and Integrated Goods and Service Tax Act, 2017	Interest on unpaid amount of goods and service tax	0.04	2018 – 19	Not Applicable	Not paid till date
The Central, State and Integrated Goods and Service Tax Act, 2017	Interest on unpaid amount of goods and service tax	1.60	2019 – 20	Not Applicable	Not paid till the date

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Net Amount (₹ In crores)	Amount Deposited (₹ In crores)
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	Tribunal	2003-04	0.11	0.02
Andhra Pradesh VAT Act	Sales Tax	High Court	2006-2010	0.64	0.22
Bombay Sales Tax Act	Sales Tax	Deputy Commissioner of Sales Tax (Appeals), Amravati Division	2003-05	0.32	0.05
Central Excise Act, 1944	Central Excise	Additional Commissioner	2005-2010	0.11	-
Central Excise Act, 1944	Central Excise	Assistant Commissioner	1991-94, 1995-96, 1996-97, 1998-99, 1999-10, 2002-03, 2003-04, 2004-05 to 2005-06, 2016-17	0.89	0.00*
Central Excise Act, 1944	Central Excise	CESTAT	1974-75 to 1997-98, 1998- 99, 1999-2000, 2000-2004, 2005-06, 2006- 07, 2007-08, 2008-09, 2009- 10, 2010-11, 2011-12.	5.86	0.86
Central Excise Act, 1944	Central Excise	Commissioner	1985-90, 1995-1996, 1999 to 2000 & 2000 to 2001, 2002-03, 2003-2005, 2010-11 and 2011-12, 2012-13	14.43	0.02
Central Excise Act, 1944	Central Excise	Commissioner (Appeals)	1998, 2002-03, 2003-2007, 2007-2011	1.46	0.02
Central Excise Act, 1944	Central Excise	Deputy Commissioner	2004	0.03	-

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Net Amount (₹ In crores)	Amount Deposited (₹ In crores)
Central Excise Act, 1944	Central Excise	High Court	1994,2005-2007	0.50	-
Central Excise Act, 1944	Central Excise	Superintendent of Central Excise	1979-83,1992- 93, 1995-00, 2001-06, 2011-13, 2013-14, 2014-15, 2015-16	0.55	0.03
Central Excise Act, 1944	Central Excise	Supreme Court	2010	0.08	-
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	2016-17	0.06	0.01
Central Sales Tax Act, 1956	Sales Tax	CESTAT	2009-10	20.70	3.00
Central Sales Tax Act, 1956	Sales Tax	High Court	2001-02, 2003-04, 2015-16	4.98	5.21
Central Sales Tax Act, 1956	Sales Tax	Karnataka Appellate Tribunal, Bangalore	2004-05	1.27	1.27
Central Sales Tax Act, 1956	Sales Tax	WB Appellate & Revisional Board	2003-04, 2004- 05, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11	7.01	0.00*
Finance Act , 1994	Service Tax	CESTAT	2005-06 to 2016-17	46.27	3.71
Finance Act, 1994	Service Tax	Superintendent of Central Excise	2013-14, 2014-15	0.11	-
Goods and Service Tax Act	Goods and Service Tax	Commissioner (Appeals)	2018-19, 2019-20	72.85	6.23
Goods and Service Tax Act	Goods and Service Tax	High Court	2017-18, 2018-19	4.76	-
WB Sales Tax Act,1994	Sales Tax	WB Taxation Tribunal	1998-99, 2006-07, 2010-11	3.32	0.06
WB VAT Act, 2003	Sales Tax	Additional Commissioner	2014-15	0.04	0.00*
WB VAT Act, 2003	Sales Tax	WB Appellate & Revisional Board	2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10	2.76	0.00*
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	High Court	1999-2000	0.18	-

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government except as under. The Company has not issued any debentures.

Particulars	Amount of default as at 31 st March, 2020* (₹ in crores)	Period of Default	Nature of Financial Obligation
Dues to Banks:			
State Bank of India	59.45	January – March, 2020	Letter of credit
State Bank of India	57.88	March, 2020	Working Capital Loan in excess of Drawing Power
State Bank of India	5.87	March, 2020	Interest on working capital
Punjab National Bank	6.50	February - March, 2020	Letter of credit
Punjab National Bank	0.36	March, 2020	Interest on working capital
Axis Bank Limited	6.47	March, 2020	Interest on term loan
Axis Bank Limited	8.98	March, 2020	Working Capital Loan in excess of Drawing Power
ICICI Bank Limited	2.45	March, 2020	Letter of credit
ICICI Bank Limited	1.87	March, 2020	Interest on term loan
ICICI Bank Limited	0.16	March, 2020	Interest on working capital
South Indian Bank	1.85	March, 2020	Interest on Term Loan
South Indian Bank	0.19	March, 2020	Interest on working capital
Laxmi Vilas Bank	0.51	March, 2020	Interest on term loan
Karur Vyasa Bank	0.53	March, 2020	Interest on term loan
Yes Bank Limited	0.20	March, 2020	Interest on working capital
HDFC Bank	7.96	March, 2020	Working Capital Loan in excess of Drawing Power
Indusind Bank	25.87	March, 2020	Working Capital Loan in excess of Drawing Power
ICICI Bank	18.05	March, 2020	Working Capital Loan in excess of Drawing Power
Laxmi Vilas Bank	19.06	March, 2020	Working Capital Loan in excess of Drawing Power
Yes Bank	12.56	March, 2020	Working Capital Loan in excess of Drawing Power
Punjab National Bank	17.70	March, 2020	Working Capital Loan in excess of Drawing Power
South Indian Bank	17.54	March, 2020	Working Capital Loan in excess of Drawing Power
Dues to Financial Institutions:			
West Bengal Infrastructure Development Finance Corporation	0.76	March, 2020	Interest on term loan
Total	272.77		

* The amount of default has not been repaid subsequently till the date of this audit report.

- (ix) In our opinion and according to the information and explanations given to us, the term loans taken have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in excess of the limits and approvals prescribed under section 197 read with Schedule V to the Companies Act, 2013:
The details of remuneration in excess of the limits has been listed in paragraph 1 (h) of Report on Other Legal and Regulatory Requirements section of the auditor's report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Abhijit Bandyopadhyay
Partner

Membership No. 054785
UDIN: 20054785AAAACG8185

Place: Kolkata
Date: 30th July, 2020

Balance Sheet as at 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	31 st March 2020	31 st March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,645.28	2,260.94
(b) Right of use Assets	3A	24.68	-
(c) Capital work-in-progress		13.57	787.68
(d) Other intangible assets	4	-	0.02
(e) Investments in subsidiary and joint venture	5	430.05	430.05
(f) Financial assets			
(i) Investments	6	69.50	77.07
(ii) Loans	7	445.91	333.56
(iii) Other financial assets	8	7.61	16.25
(g) Income tax asset (net)		6.83	22.12
(h) Other non-current assets	9	5.42	75.43
Total non-current assets		2,648.85	4,003.12
(2) Current assets			
(a) Inventories	10	115.18	291.30
(b) Financial assets			
(i) Trade receivables	11	169.78	555.44
(ii) Cash and cash equivalents	12	3.18	18.24
(iii) Other bank balances	13	6.54	27.94
(iv) Loans	7	4.03	4.62
(v) Other financial assets	8	21.21	19.21
(c) Other current assets	9	62.72	169.66
Total current assets		382.64	1,086.41
Total assets		3,031.49	5,089.53
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14 (a)	142.59	142.59
(b) Other equity	14 (b)	(115.23)	387.60
Total equity		27.36	530.19
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,337.46	2,031.47
(ii) Lease Liability		11.53	-
(iii) Other financial liabilities	16	73.57	227.29
(b) Provisions	17	21.34	30.76
(c) Deferred tax liabilities (net)	18	-	-
(d) Other Non-current liabilities	19	1.36	1.37
Total non-current liabilities		1,445.26	2,290.89
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	515.54	757.92
(ii) Lease Liability		10.58	-
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		7.87	8.30
Total outstanding dues of creditors other than micro enterprises and small enterprises		576.60	829.34
(iv) Other financial liabilities	16	191.64	247.12
(b) Provisions	17	45.24	106.47
(c) Income tax liabilities (net)		44.71	46.42
(d) Other current liabilities	19	166.69	272.88
Total current liabilities		1,558.87	2,268.45
Total liabilities		3,004.13	4,559.34
Total equity and liabilities		3,031.49	5,089.53
Notes forming part of the Financial Statements	1-45		

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 30th July, 2020

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Statement of Profit and Loss for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	2019-2020	2018-2019
Continuing Operation			
I Revenue from operations	21	2,329.95	2,580.56
II Other income	22	79.35	82.21
III Total Income (I+II)		2,409.30	2,662.77
IV Expenses:			
(a) Cost of materials consumed	23	246.68	253.68
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(5.83)	7.64
(c) Employee benefit expense	25	133.93	121.61
(d) Depreciation and amortisation expense	26	91.26	87.92
(e) Finance costs	27	315.05	282.60
(f) Other expenses	28	1,726.59	1,912.64
Total Expenses		2,507.68	2,666.09
V Loss before exceptional items and tax (III-IV)		(98.38)	(3.32)
VI Exceptional Items			
Impairment Loss on Subsidiary Loan	7	(387.12)	-
VII Loss before tax (V+VI)		(485.50)	(3.32)
VIII Tax expense:	29		
(1) Current tax charge / (credit) (in respect of earlier year)		-	(11.95)
(2) Deferred tax charge / (credit)		-	-
Total tax expense		-	(11.95)
IX Loss for the year from continuing operations (VII-VIII)		(485.50)	8.63
X Loss before tax from discontinued operations	41	-	(262.88)
XI Tax Expense of discontinued operations		-	-
XII Loss from discontinued operations after Tax (X-XI)		-	(262.88)
XIII Total Loss for the year (IX+XII)		(485.50)	(254.25)
XIV Other Comprehensive Income - Continuing Operations			
Items that will not be reclassified to Profit or Loss (net)			
Remeasurement of post-employment benefit plans		(3.82)	0.07
Fair value changes of investments in equity shares		(7.55)	1.44
XV Other Comprehensive Income - Discontinued Operations			
Items that will not be reclassified to Profit or Loss (net)			
Remeasurement of post-employment benefit plans		-	0.04
XVI Total other comprehensive loss		(11.37)	1.55
XVII Total comprehensive loss for the year (XIII+XVI)		(496.87)	(252.70)
XVIII Earnings per share	30		
Basic (₹)- Continuing Operation		(34.05)	0.61
Basic (₹)- Discontinued Operation		-	(18.45)
Diluted (₹)- Continuing Operation		(34.05)	0.61
Diluted (₹)- Discontinued Operation		-	(18.45)
Basic (₹)- Continuing and Discontinued Operation		(34.05)	(17.84)
Diluted (₹)- Continuing and Discontinued Operation		(34.05)	(17.84)
XIX Notes forming part of the Financial Statements	1-45		

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 30th July, 2020

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Statement of Cash Flows for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax	(485.50)	(266.20)
Adjustments for:		
Depreciation and amortisation	91.26	133.08
Advances/deposits written off	0.11	2.32
Provision for bad and doubtful debts charged/(written back)	2.18	4.06
Provision for decommissioning obligation	-	18.17
Provision for diminution in value of investments	-	0.84
Provision for doubtful advances	0.09	9.32
Impairment Loss on Loan to Subsidiary	387.12	-
Exchange loss/(gain) on derivatives instruments	-	0.01
Finance costs	315.05	438.45
Exchange loss/(gain) on foreign currency fluctuation	0.01	2.95
Loss on sale of property, plant and equipment (net)	0.67	3.96
Liabilities/Provision no longer required written back	(2.16)	(16.53)
Interest income	(68.65)	(65.90)
Dividend income from long term investment (other than trade)	(0.02)	(0.05)
Operating profit before working capital changes	240.16	264.48
Changes in Working Capital:		
Increase / (decrease) in Non Current /Current financial and other liabilities/ provisions	242.20	207.02
(Increase) / decrease in Non Current /Current financial and other assets	200.36	167.47
(Increase) / decrease in inventories	27.92	86.28
Cash Generated from Operations	710.64	725.25
Direct Taxes paid (net of refunds)	47.92	30.65
Net cash generated from operating activities - Total	758.56	755.90
B. Cash flow from Investing Activities:		
Purchase of property, plant and equipment/capital advance given	(22.37)	(27.73)
Proceeds from sale of property, plant and equipment	0.59	5.97
Loan given to subsidiary	(388.94)	(591.45)
Net Loan Received/(Paid) to Body Corporate	(386.87)	-
Repayment of loans given to subsidiary	305.40	652.33
Proceeds from sale of Non Current investments	-	2.73
Interest received	46.45	94.88
Deposit Redemption/(Placed) with bank	(2.73)	(0.31)
Dividend income from long term investment (other than trade)	0.02	0.05
Net cash (used in)/generated from investing activities - Total	(448.45)	136.47
C. Cash flow from Financing Activities		
Proceeds from issue of share warrants	-	9.19
Finance cost paid	(280.28)	(416.99)
Payment of Lease obligations	(7.20)	-
Proceeds from		
- Long term borrowings	80.00	50.00
- Short term borrowings	1,009.95	664.94

Statement of Cash Flows for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
Repayment of		
- Long term borrowings	(116.40)	(112.52)
- Short term borrowings	(803.83)	(1,517.54)
Net cash (used) in financing activities - Total	(117.76)	(1,322.92)
Net increase/(decrease) in cash and cash equivalents	192.35	(430.55)
Cash and cash equivalents at the beginning of the year	18.24	66.99
Less: Cash credits at the beginning of the year	(602.50)	(220.70)
Less: Adjustment due to Scheme of Arrangement	204.28	-
Adjusted cash & cash equivalents at the beginning of the year	(379.98)	(153.71)
Cash & cash equivalents at the end of the year	(187.64)	(584.26)

Particulars	2019-2020	2018-2019
Cash and Cash Equivalents comprise :		
Cash on hand	0.10	0.05
Cheques on hand	-	6.49
Balances with banks on current account	3.08	11.69
Deposit with original maturity for less than three months	-	0.01
Cash credits at the end of the year	(190.82)	(602.50)
	(187.64)	(584.26)

Notes:

- The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows" considering the both continued and discontinued operations.
- Cash flow of the discontinued operation for previous year disclosed as below:

Particulars	2018-2019
Cash Generated from Operations	439.28
Cash used in investing activities	(35.28)
Cash used in financing activities	(559.69)
	(155.69)

- During the previous year, the Company allotted 52,50,000 Equity Shares of face value ₹10 each on preferential basis to a promoter group entity by conversion of the existing 52,50,000 convertible warrants of ₹10 each issued at a premium of ₹165 each, on account of conversion option exercised by the promoter group entity.
- The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date : 30th July, 2020

Statement of Changes in Equity for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 1 st April, 2018		137.34
Changes during the year	14 (a)	5.25
As at 31st March, 2019		142.59
Changes during the year	14 (a)	-
As at 31st March, 2020		142.59

B. Other equity

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant/ subsidy	Capital reserve - Amalgamation reserve	Capital Redemption Reserve	General reserve	Others **	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 1st April, 2019		-	801.27	0.40	2.91	3.59	224.00	7.31	(709.99)	58.11	387.60
Profit/(Loss) for the year		-	-	-	-	-	-	-	(485.50)	-	(485.50)
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	(3.82)	(7.55)	(11.37)
Total comprehensive income for the year		-	-	-	-	-	-	-	(489.32)	(7.55)	(496.87)
Issue of equity shares and warrants		-	-	-	-	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement [Note 41]		-	-	-	-	-	-	-	(81.76)	-	(81.76)
Transfer of losses pursuant to scheme of arrangement [Note 41(d)]		-	-	-	-	-	-	-	75.80	-	75.80
Transfer within equity pursuant to scheme of arrangement	14 (b)	0	-	(0.25)	-	-	-	-	0.25	-	-
Balance as at 31st March, 2020		-	801.27	0.15	2.91	3.59	224.00	7.31	(1,205.02)	50.56	(115.23)

** refer note 14 (b).

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant/ subsidy	Capital reserve - Amalgamation reserve	Capital Redemption Reserve	General reserve	Others **	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 1st April, 2018		82.69	714.64	0.40	2.91	3.59	224.00	7.31	(458.57)	59.39	636.36
Profit/(Loss) for the year		-	-	-	-	-	-	-	(254.25)	-	(254.25)
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	0.11	1.44	1.55
Total comprehensive income for the year		-	-	-	-	-	-	-	(254.14)	1.44	(252.70)
Issue of equity shares and warrants		(82.69)	86.63	-	-	-	-	-	-	-	3.94
Transfer pursuant to scheme of arrangement		-	-	-	-	-	-	-	-	-	-
Transfer within equity*	14 (b)	-	-	-	-	-	-	-	2.72	(2.72)	-
Balance at 31st March, 2019		-	801.27	0.40	2.91	3.59	224.00	7.31	(709.99)	58.11	387.60

* represents gain on sale of shares transferred from Fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings.

** refer note 14 (b).

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 30th July, 2020

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Kaushik Biswas
Company Secretary

Notes to Financial Statements for the year ended 31st March, 2020

1. Company Information

Kesoram Industries Limited (the Company) is a public company domiciled and incorporated under the provisions of the Indian Companies Act, 1913. The Company is a flagship company of B. K. Birla group of companies. Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange) and its Global Depositary Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company markets its cement product under "Birla Shakti" brand.

The financial statements as at 31st March, 2020 present the financial position of the Company.

The financial statements for the year ended 31st March, 2020 were approved by the Board of Directors and authorised for issue on 30th July, 2020.

2. Summary of significant accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Property, plant and equipment

- Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.14 & 2.15 respectively below] incurred during construction/installation period relating to items or projects in progress.
- Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.
- Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (in years)
Buildings	5-60 years
Plant and Equipment	1-40 Years
Furniture and Fixtures	1-16 Years
Office Equipment	1-20 years
Vehicles	8-10 Years
Railway Siding	15 Years

Notes to Financial Statements for the year ended 31st March, 2020

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

2.3 Intangible assets

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

Class of assets	Estimated useful life (in years)
Software	3 Years

2.4 Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 Lease

Effective 1st April, 2019, the Company has adopted Ind AS 116 – Leases using the modified retrospective method. Under modified retrospective approach, the Company has recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17. The weighted average incremental borrowing rate for leases initially recognised upon the first-time application of Ind AS 116 was 13.21%. The Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term. When the lease liability is remeasured due to change in contract terms, a corresponding change is made to the carrying amount of right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset is reduced to zero.

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Notes to Financial Statements for the year ended 31st March, 2020

As a lessor:

In respect of assets given on operating lease, the lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. There is no change in accounting as a lessor due to adoption of Ind AS 116 Leases.

2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(ii) Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

(iii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Notes to Financial Statements for the year ended 31st March, 2020

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

(v) Impairment of financial assets

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(vi) De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(iii) Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

(iv) De-recognition of financial liabilities

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

(v) Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Notes to Financial Statements for the year ended 31st March, 2020

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.8 Employee Benefits

(a) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

(b) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

(c) Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

(d) Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendment require an entity to use updated assumptions to determine current service costs and net interest for the remainder of the period after a plan amendment, curtailment or settlement, and to recognize in the Statement of Profit and Loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

2.9 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Notes to Financial Statements for the year ended 31st March, 2020

2.10 Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Provision for restoration and environmental costs

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

(ii) Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Notes to Financial Statements for the year ended 31st March, 2020

2.12 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Ind AS 12 – Income taxes – Appendix C, Uncertainty over Income Tax Treatments:-

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30th March, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1st April, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 12:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The adoption of the standard did not have any material impact to the financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to the taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as a part of dividend in accordance with Ind AS 12.

2.13 Revenue Recognition

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

(a) Sales of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements / arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Notes to Financial Statements for the year ended 31st March, 2020

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

(b) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

(c) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(d) Rental income

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

(e) Unfulfilled performance obligations

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/dispensed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

2.14 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.15 Foreign currency transactions and translations

(a) Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

(b) Transactions and balances

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

Notes to Financial Statements for the year ended 31st March, 2020

2.16 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

2.17 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors has been identified as the chief operating decision maker. Refer note 38 for segment information presented. The company accounts for intersegment sales and transfers at cost.

2.19 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies, measurement of lease liability and Right to Use Asset.

Notes to Financial Statements for the year ended 31st March, 2020

Note 3: Property, plant and equipment

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	GROSS BLOCK - AT COST						DEPRECIATION					NET BLOCK
	As at 1 st April 2018	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Transfer In ** [Refer Note V]	Deletion during the Year	As at 31 st March 2019	Upto 1 st April 2018	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 st March 2019	As at 31 st March 2019
Land :												
- Freehold	851.88	-	9.77	-	-	861.65	-	-	-	-	-	861.65
- Leasehold	0.29	-	-	-	-	0.29	0.02	-	0.01	-	0.03	0.26
Buildings	378.43	-	3.46	-	3.01	378.88	43.97	-	21.43	0.35	65.05	313.83
Plant and Equipments	1,330.97	-	19.98	-	13.23	1,337.72	190.18	-	104.50	7.46	287.22	1,050.50
Furniture and Fixtures	10.02	-	0.49	-	0.16	10.35	2.58	-	1.19	0.15	3.62	6.73
Office Equipment	7.82	-	0.35	-	0.63	7.54	3.71	-	1.45	0.58	4.58	2.96
Vehicles	20.36	-	1.00	-	2.46	18.90	5.49	-	2.85	1.30	7.04	11.86
Railway Siding	14.35	-	3.50	-	0.38	17.47	2.93	-	1.59	0.10	4.42	13.05
Bearer plant	0.10	-	-	-	-	0.10	-	-	-	-	-	0.10
Total	2,614.21	-	38.55	-	19.87	2,632.90	248.88	-	133.02	9.94	371.96	2,260.94

* Assets transferred pursuant to scheme of arrangement (refer Note 40)

Notes to Financial Statements for the year ended 31st March, 2020

(i) Refer note 15 for Property, plant and equipment pledged as security. (All amounts in Rupees crores, unless otherwise stated)

(ii) Contractual obligations

Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) The above balances include:

Particulars	31 st March 2020 ₹/crores	31 st March 2019 ₹/crores
(i) Cost of assets lying with third parties	-	13.21

(iv) Leasehold Land worth ₹ 0.26 crores has been classified as Right to Use Asset on adoption of INDAS 116 in the current year. Opening Accumulated Depreciation amounting to ₹ 0.03 crores also has been reclassified. Refer Note 3A

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

Note: 3A Right to Use Asset

Particulars	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK		
	As on transition to IND AS 116 1 st April, 2019	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Deletion during the Year	As at 31 st March, 2020	As on transition to IND AS 116 1 st April, 2019	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 st March, 2020	As at 31 st March, 2020
Leasehold Land	0.29	-	5.77	-	6.06	0.03	-	0.12	-	0.15	5.91
Building	4.63	-	0.78	-	5.41	-	-	2.32	-	2.32	3.09
Vehicle	1.58	-	0.10	-	1.68	-	-	1.03	-	1.03	0.65
Plant & Machinery	-	-	20.02	-	20.02	-	-	4.99	-	4.99	15.03
	6.50	-	26.67	-	33.17	0.03	-	8.46	-	8.49	24.68

Note: 4 Other Intangible Asset

Particulars	GROSS BLOCK - AT COST				AMORTISATION				NET BLOCK		
	As at 1 st April, 2019	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Deletion during the Year	As at 31 st March, 2020	Upto 1 st April, 2019	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 st March, 2020	As at 31 st March, 2020
Software	0.94	0.30	-	-	0.64	0.92	0.28	-	-	0.64	-
	0.94	0.30	-	-	0.64	0.92	0.28	-	-	0.64	-

Particulars	GROSS BLOCK - AT COST					AMORTISATION				NET BLOCK	
	As at 1 st April, 2018	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Deletion during the Year	As at 31 st March, 2019	Upto 1 st April, 2018	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 st March, 2019	As at 31 st March, 2019
Software	0.98	-	-	0.04	0.94	0.87	-	0.06	0.01	0.92	0.02
	0.98	-	-	0.04	0.94	0.87	-	0.06	0.01	0.92	0.02

* Assets transferred pursuant to scheme of arrangement (refer Note 40)

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 5 Investments in subsidiary and joint venture

Particulars	Face value	31 st March, 2020	31 st March, 2019
A. Investments carried at cost			
(a) Equity Investments in Subsidiary Company - Unquoted			
43,00,50,000 (31 st March, 2019: 43,00,50,000) shares of Cygnet Industries Limited	10	430.05	430.05
(b) Equity Investments in Joint venture - Unquoted			
22,730 (31 st March, 2019: 22,730) shares of Gondhkari Coal Mining Limited	10	0.02	0.02
Less: Provision for impairment in value of investments		(0.02)	(0.02)
Total investment in subsidiary and joint venture		430.05	430.05

Financial Assets

Note: 6 Investments

Particulars	Face value	31 st March, 2020	31 st March, 2019
A. Investments carried at fair value through other comprehensive income:			
Investments in Equity shares			
(i) Quoted			
496,100 (31 st March, 2019: 496,100) shares of HGI Industries Ltd. \$	10	0.00*	0.00*
4,996,986 (31 st March, 2019: 4,996,986) shares of Kesoram Textile Mills Limited #	2	19.74	23.96
44,750 (31 st March, 2019: 44,750) shares of Vidula Chemicals & Manufacturing Industries Ltd	10	-	-
		19.74	23.96
(ii) Unquoted			
30,000 (31 st March, 2019: 30000) shares of Birla Buildings Ltd	10	46.38	47.76
10,000 (31 st March, 2019: 10,000) shares of Coromandel Stampings & Stones Ltd \$	10	0.00*	0.00*
143,000 (31 st March, 2019: 143,000) shares of Kesoram Insurance Broking Services Ltd	10	1.02	0.92
10,455 (31 st March, 2019: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-
10 (31 st March, 2019: 10) shares of Meghdoot Co-operative Housing Society Ltd \$	100	0.00*	0.00*
7,231 (31 st March, 2019: 7,231) shares of Padmavati Investment Ltd	10	1.75	3.77
18,800 (31 st March, 2019: 18,800) shares of Vasavadatta Services Ltd	10	0.61	0.66
		49.76	53.11
Total Investments		69.50	77.07

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

(a) Quoted

Carrying value	19.74	23.96
Market value	19.74	23.96

(b) Unquoted

Carrying value	49.76	53.11
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market values in cases of some quoted investments are not available, hence the fair value has been considered as market values in such cases

\$ cost of these equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

* Amount is below the rounding off norm adopted by the Company

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 7 Loans

Particulars	31 st March, 2020	31 st March, 2019
A. Non-current		
Credit impaired		
(a) Loan to joint venture company	7.11	7.11
Less: Allowance for credit loss	(7.11)	(7.11)
	-	-
(b) Loan to subsidiary	426.64	333.56
Less: Impairment Loss on Subsidiary Loan [refer Note(c)]	(387.12)	-
	39.52	333.56
Unsecured, considered good		
(c) Loan to others	406.39	-
	445.91	333.56
B. Current		
Unsecured, considered good		
(a) Loan to employees	0.03	0.62
(b) Loan to others	4.00	4.00
	4.03	4.62

Note:

- The Loan to Cygnet Industries Ltd, a wholly owned subsidiary company, was given after complying with the provisions of section 186(4) of the Companies Act, 2013. The loan was given in accordance with the terms and conditions agreed between the parties and is to be used by the recipient in the normal course of business. The loan is repayable on demand. The Rate of Interest on the loan is 10.5% p.a.
- Loan has been provided to Birla Tyres Limited, a body corporate, pursuant to the scheme of arrangement and post demerger is repayable on demand and carrying an interest rate in the range of 10.5% to 11.8% p.a.
- The Company has non-current investment of ₹ 430.05 crores in Cygnet Industries Limited, a wholly owned subsidiary and loan outstanding of ₹ 426.64 crores. During the current year, the Company has carried out an impairment assessment and recognised an impairment loss of ₹ 387.12 crores, which has been presented as an Exceptional Item in the Statement of Profit and Loss for the year ended 31st March, 2020.

The assessment is based on the management's business plans/future projections approved by the Board of Directors. The key assumptions used for computation of value in use are the sales growth rate, gross profit margins, long-term growth rate and the risk-adjusted pre-tax discount rate. The post-tax discount rates are derived from the Company's weighted average cost of capital, taking into account the cost of capital, to which specific market-related premium adjustments are made. The Company has performed sensitivity analysis by changing the aforementioned variables independently, keeping the other variables constant, based upon which, there would be no material increase to the impairment charge which would impact the decision of the user of the financial statements

Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Company	Relationship	As at 31 st March, 2020	Maximum balance outstanding during the year	Investment by the loanee in shares of parent Company
Cygnet Industries Limited	Subsidiary	426.64	554.65	-

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 8 Other financial assets

Particulars	31 st March, 2020	31 st March, 2019
Non-current		
Deposit with original maturity for more than 12 months	3.97	3.66
Security deposits	3.64	12.59
	7.61	16.25
Current		
Security deposits	4.05	4.12
Derivative asset	-	0.01
Balance with body corporates	10.63	10.63
Interest accrued on deposits	0.09	0.11
Others	6.44	4.34
	21.21	19.21

Note: 9 Other assets

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
Capital advances	4.79	22.34
Balance with statutory/government authorities	-	51.44
Prepaid expenses	0.63	1.16
Others	-	0.49
	5.42	75.43
Current		
Balance with statutory/government authorities	43.69	90.41
Prepaid expenses	4.73	6.45
Advance to vendors	44.58	95.46
Less: Allowances for doubtful advances	(31.42)	(27.92)
Others	2.49	36.20
Less: Allowances for doubtful advances	(1.35)	(30.94)
	62.72	169.66

Note: 10 Inventories

Particulars	31 st March, 2020	31 st March, 2019
Raw materials	8.34	81.52
Work-in-progress	15.62	40.88
Finished goods	37.31	84.99
Stores and spare parts	53.91	83.91
	115.18	291.30
Included above, goods-in-transit:		
Raw materials	1.05	6.97
Finished goods	-	11.53
Stores and spare parts	1.82	5.42
	2.87	23.92

The Company has made provision of ₹ 3.38 crores (31st March, 2019: Provision of ₹ 3.45 crores) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 11 Trade receivables

Particulars	31 st March, 2020	31 st March, 2019
Current		
Trade Receivables		
(a) Secured, considered good	32.67	189.38
(b) Unsecured, considered good	137.11	366.06
(c) Credit impaired	6.62	168.93
	176.40	724.37
Allowance for credit losses	(6.62)	(168.93)
	169.78	555.44

Note: 12 Cash and cash equivalents

Particulars	31 st March, 2020	31 st March, 2019
Cash and cash equivalents		
Cash on hand	0.10	0.05
Cheques on hand	-	6.49
Balances with bank		
In Current accounts	3.08	11.69
Others		
Deposit with original maturity less than three months	-	0.01
	3.18	18.24

Note: 13 Other bank balances

Particulars	31 st March, 2020	31 st March, 2019
Deposit with original maturity for more than three months but less than twelve months	6.45	27.79
On unpaid dividend accounts	0.09	0.15
	6.54	27.94

Particulars	31 st March, 2020	31 st March, 2019
Deposits more than three months includes:-		
- Deposits pledged with the sales tax authorities	0.01	0.01
- Held as lien by bank against bank guarantees	6.32	17.53

Note 14: Equity share capital and other equity

Note 14 (a): Equity share capital

Authorised equity share capital

Particulars	31 st March, 2020	31 st March, 2019
55,00,00,000 Equity Shares of ₹ 10 each	550.00	550.00
1,50,00,000 Preference Shares of ₹ 100 each	150.00	150.00
	700.00	700.00

Issued, subscribed and paid-up equity share capital

Particulars	31 st March, 2020	31 st March, 2019
14,25,90,079 Equity Shares of ₹ 10 each fully paid up	142.59	142.59
(31 st March, 2019: 14,25,90,079 Equity Shares of ₹ 10 each fully paid up)		

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(i) Movement in equity share capital

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	142.59	137.34
Conversion of convertible warrants (a)	-	5.25
Closing balance	142.59	142.59

- (a) During the previous year, the Company allotted 52,50,000 Equity Shares of face value ₹10 each on preferential basis to a promoter group entity by conversion of the existing 52,50,000 convertible warrants of ₹10 each issued at a premium of ₹165 each, on account of conversion option exercised by the promoter group entity.

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All equity shareholders are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

(ii) Details of shareholders holding more than 5% shares in the company

Shareholder	31 st March, 2020		31 st March, 2019	
	Number of shares	% holding	Number of shares	% holding
Pilani Investments and Industries Corporation Limited	2,73,38,750	19.17%	2,73,38,750	19.17%
Manav Investment & Trading Co. Ltd	3,39,66,691	23.82%	3,39,59,679	23.82%
	6,13,05,441	42.99%	6,12,98,429	42.99%

Note 14 (b): Other Equity

Particulars	31 st March, 2020	31 st March, 2019
Securities Premium	801.27	801.27
Capital reserve		
(a) Development grant/subsidy	0.15	0.40
(b) Amalgamation reserve	2.91	2.91
Capital redemption reserve	3.59	3.59
General reserve	224.00	224.00
Fair value through other comprehensive income (FVOCI)- equity instruments	50.56	58.11
Others	7.31	7.31
Retained earnings	(1,205.02)	(709.99)
Total reserves and surplus	(115.23)	387.60

(i) Securities Premium

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	801.27	714.64
Increase/(decrease) during the year	-	86.63
Closing balance	801.27	801.27

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(ii) Capital reserve

(a) Development grant/subsidy

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	0.40	0.40
Transfer in equity	(0.25)	-
Closing balance	0.15	0.40

(b) Amalgamation reserve

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	2.91	2.91
Increase/(decrease) during the year	-	-
Closing balance	2.91	2.91

(iii) Capital redemption reserve

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	3.59	3.59
Increase/(decrease) during the year	-	-
Closing balance	3.59	3.59

(iv) General reserve

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	224.00	224.00
Increase/(decrease) during the year	-	-
Closing balance	224.00	224.00

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	58.11	59.39
Change in fair value of FVOCI equity instruments	(7.55)	1.44
Deferred tax	-	-
Transfer in equity	-	(2.72)
Closing balance	50.56	58.11

(vi) Other reserves

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	7.31	7.31
Increase/(decrease) during the year	-	-
Closing balance	7.31	7.31

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(vii) Retained earning

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	(709.99)	(458.57)
Net profit/(loss) for the year	(485.50)	(254.25)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(3.82)	0.11
Transfer pursuant to scheme of arrangement [Note 40]	(81.76)	-
Transfer of losses pursuant to scheme of arrangement [Note 40(c)]	75.80	-
Transfer in equity	0.25	2.72
Closing balance	(1,205.02)	(709.99)

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(ii) Capital reserve

- (a) Certain grants of capital nature had been credited to Capital Reserve.
- (b) The Company has recognised profit on account of amalgamation in capital reserve.

(iii) Capital redemption reserve

Capital redemption reserve was created on account of reinstatement of certain investments and spares at cost.

(iv) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

(vi) Other reserves

Others primarily include:

- (a) Amounts appropriated out of profit or loss for doubtful debts and contingencies.
- (b) Share buyback reserve has been created as per the Companies Act, 1956.
- (c) Reserve which has arisen on forfeiture of shares.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Financial Liabilities

Note 15: Borrowings (measured at amortised cost)

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
Secured		
Term Loans:		
From Bank		
Indian rupee loan [Refer note (a) below]	1,353.41	2,036.38
From others		
Indian rupee loan [Refer note (b) below]	82.27	142.17
	1,435.68	2,178.55
Less: Current maturities of long term borrowings (Refer Note 16) [Note 2 below]	(124.32)	(158.93)
Add: Interest accrued on long term borrowings	26.10	11.85
	1,337.46	2,031.47
Current		
(a) Secured		
Working Capital Loan		
From Bank [Refer note (c) below]		
Indian rupee loan	-	57.53
Overdraft / Cash Credit	190.82	602.50
Working capital demand loan	290.08	68.79
(b) Unsecured		
Term Loan		
From others		
Inter corporate deposit	3.00	3.00
Director	20.73	23.73
	504.63	755.55
Add: Interest accrued on short term borrowings	10.91	2.37
	515.54	757.92

Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 st March, 2020	31 st March, 2019
Cash and cash equivalents	3.18	18.24
Non-current borrowings	(1,337.46)	(2,031.47)
Current borrowings	(515.54)	(757.92)
Total	(1,849.82)	(2,771.15)

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1 st April, 2019	18.24	(2,031.47)	(757.92)	(2,771.15)
Cash flows	192.34	36.40	(206.11)	22.62
Transfer pursuant to the scheme of arrangement	204.28	715.37	45.38	965.03
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(411.68)	-	411.68	-
Interest expenses	-	(176.82)	(138.23)	(315.05)
Interest paid	-	150.61	129.66	280.28
Changes in current maturities of long-term debt and interest accrued on them	-	(31.55)	-	(31.55)
Net debt as at 31 st March, 2020	3.18	(1,337.46)	(515.54)	(1,849.82)

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1 st April, 2018	66.99	(2,120.00)	(1,221.42)	(3,274.43)
Cash flows	(430.55)	62.52	852.59	484.56
Change in cash credit considered as cash and cash equivalent for statement of cash flows	381.80	-	(381.80)	-
Interest expenses	-	(250.68)	(187.77)	(438.45)
Interest paid	-	236.51	180.48	416.99
Changes in current maturities of long-term debt and interest accrued on them	-	40.18	-	40.18
Net debt as at 31 st March, 2019	18.24	(2,031.47)	(757.92)	(2,771.15)

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	31 st March, 2020	31 st March, 2019	Nature of Security	Repayment terms
Axis Bank Ltd.	731.91	1,200.54	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 6 month MCLR plus 2.50% p.a.
ICICI Bank Ltd.	184.84	198.83	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 28 equal quarterly instalments commencing from the 39 th month from the date of disbursement. Interest is payable monthly @ ICICI Bank base rate plus 2.90% per annum with annual reset.
	916.75	1,399.37	Carried over	

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Bank	31 st March, 2020	31 st March, 2019	Nature of Security	Repayment terms
	916.75	1,399.37	Brought forward	
The South Indian Bank Ltd.	224.86	369.40	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.75% p.a.
The Karur Vysya Bank Ltd.	56.29	92.35	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 1.70% p.a.
The Lakshmi Vilas Bank Ltd.	56.31	92.35	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.65% p.a.
IndusInd Bank Ltd	41.75	82.91	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments commencing from the 13 th month from the date of disbursement. Interest is payable monthly @ 1 year MCLR with annual reset.
IndusInd Bank Ltd	57.45	-	First pari passu charge on all fixed assets of Cement Division excluding assets relating to corporate office. Second pari passu charge on current assets of the company excluding assets relating to corporate office. Exclusive charge over land of Hindustan Heavy Chemicals & Kesoram Spun Pipes Foundries Division. Pledge of 1,45,63,787 shares of Kesoram Industries Ltd. held by Manav Investments & Trading Co. Ltd.	36 equal monthly installments starting from 19 th June, 2019. Interest payable monthly @ IndusInd Bank 1 year MCLR plus 0.15% p.a.
	1,353.41	2,036.38		

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(b) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

Financial Institution	31 st March, 2020	31 st March, 2019	Nature of Security	Repayment terms
West Bengal Infrastructure Development Finance Corporation Ltd.	56.30	92.35	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of Cygnet Industries Limited - subsidiary of Kesoram Industries Limited, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Axis Bank 6 month MCLR plus 2.50% p.a.
West Bengal Infrastructure Development Finance Corporation Ltd.	25.97	49.82	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments starting from 30 th June, 2019. Interest payable monthly @ IndusInd Bank 1 year MCLR plus 1.25% p.a.
	82.27	142.17		

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

- 1 Secured by way of hypothecation, first pari passu charge on current assets of the Company and second charge on movable and immovable property, plant and equipment, of the Company. Pledge of 10% of promoter's shareholding i.e. 75,82,642 equity shares of Kesoram Industries Limited in favour of Working Capital Consortium.
- 2 The cash credit and working capital demand loans are repayable on demand.

(d) Notes:

- 1 The Company is in the process of executing new loan agreement with the banks / financial institutions. In the absence of the revised loan agreements, as on 31st March, 2020, financial covenants have been identified and tested by the management based on the existing loan agreements and after reducing the amount of the borrowings transferred to Resulting Company [Refer Note 40(d)].

As per Clause 4.2.11 of the Scheme, any encumbrance over the assets of the Resulting Company relating to any loans, borrowings or other debts which are not transferred to the Resulting Company shall be released and no longer be available as security in relation to such liabilities. The Company is in the process of getting release on the encumbrance over such assets.

- 2 The Company has applied and received the moratorium from most of the lenders as per the scheme of Reserve Bank of India. Accordingly, current maturities of long term borrowings have been restated to the extent of repayments falling due during the moratorium period. The Company have considered existing loan agreements as the base since it is still in the process of executing the revised loan agreements with the respective lenders.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 16: Other financial liabilities

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
Security deposits	73.57	227.29
	73.57	227.29
Current		
Current maturities of long-term debt (Refer Note 15)	124.32	158.93
Capital creditors	4.04	23.17
Retention & earnest deposits	8.82	15.10
Other payables	23.81	12.62
Security deposits	30.51	37.10
Unpaid dividends	0.09	0.15
Unpaid matured deposits and interest accrued thereon	0.05	0.05
	191.64	247.12

Note 17: Provisions

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
(a) Provision for employee benefits		
Provision for leave encashment (unfunded)	12.06	17.83
(b) Others		
Decommissioning obligations	9.28	8.34
Warranties	-	4.59
Total non-current provisions	21.34	30.76
Current		
(a) Provision for employee benefits		
Provision for gratuity (Refer Note 25)	6.91	4.84
Net of advance Nil (31 st March, 2019 ₹ 0.13 crores)		
Provision for leave encashment (unfunded)	3.65	5.19
Others	0.21	0.28
(b) Others		
Warranties	-	16.10
Provision for contingencies	11.84	57.43
Provision for disputed statutory dues	22.63	22.63
Total current provisions	45.24	106.47

(i) Movement in provisions

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

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

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1st April, 2018	20.43	7.50	100.09	11.68
Charged/(credited) to profit or loss:	-	-	-	-
Additional provision recognised	18.17	-	-	10.95
Unused amounts reversed	-	-	(4.22)	-
Amounts used during the year	(15.60)	-	(13.88)	-
Unwinding of discount	(2.31)	0.84	-	-
As at 31st March, 2019	20.69	8.34	81.99	22.63

Note 18: Deferred tax liabilities

Particulars	31 st March, 2020	31 st March, 2019
Deferred Tax Liabilities		
Timing Difference - Property, plant and equipment	289.76	427.15
Timing Difference - Investments	13.61	15.55
Other	2.02	2.08
Gross Deferred Tax Liability	305.39	444.78
Deferred Tax Assets		
Unabsorbed depreciation	17.07	101.33
Capital losses	27.69	1.21
Business losses	77.65	78.82
Items allowable for tax purpose on payment basis	22.69	40.07
Provisions	156.02	97.13
Others	4.27	126.22
Gross Deferred Tax Asset	305.39	444.78
Net Deferred Tax Liability	-	-

Note 19: Other liabilities

Particulars	31 st March, 2020	31 st March, 2019
Non-current		
Advance received from Employees	1.36	1.37
	1.36	1.37
Current		
Deferred revenue	12.85	19.78
Advance from customers	32.98	23.68
Statutory dues	107.79	217.33
Other payables	13.07	12.09
	166.69	272.88

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 20: Trade payables

Particulars	31 st March, 2020	31 st March, 2019
Current		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)	7.87	8.30
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	75.16	179.75
(ii) Others	481.79	616.43
(c) Employee benefits payable	19.65	33.16
	584.47	837.64

Note 21: Revenue from operations

Particulars	2019-2020	2018-2019
Revenue from contracts with customers #		
Sale of Products	2,323.35	2,567.60
Other operating revenue	6.60	12.96
	2,329.95	2,580.56

The entire revenue is being recorded at a point in time.

A. Revenue from contracts with customers disaggregated on the basis of geographical region and product lines is presented below:

Year ended 31st March, 2020

Particulars	India	Outside India	Total
Cement	2,323.35	-	2,323.35
	2,323.35	-	2,323.35

Year ended 31st March, 2019

Particulars	India	Outside India	Total
Cement	2,567.60	-	2,567.60
	2,567.60	-	2,567.60

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

Particulars	2019-2020	2018-2019*
Contract liabilities – Deferred revenue	12.85	19.78
Contract liabilities - Advance from customers	32.98	23.68
	45.83	43.46

The change in Contract Liabilities are as follows:

Particulars	2019-2020	2018-2019*
Contract liabilities - Opening	43.46	61.98
Less: Transferred pursuant to the scheme of arrangement (Refer note 40)	(12.80)	-
Add: Additions during the year, excluding amounts recognised as revenue during the year	43.51	37.02
Less: Revenue recognised in the current year which was included in Contract Liabilities	(28.34)	(55.54)
Contract Liabilities - Closing	45.83	43.46

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019*
Trade Receivables - Gross	176.40	724.37
Less: Allowance for doubtful debt	(6.62)	(168.93)
	169.78	555.44

* Previous year figures include Tyre business

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were not satisfied in a prior year.

Particulars	2019-2020	2018-2019*
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
Contract liabilities – Deferred revenue	15.61	12.01
Contract liabilities – Advance from customers	12.73	43.53
	28.34	55.54

* Previous year figures include Tyre business

Note 22: Other Income

Particulars	2019-2020	2018-2019
Interest income:		
On financial instruments measured at amortised cost	65.81	55.88
On income tax refund	2.84	16.92
Dividend income	0.02	0.05
Other non operating income	10.68	9.36
	79.35	82.21

Note 23: Cost of Materials Consumed

Particulars	2019-2020	2018-2019*
Raw Material Consumed		
Opening inventory	81.52	80.72
Add : Purchases	105.77	130.44
Less : Inventory at the end of the year	8.34	81.52
Add: Raising lime stone cost	124.81	130.92
Less: Transferred pursuant to the scheme of arrangement	57.08	6.88
	246.68	253.68

* Opening and Closing Stock includes Tyre business figures.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
(a) Limestone raising cost include:		
Salaries, Wages, Bonus etc.	12.99	11.01
Contribution to Provident and other Funds	0.80	0.76
Contribution to Gratuity Fund (refer note 25)	0.77	0.36
Workmen and Staff welfare	0.33	0.44
Dead Rent, Royalty etc.	68.13	77.18
Power and Fuel	6.31	6.61
Stores and spares parts consumed	22.94	20.36
Machinery repairs	3.94	4.61
Other repairs	0.09	0.18
Rates and taxes	0.19	0.30
Insurance	0.01	0.03
Contractors-Transport	7.38	7.99
Miscellaneous	0.93	1.09
	124.81	130.92

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

Particulars	2019-2020	2018-2019*
Inventories at the beginning of the year		
- Work-in-progress	50.56	56.96
- Finished Goods	84.99	140.96
Less: Inventories at the end of the year		
- Work-in-progress	15.62	50.56
- Finished Goods	37.31	84.99
Less: Transferred to Capital Jobs	0.13	0.13
Less: Transferred pursuant to the scheme of arrangement	88.32	54.60
	(5.83)	7.64

* Opening and Closing Stock includes Tyre business figures.

Note 25: Employee benefits expense

Particulars	2019-2020	2018-2019
Salaries, wages and bonus**	118.13	101.08
Contribution to provident fund	6.47	8.25
Contribution to superannuation fund	0.09	0.10
Gratuity	2.32	2.68
Contribution under Employees State Insurance Scheme	0.43	0.58
Staff welfare expenses	6.49	8.93
Total employee benefits expense	133.93	121.61

** During the previous year, the Company received a grant from third party amounting to ₹ 31.75 crores which was netted off. The grant has been netted off with related cost for which it has been received.

During the year, the Company recognised an amount of ₹ 7.80 crores (2018-19: ₹ 13.04 crores) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	2019-2020	2018-2019*
Short term employee benefits	7.21	12.79
Post employment benefits	0.59	0.25
Total employee benefits expense	7.80	13.04

* Previous year figures include Tyre business

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(i) Compensated absences

Compensated absences cover the Company's liability for sick and earned leave.

(ii) Defined benefit plan

a) Gratuity

The Company operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

b) Provident fund

Provident fund for certain eligible employees is managed by the Company through the "B. K. Birla Group of Companies Provident Fund Institution" and "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India.

The Company also pays provident fund contributions to publically administered local fund as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
as at 31 st March, 2019	29.99	75.88	45.89
as at 31 st March, 2020	26.26	26.11	(0.15)

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31 st March, 2020	31 st March, 2019
Discount Rate (per annum)	8.50%	8.65%
Expected Rate of Return on Plan Assets (per annum)	8.90%	8.83%

The Company contributed ₹ 3.36 crores and ₹ 3.91 crores during the year ended 31st March, 2020 and 31st March, 2019 respectively to the fund.

The Company contributed ₹ Nil and ₹ 13.10 crores during the year ended 31st March, 2020 and 31st March, 2019 respectively to Government Fund.

(iii) Defined contribution plan

Superannuation Fund: The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary or ₹ 1 lakh, whichever is lower, in case of NPS participating employees and 15% of the basic salary in case of Non NPS participating eligible employees to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Company contributed ₹ 0.10 crores and ₹ 0.10 crores during the year ended 31st March, 2020 and 31st March, 2019 respectively.

(iv) Balance sheet recognition

a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2018	70.43	58.78	11.65
Current service cost	4.48	-	4.48
Interest expense/(income)	5.02	(4.41)	0.61
Total amount recognised in profit or loss	9.50	(4.41)	5.09
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.93	(0.93)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	1.30	-	1.30
Actuarial (gain)/loss from unexpected experience	(0.48)	-	(0.48)
Total amount recognised in other comprehensive income	0.82	0.93	(0.11)
Employer contributions/ premium paid	-	11.66	(11.66)
Benefit payments	6.84	6.84	-
Settlement Cost	-	-	-
Disposal/ Transfer of Asset	-	-	-
31st March, 2019	73.91	68.94	4.97

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 st March, 2020	31 st March, 2019
Discount rate	6.60%	7.50%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 st March, 2020		31 st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	46.75	50.76	71.01	76.46
% change compared to base due to sensitivity	(4)%	4%	(4)%	4%
Salary growth rate (-/+ 0.5%)	50.77	46.72	76.50	70.96
% change compared to base due to sensitivity	4%	(4)%	4%	(4)%
Attrition rate (-/+ 0.5%)	48.75	48.62	73.74	73.57
% change compared to base due to sensitivity	0%	0%	0%	0%
Life expectancy/ mortality rate (-/+ 10%)	48.94	48.43	74.04	73.26
% change compared to base due to sensitivity	1%	(1)%	1%	(1)%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) The major categories of plan assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31st March, 2020 is ₹ 9.94 crores.

The weighted average duration of the defined benefit obligation is 13 years (31st March, 2019 – 13 years).

Note 26: Depreciation and amortisation expense

Particulars	2019-2020	2018-2019
Depreciation on tangible assets	82.80	87.86
Amortisation of intangible & Right to Use assets	8.46	0.06
	91.26	87.92

Note 27: Finance cost

Particulars	2019-2020	2018-2019
Interest expenses	307.60	263.77
Interest on Lease Liabilities	2.21	-
Other borrowing costs	5.24	18.83
	315.05	282.60

Note 28: Other expenses

Particulars	2019-2020	2018-2019
Consumption of stores and spare parts	41.81	50.29
Power and fuel [refer Note (a) below]	639.12	677.92
Rent	8.38	13.29
Repairs and Maintenance [refer Note (b) below]		
Building	6.87	7.75
Plant and Machinery	43.08	46.29
Others	2.90	3.44
Insurance	4.61	4.62
Rates and Taxes	4.75	5.18
Brokerage and Discounts	21.42	25.68
Packing, Carriage and Shipping [refer Note (c) below]	821.70	918.03
Commission to selling agents	7.37	9.23
Sales Promotion	41.98	32.27
Directors' Fees	0.71	0.66
Debts/ Advances/ Deposits written off	0.11	2.32
Legal & Professional Expenses	13.77	29.43
Provision for doubtful debts	2.18	1.95
Provision for doubtful advances	0.09	9.32
Loss on property, plant and equipments sold/ discarded (net)	0.67	3.63
Payments to the auditor [refer Note (d) below]	3.72	3.01
Foreign currency translation loss (net)	0.01	7.85
Miscellaneous expenses [refer Note (e) below]	61.34	60.48
	1,726.59	1,912.64

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
(a) Power and Fuel includes consumption of stores and spares	615.29	562.98
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	4.82	5.56
(ii) Salaries and Wages	40.15	27.81
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts	68.25	61.61
(ii) Salaries and Wages	16.07	11.86
(d) Details of auditors' remuneration and out-of-pocket expenses are as below:		
Auditors remuneration and out-of-pocket expenses:		
Audit Fees (including Limited Reviews)	2.44	2.06
Tax Audit Fees	0.45	0.35
Fees for issuing various certificates	0.77	0.53
Reimbursement of Expenses	0.06	0.07
	3.72	3.01
(e) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	2.39	1.90
(ii) Payment to cost auditor	0.04	0.04

Note 29: Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	2019-2020	2018-2019
Current tax		
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
Decrease (increase) in deferred tax assets	139.38	9.80
(Decrease) increase in deferred tax liabilities	(139.38)	(9.80)
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-

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

Particulars	2019-2020	2018-2019
Profit before tax from Continuing Operations (A)	(485.50)	(3.32)
Profit before tax from Discontinued Operations (B)	-	(262.88)
Profit Before Tax (A+B)	(485.50)	(266.20)
Tax at the rate of 34.944% (2018-19 – 34.944%)	(169.65)	(93.02)
Deferred tax asset not recognised	21.51	87.96
Exempt income	(0.01)	(0.02)
Deductions claimed in tax	-	(2.15)
Weighted deductions available in tax	-	-
Permanent differences	0.01	0.12
Provision for Impairment Loss on Subsidiary Loan	135.28	-
Others (including difference in tax rates)	12.86	7.11
Total income tax expense/(credit)	-	-

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(c) Tax losses

Particulars	2019-2020	2018-2019
Unused tax losses for which no deferred tax has been recognised:		
Tax losses		
Business loss	305.18	1,086.17
- Capital loss: Short term	-	113.70
Unabsorbed tax depreciation	801.77	845.85
Potential tax benefit @ 34.944% on Business loss (FY 2018-19 @34.944%)	386.81	675.12
Potential tax benefit @ 34.944% on Capital loss short term (FY 2018-19@34.944%)	-	39.73
Minimum alternate tax (MAT) credit entitlement	38.29	38.29
Total	425.10	753.14

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

(b) Business losses have an expiry ranging from 1 to 7 years as at the reporting date.

(c) MAT credit entitlement has an expiry period of 5 to 12 years as at the reporting date.

Note 30: Earnings per share

Particulars		2019-2020	2018-2019
(i) Basic			
Number of equity shares at the beginning of the year		14,25,90,079	13,73,40,079
Number of equity shares at the end of the year		14,25,90,079	14,25,90,079
Weighted average number of equity shares outstanding during the year	(A)	14,25,90,079	14,25,18,161
Nominal value of each equity Share (₹)		10	10
Profit / (Loss) for the year (₹ in crores)- Continuing Operation	(B)	(485.50)	8.63
Profit / (Loss) for the year (₹ in crores)- Discontinued Operation		-	(262.88)
Earnings per share (Basic) (₹)- Continuing Operation	(B/A)	(34.05)	0.61
Earnings per share (Basic) (₹)- Discontinued Operation		-	(18.45)
Earnings per share (Basic) (₹)- Continuing and Discontinued Operation		(34.05)	(17.84)
(ii) Diluted			
Weighted average number of equity shares outstanding during the year		14,25,90,079	14,25,90,079
Earnings per share (Diluted) (₹)- Continuing Operation		(34.05)	0.61
Earnings per share (Diluted) (₹)- Discontinued Operation		-	(18.45)
Earnings per share (Diluted) (₹)- Continuing and Discontinued Operation		(34.05)	(17.84)

Note 31: Contingent liabilities

Particulars	31 st March, 2020	31 st March, 2019
(a) Guarantees given -		
(i) by Banks on behalf of other companies	-	5.40
(b) Claims against the Company not acknowledged as debts -		
(i) Rates, Taxes, Duties etc. demanded by various Authorities *	201.72	428.04*
(c) Income Tax matters	15.54	15.05
	217.26	448.49

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

* Previous Year included claims pertaining to Tyre business ₹ 270.78 crores

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 32: Capital and other commitments

Particulars	31 st March, 2020	31 st March, 2019*
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 0.44 crores (31 st March, 2019: ₹ 16.90 crores)]	4.17	49.86
(b) Other Commitments		
Borrowing / Financial obligation not provided for	233.00	225.00
	237.17	274.86

* Previous Year included capital commitment pertaining to Tyre business ₹ 45.85 crores [net of advances ₹ 12.95 crores].

Note 33: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 st March, 2020	31 st March, 2019*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.83	8.12
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.04	0.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.05	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company		

* Previous Year included principle outstanding pertaining to Tyre business ₹ 5.87 crores and interest ₹ 0.18 crores.

Note 34: Lease Disclosure

The estimated impact of Ind AS 116 on the Company's financial statements as at 31st March, 2020 is as follows:-

- The following is the break-up of current and non-current lease liabilities as at 31st March, 2020.

Particulars	31 st March, 2020
Current Lease Liability	10.58
Non Current Lease Liability	11.53
	22.11

- The following is the movement in lease liabilities during the year ended 31st March, 2020:

Particulars	31 st March, 2020
Balance as on transition to IND AS 116	6.21
Additions during the year	20.90
Finance cost accrued during the period	2.21
Deletions	-
Payment of lease liabilities	7.20
Balance as at 31st March, 2020	22.12

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 st March, 2020
3. Expense pertaining to leases which has been identified as Short Term	6.16
4. Expense pertaining to leases which has been identified as Low Value	0.07

5. Contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis:

Particulars	31 st March, 2020
Less than one year	12.02
One to five years	12.14
More than five years	7.51

Note 35: Capital management

(a) Risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

Note 36 : Fair value measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Financial instruments by category

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

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	31 st March, 2019 *			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	18.24	18.24	18.24
Other bank balances	-	-	27.94	27.94	27.94
Trade receivables	-	-	555.44	555.44	555.44
Derivative asset	0.01	-	-	0.01	0.01
Loans	-	-	338.18	338.18	338.18
Investments	-	77.07	-	77.07	77.07
Other financial assets	-	-	35.45	35.45	35.45
Total financial assets	0.01	77.07	975.25	1,052.33	1,052.33
Financial liabilities					
Borrowings	-	-	2,948.32	2,948.32	2,948.32
Trade and other payables	-	-	837.64	837.64	837.64
Lease Liability	-	-	-	-	-
Other financial liabilities	-	-	315.48	315.48	315.48
Total financial liabilities	-	-	4,101.44	4,101.44	4,101.44

* Previous year figures include Tyre business

(i) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

Particulars	31 st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	69.50	69.50
	-	-	69.50	69.50

Particulars	31 st March, 2019 *			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	77.07	77.07
Derivative financial asset	-	0.01	-	0.01
	-	0.01	77.07	77.08

* Previous year figures include Tyre business

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(ii) Valuation technique used to determine fair value

- Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Company has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.
- The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Note 37: Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Credit risk

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Maximum exposure to credit risk of the Company has been listed below:

Particulars	31 st March, 2020	31 st March, 2019*
Trade receivables	169.78	555.44
Loan	449.94	338.18
Other financial assets	28.82	35.46
Total	648.54	929.08

* Previous year figures include Tyre business

Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Company's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31st March, 2020 and 31st March, 2019.

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

Particulars	2019-2020	2018-2019 *
Opening balance	168.93	170.65
Charge/(Release) to statement of profit and loss	2.18	4.06
Transferred pursuant to the scheme of arrangement	(163.38)	-
Utilised during the year	(1.11)	(5.78)
Balance at the end of the year	6.62	168.93

* Previous year figures include Tyre business

(B) Liquidity risk

Liquidity risk refers to that risk where the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The Company has defaulted in repayment of letter of credit, its working capital facilities and interest payable to lenders aggregating to ₹ 272.77 crores in respect of its term loans and working capital facilities as on 31st March, 2020. The default is primarily caused due to liquidity mismatch, while the company has continued to generate positive cash flow from its business operations.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Contractual maturities of financial liabilities 31 st March, 2019 *	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	1,146.76	832.64	782.33	1,416.06	4,177.79
Lease Liability	-	-	-	-	-
Other financial liabilities	88.19	-	-	227.29	315.48
Trade payables	837.64	-	-	-	837.64
Total non-derivative financial liabilities	2,072.59	832.64	782.33	1,643.35	5,330.91

* Previous year figures include Tyre business

(C) Market risk

(i) Foreign currency risk

The Company deals with foreign currency loan, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

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

Foreign currency risk exposure

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

As at 31st March, 2020

	USD (in crores)		EUR (in crores)		GBP (in crores)		JPY (in crores)	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	-	-	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.05	3.39	0.00**	0.05	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	(0.05)	(3.39)	-	(0.05)	0.00	0.00	0.00	0.00

As at 31st March, 2019*

	USD (in crores)		EUR (in crores)		GBP (in crores)		JPY (in crores)	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	2.59	17.94	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.20	1.38	0.05	0.41	0.00**	0.00**	0.01	0.00**
Borrowings	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	2.39	16.56	(0.05)	(0.41)	-	-	(0.01)	-

* Previous year figures include Tyre business.

** Amount is below the rounding off norms adopted by the company.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Sensitivity

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

Particulars	Impact on profit before tax	
	31 st March, 2020	31 st March, 2019
USD sensitivity		
INR/USD appreciates by 5% (31 st March, 2020 - 5%)@	0.17	(0.83)
INR/USD depreciates by 5% (31 st March, 2020 - 5%)@	(0.17)	0.83
EUR sensitivity		
INR/EUR appreciates by 5% (31 st March, 2020 - 5%)@	0.00**	0.02
INR/EUR depreciates by 5% (31 st March, 2020 - 5%)@	0.00**	(0.02)
GBP sensitivity		
INR/GBP appreciates by 5% (31 st March, 2020 - 5%)@	-	0.00**
INR/GBP depreciates by 5% (31 st March, 2020 - 5%)@	-	0.00**
JPY sensitivity		
INR/JPY appreciates by 5% (31 st March, 2020 - 5%)@	-	0.00**
INR/JPY depreciates by 5% (31 st March, 2020 - 5%)@	-	0.00**

@ Holding all other variables constant

** Amount is below the rounding off norms adopted by the company.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2020 and 31st March, 2019, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31 st March, 2020	31 st March, 2019*
Variable rate borrowings	1,949.79	2,966.32
Fixed rate borrowings	23.73	26.73
Total borrowings	1,973.52	2,993.05

* Previous year figures include Tyre business

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31 st March, 2020	31 st March, 2019
Interest expense rates – increase by 50 basis points (50 bps)#	(9.75)	(14.83)
Interest expense rates – decrease by 50 basis points (50 bps)#	9.75	14.83

Holding all other variables constant

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. In general, these investments are not held for trading purposes.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity.

Particulars	Impact on equity	
	31 st March, 2020	31 st March, 2019
Share price - Increase 5%	3.48	3.85
Share price - Decrease 5%	(3.48)	(3.85)

Note 38: Segment reporting

The Scheme of Demerger between the Company and Birla Tyres Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 8th November, 2019 and on filing of the scheme with Registrar of Companies, the Scheme became effective on 4th December, 2019. Pursuant to the Scheme becoming effective, the Tyre business undertaking is demerged from the Company and transferred to and vested in the Resulting Company with effect from 1st January, 2019 i.e. the Appointed Date.

Pursuant to restructuring, the tyre business has been demerged from Kesoram Industries Limited. Therefore, at standalone financial statement level, the Company operates in one segment i.e. "Cement" in the financial year 2019-20. The Company has disclosed segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of INDAS 108 'Operating Segments', no disclosure related to segments are presented in this standalone financial statement.

Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
India	2,329.95	2,438.26
Others	-	142.30
	2,329.95	2,580.56

Note 39: Related party transactions

List of Related Parties and relationship

A) Subsidiary

Cygnnet Industries Limited

B) Joint Venture

Gondkhari Coal Mining Limited

C) Post Retirement Benefit Plan

B.K. Birla Group of Companies Provident Fund Institution

Birla Industries Provident Fund Institution

KICM Gratuity Fund

Kesoram Superannuation Fund

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

D) Key Management Personnel

Smt. Manjushree Khaitan
Mr. P Radhakrishnan
Mr. Kaushik Biswas
Mr. Amitabha Ghosh
Mr. Lee Seow Chuan
Ms. Jikyeong Kang
Mr. Siddhartha Mohanty
Mr. Kashi Prasad Khandelwal
Mr. Sudip Banerjee

E) Others

A. Entity Controlled, Joint Control by Key Management Personnel

MSK Travels and Tours Limited
Aditya Marketing & Mfg Limited
Arbela Trading and Services Private Limited
Usinara Trading and Services Private Limited

B. One entity is an associate of the other entity (or an associate of a group of which the other entity is a member)

Manav Investment & Trading Co Ltd & its subsidiaries

(A) The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction/ Relationship	2019-2020	2018-2019
Interest Income:		
Subsidiary	47.44	36.95
Management Service Income:		
Subsidiary	3.79	3.44
Rent Received:		
Subsidiary	0.17	0.18
Others	-	0.00*
Reimbursement of Expenses:		
Subsidiary	0.08	-
Others	-	-
Purchase of Material:		
Subsidiary	0.39	-
Loan Repayment		
Subsidiary	305.40	652.33
Loan Given		
Subsidiary	388.94	591.45
Impairment Provision on Loan Given		
Subsidiary	387.12	-
Business advance received		
Subsidiary	-	0.13
Interest Received		
Subsidiary	42.05	75.62
Advance Given		
Joint Venture	-	-
Provident Fund Contribution		

* Amount is below the rounding off norms adopted by the company.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Nature of Transaction/ Relationship	2019-2020	2018-2019
Post Retirement Benefit Plan	3.36	3.91
Gratuity Claimed		
Post Retirement Benefit Plan	4.65	6.84
Gratuity Contribution		
Post Retirement Benefit Plan	3.78	11.66
Superannuation Contribution		
Post Retirement Benefit Plan	0.02	0.05
Upkeep, Rent, Electricity, Generator facility		
Others	0.40	0.46
Tour & Travel Services		
Others	11.26	5.17
Receipt of ICD		
Others	-	5.25
Repayment of ICD		
Others	-	5.26
Interest Payment		
Others	-	0.01
Expenditure-Other Services		
Others	8.17	11.95

(B) Outstanding balances

Nature of Transaction/ Relationship	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Payable :		
Others	2.12	2.54
Post Retirement Benefit Plan	6.48	5.13
Loan Receivable		
Subsidiary	417.74	329.51
Joint Venture	6.17	6.17
Interest Receivable		
Subsidiary	8.89	4.05
Joint Venture	0.62	0.62
Rent Receivable		
Subsidiary	-	0.02
Investment in Shares		
Subsidiary	430.05	430.05
Advance Receivable		
Joint Venture	0.32	0.32
Receivable		
Post Retirement Benefit Plan		-
Others	-	0.00*
Liability for Material Purchase		
Subsidiary	0.06	-

* Amount is below the rounding off norms adopted by the company.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(C) Compensation of KMP of the Company

- (i) The following transactions were carried out with the KMP in the ordinary course of business.

The details of remuneration paid to key management personnel is provided in Note 25.

Particulars	2019-2020	2018-2019
Sitting fees to Director	0.71	0.66
Reimbursement of Expenses	0.08	0.13
Loan from Director	-	-

- (ii) Outstanding balances

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Remuneration	0.39	1.20
Loan from Director	20.73	23.73

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

Also refer note 32(b) relating to commitments as on 31.03.2020 in respect of Cygnet Industries Ltd amounting to ₹ 233 crores (Previous year : 225 crores) for borrowing / financing obligation.

Note 40: Demerged Operations

The Scheme of Demerger between the Company and Birla Tyres Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 8th November, 2019 and on filing of the scheme with Registrar of Companies, the Scheme became effective on 4th December, 2019. Pursuant to the Scheme becoming effective, the Tyre business undertaking is demerged from the Company and transferred to and vested in the Resulting Company with effect from 1st January, 2019 i.e. the Appointed Date.

The details of assets and liabilities transferred to the Resulting Company are as under:

Particulars	Tyres Unit
I ASSETS	
(1) Non Current Assets	
(a) Fixed Assets	
(i) Property, Plant and Equipment	560.79
(ii) Capital work-in-progress	770.50
(iii) Other intangible assets	0.03
(b) Financial assets	
(i) Other financial assets	7.97
(c) Deferred tax assets (net)	
(d) Other Non Current Assets	71.10
	1,410.39
(2) Current Assets	
(a) Inventories	200.42
(b) Financial assets	
(i) Trade receivables	213.86
(ii) Cash and cash equivalents	33.85
(iii) Bank balances other than (ii) above	10.11
(iv) Other financial assets	1.25

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Tyres Unit
(v) Loans	0.31
(c) Other Current Assets	66.75
	526.55
Total Assets	1,936.94
II LIABILITIES	
(1) Non current liabilities	
(a) Financial liabilities	
(i) Borrowings	726.03
(ii) Other Financial Liabilities	162.28
(b) Long term provisions	6.40
	894.71
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	266.75
(ii) Trade payables	548.60
(iii) Other financial liabilities	25.16
(b) Employee benefit obligation	8.92
(c) Other current liabilities	52.09
(d) Short-term provisions	58.95
	960.47
Total Liabilities	1,855.18
Net Assets Transferred	81.76

Notes:

- The Company has recognised the effect of demerger and the difference of ₹ 81.76 crores i.e. excess of the value of transferred assets over the transferred liabilities pertaining to the demerged undertaking pursuant to the Scheme has been debited to the Retained earnings of the Company. Further, general or multipurpose borrowings of the Company transferred to the Resulting Company in the ratio of the value of assets transferred bears to the total value of the assets of the Company immediately before the appointed date in terms of the said scheme. The operations of the Tyre business (demerged undertaking) has been re-presented for all previous periods as discontinued operations.
- Upon the effectiveness of this Scheme, the Resulting Company has issued and allotted to each shareholder of the Company, whose name is recorded in the register of members and records of the depository as members of the Company, on the Record Date, (1) one equity share of ₹ 10 (Rupees Ten) each of the Resulting Company credited as fully paid up for every equity share of ₹ 10 (Rupees Ten) each held by such shareholder in the Company such that the shareholding in the Resulting Company on such issuance of shares is the mirror image of the shareholding in the Company.
- The Company transferred its assets and liabilities to Birla Tyres Limited pursuant to scheme of arrangement. The appointed date of the scheme is 1st January, 2019 as approved by the NCLT. Therefore, all transactions from 1st January, 2019 to 31st March, 2019 of the Tyre division were carried on behalf of Birla Tyres Limited and the same is recorded as receivable or payable on account of demerger from Birla Tyres Limited as at 1st April, 2019. Further the losses for the period 1st January to 31st March, 2019 of the Tyre division has been transferred to Birla Tyres Limited amounting to ₹ 75.80 crores.
- Further, general or multipurpose borrowings of the Company transferred to the Resulting Company in the ratio of the value of assets transferred bears to the total value of the assets of the Company immediately before the appointed date in terms of the said scheme. The amount of borrowings transferred has been given in the above table. The banks are in the process of splitting the loan as per the order.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 41: Loss information for Discontinued Operation

Given below is the financial information for the discontinued operations of the tyre segment from 1st April, 2018 to 31st March, 2019.

Particulars	2018-2019
I Revenue from operations	1,298.10
II Other income	27.44
III Total Income (I+II)	1,325.54
IV Expenses:	
(a) Cost of materials consumed	793.29
(b) Purchases of stock-in-trade	89.15
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	54.60
(d) Employee benefit expense	149.95
(e) Depreciation and amortisation expense	45.16
(f) Finance costs	155.86
(g) Other expenses	300.41
Total Expenses	1,588.42
V Loss before exceptional items and tax (III-IV)	(262.88)
VI Exceptional Items	-
VII Profit/(Loss) before tax (V+VI)	(262.88)
VIII Tax expense:	
(1) Current tax charge / (credit)	-
(2) Deferred tax charge / (credit)	-
IX Loss for the year (VII-VIII)	(262.88)

Note 42: The Company had losses during the previous year and has continued to incur losses during the current year, primarily due to lower volumes and finance costs which have resulted in contraction in net worth during the year and as at 31st March, 2020. The net current liabilities as at 31st March, 2020 were ₹ 1,176.23 crores. Further, the Company has not complied with certain financial debt covenants, defaulted in repayment of letter of credit, working capital facilities and interest payable to lenders aggregating to ₹ 272.77 crores in respect of its term loans and working capital facilities as on 31st March, 2020. The default is primarily caused due to liquidity mismatch, while the company has continued to generate positive cash flow from its business operations.

The Board of Directors has evaluated these conditions and has advised management to take measures to improve the liquidity condition of the Company. The Company is working towards a resolution plan with the lenders and has signed a non-binding term sheet with a potential investor, which will enable the Company to scale up its operations and meet the remaining financial obligations. The management is expecting to get the necessary approval of the stakeholders. The Company's ability to continue as a going concern is dependent on successful outcome of the above mentioned management plans. In addition, the Promoter Group, has consistently demonstrated its financial commitment in the Company and would continue with that support in future as and when necessary. Accordingly, these financial information have been prepared on the basis that the Company will continue as a going concern.

Notes to Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 43: Research and development expenditure

The Company has incurred ₹ 1.43 crores (2018-19: ₹1.54 crores) on account of Research and Development expenses which has been charged to Statement of Profit and Loss. Capital Expenditure relating to Research & Development amounting to ₹ Nil (2018-19: ₹ Nil) has been included in property, plant and equipment.

Unit	31 st March, 2020		31 st March, 2019	
	Capital	Revenue	Capital	Revenue
Vasavadatta Cement	-	-	-	-
Kesoram Cement	-	1.43	-	1.54
	-	1.43	-	1.54

Note 44: The appearance of COVID-19 in January, 2020 and its global expansion has caused the viral outbreak to be classified as a pandemic on 11th March, 2020 by the World Health Organisation. Since then measures are being adopted to combat the virus which is having a significant impact not only on people but economic activity in general. As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the operations of the Company were impacted, due to shutdown of all plants and offices (from 24th March, 2020 to 3rd May, 2020) following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Management has considered the possible effects, if any, that may result from of the pandemic on the business and carrying amounts of current assets and liabilities after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results. Given the uncertainties associated with pandemic's nature and duration, the actuals may differ from the estimates considered in these financial results. The Company continues to closely monitor the rapidly changing situation in order to successfully address possible financial and non-financial impact on the Company.

Note 45: Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date : 30th July, 2020

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of KESORAM INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **KESORAM INDUSTRIES LIMITED** ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which includes the Group's share of profit/loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of other auditors on separate financial statements of the subsidiary and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of

the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 42 to the consolidated financial statements regarding preparation of the financial statements of the Company on a going concern basis. The Group had losses during the previous years and has continued to incur losses during the year. The net current liabilities are ₹1,270.53 crores as at 31st March, 2020. These conditions, along with the outcome of other matters as set forth in Note 42, indicate existence of material uncertainty, which may cast significant doubts about the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw attention to Note 40 (d) to the consolidated financial statements, which state that the external borrowings from banks is after giving effect to transfer of borrowings to the Resulting Company in accordance with the NCLT approved scheme and that the banks are in the process of splitting the loan as per the order. The Parent has received the external confirmations from some banks on the outstanding loan balances as on 31st March, 2020 without giving effect to transfer of borrowings to the Resulting Company in accordance with the NCLT approved scheme and the balance as per confirmation does not match to the balance disclosed, to the extent of borrowings transferred to the Resulting Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

We have determined that there are no other key audit matters to communicate in our report beyond matter addressed in the Material Uncertainty Related to Going Concern section of our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the following Annexures thereto (namely Management Discussion and Analysis, Report on Corporate Governance, Annual Report on Corporate Social Responsibility Activities, Form AOC – 1, Conservation of energy, Technology Absorption and Exchange Earnings and Outgo), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary and joint venture is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets

of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and

performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹650.20 crores as at 31st March, 2020, total revenues of ₹316.08 crores and net cash inflows/ (outflows) amounting to ₹ 69.21 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ NIL for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of

1 (one) joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiary and joint venture, referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of

account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company and joint venture company, incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Parent to its directors during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limit laid down under this section are as given below:

Period	Number of Managerial Personnel	Amount of Excess Remuneration (₹ in crores)	Treatment in Consolidated Financial Statements
2019 – 20	1	0.92	The amount is debited in Employee Benefit Expenses in the financial statements

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.
- ii) The Group, its joint venture did not have any material foreseeable losses on long- term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company, joint venture company incorporated in India.

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

Abhijit Bandyopadhyay
Partner

Membership No. 054785
UDIN: 20054785AAAACG8185

Place: Kolkata
Date: 30th July, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of KESORAM INDUSTRIES LIMITED (hereinafter referred to as “Parent”) and its subsidiary company, its joint venture company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company and its joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary company and joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary company and joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary company and its joint venture company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one (1) subsidiary company and one (1) joint venture company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Abhijit Bandyopadhyay
Partner

Membership No. 054785
UDIN: 20054785AAAACG8185

Place: Kolkata
Date: 30th July, 2020

Consolidated Balance Sheet as at 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	31 st March, 2020	31 st March, 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,139.03	2,771.76
(b) Right of use Assets	3A	27.65	-
(c) Capital work-in-progress		31.10	799.94
(d) Other intangible assets	4	0.10	0.26
(e) Equity accounted investments	5	-	-
(f) Financial assets			
(i) Investments	6	69.51	81.60
(ii) Loans	7	406.39	-
(iii) Other financial assets	8	12.41	20.75
(g) Income tax asset (net)		8.34	23.64
(h) Other non-current assets	9	5.81	75.48
Total non-current assets		2,700.34	3,773.43
(2) Current assets			
(a) Inventories	10	162.22	351.51
(b) Financial assets			
(i) Trade receivables	11	196.86	586.78
(ii) Cash and cash equivalents	12	9.65	18.57
(iii) Other bank balances	13	6.54	27.94
(iv) Loans	7	46.67	10.78
(v) Other financial assets	8	21.21	25.04
(c) Other current assets	9	68.30	176.05
Total current assets		511.45	1,196.67
Total assets		3,211.79	4,970.10
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14 (a)	142.59	142.59
(b) Other equity	14 (b)	(239.84)	(30.33)
Total equity		(97.25)	112.26
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,414.13	2,143.40
(ii) Lease Liability		11.93	-
(iii) Other financial liabilities	16	73.57	227.29
(b) Provisions	17	26.07	34.96
(c) Deferred tax liabilities (net)	18	-	-
(d) Other Non-current liabilities	19	1.36	1.37
Total non-current liabilities		1,527.06	2,407.02
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	628.48	846.73
(ii) Lease Liability		11.31	-
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		8.45	8.40
Total outstanding dues of creditors other than micro enterprises and small enterprises		614.70	864.71
(iv) Other financial liabilities	16	251.77	296.31
(b) Provisions	17	51.62	109.55
(c) Income tax liabilities (net)		44.71	46.42
(d) Other current liabilities	19	170.94	278.70
Total current liabilities		1,781.98	2,450.83
Total liabilities		3,309.04	4,857.84
Total equity and liabilities		3,211.79	4,970.10
Notes forming part of the Financial Statements	1 - 45		

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: 30th July, 2020

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Notes	2019-2020	2018-2019
I Revenue from operations	21	2,645.64	2,903.91
II Other income	22	40.34	60.96
III Total Income (I+II)		2,685.98	2,964.87
IV Expenses:			
(a) Cost of materials consumed	23	369.16	374.92
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1.92)	20.56
(c) Employee benefit expense	25	219.55	205.62
(d) Depreciation and amortisation expense	26	112.61	107.99
(e) Finance costs	27	343.63	356.51
(f) Other expenses	28	1,830.48	2,011.66
Total Expenses		2,873.51	3,077.26
V Loss before exceptional items and tax (III-IV)		(187.53)	(112.39)
VI Exceptional Items		-	-
VII Loss before tax (V+VI)		(187.53)	(112.39)
VIII Tax expense:	29		
(1) Current tax charge / (credit) (in respect of earlier year)		-	(11.95)
(2) Deferred tax charge / (credit)		-	-
IX Loss for the year (VII-VIII)		(187.53)	(100.44)
X Loss before tax from discontinued operations	41	-	(262.88)
XI Tax Expense of discontinued operations		-	-
XII Loss from discontinued operations after Tax (X-XI)		-	(262.88)
XIII Total Loss for the year (IX+XII)		(187.53)	(363.32)
XIV Other Comprehensive Income- Continuing Operations			
Items that will not be reclassified to Profit or Loss (net)			
Remeasurement of post-employment benefit plans		(7.93)	(0.58)
Fair value changes of investments in equity shares		(8.09)	(60.51)
XV Other Comprehensive Income- Discontinued Operations			
Items that will not be reclassified to Profit or Loss (net)			
Remeasurement of post-employment benefit plans		-	0.04
XVI Total other comprehensive loss		(16.02)	(61.05)
XVII Total comprehensive loss for the year (XIII+XVI)		(203.55)	(424.37)
XVIII Earnings per share	30		
Basic (₹)- Continuing Operation		(13.15)	(7.05)
Basic (₹)- Discontinued Operation		-	(18.45)
Diluted (₹)- Continuing Operation		(13.15)	(7.05)
Diluted (₹)- Discontinued Operation		-	(18.45)
Basic (₹)- Continuing and Discontinued Operation		(13.15)	(25.49)
Diluted (₹)- Continuing and Discontinued Operation		(13.15)	(25.49)
XIX Notes forming part of the Financial Statements	1 - 45		

In terms of our report attached

For and on behalf of the Board

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

Manjushree Khaitan
Chairman

Abhijit Bandyopadhyay
Partner

Kaushik Biswas
Company Secretary

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date: 30th July, 2020

Consolidated Statement of Cash Flows for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax	(187.53)	(375.27)
Adjustments for:		
Depreciation and amortisation	112.61	153.15
Advance/deposits written off	0.11	2.32
Provision for bad and doubtful debts (written back)	5.89	4.06
Provision for Warranty	-	18.17
Provision for decommissioning obligation	-	0.84
Provision for doubtful advances	0.09	12.20
Exchange loss/(gain) on derivatives instruments	-	0.01
Finance costs	343.63	512.35
Exchange loss/(gain) on foreign currency fluctuation	(0.04)	2.99
Loss on sale of property, plant and equipment (Net)	0.67	4.01
Loss/ (gain) on sale of investments (net)	-	(0.02)
Liabilities/Provision no longer required written back	(2.84)	(16.74)
Interest income	(31.35)	(43.82)
Dividend income from long term investment (other than trade)	(0.02)	(0.37)
Operating profit/(loss) before working capital changes	241.22	273.88
Changes in Working Capital:		
Increase / (decrease) in Non Current /Current financial and other liabilities/ provisions	242.00	202.40
(Increase) / decrease in Non Current /Current financial and other assets	214.39	173.19
(Increase) / decrease in inventories	41.10	96.80
Cash Generated from Operations	738.71	746.27
Direct Taxes paid (net of refunds)	47.96	29.16
Net cash generated from operating activities	786.67	775.43
B. Cash flow from Investing Activities:		
Purchase of property, plant and equipment/Capital Advance given	(33.68)	(36.98)
Proceeds from sale of property, plant and equipment	0.59	6.00
Loan to body corporate	(604.25)	(246.68)
Repayment of Loan by body corporate	180.90	240.53
Proceeds from sale of Non Current investments	3.99	577.92
Interest received	9.72	33.83
Deposit made with bank	(2.73)	(0.31)
Dividend income from long term investment (other than trade)	0.02	0.37
Net cash (used)/generated from investing activities	(445.44)	574.68
C. Cash flow from Financing Activities		
Proceeds from issue of share warrants	-	9.19
Finance cost paid	(300.39)	(494.66)
Payment of Lease obligations	(7.76)	-
Proceeds from		
- Long term borrowings	80.00	200.00
- Short term borrowings	970.81	1,584.70

Consolidated Statement of Cash Flows for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
Repayment of		
- Long term borrowings	(144.53)	(730.38)
- Short term borrowings	(816.23)	(2,391.51)
Net cash used in financing activities	(218.10)	(1,822.66)
Net decrease in cash and cash equivalents	123.13	(472.55)
Cash and cash equivalents at the beginning of the year	18.57	76.18
Less: Cash credits at the beginning of the year- Continuing Operations	(635.64)	(220.70)
Less: Cash credits at the beginning of the year- Discontinued Operations	204.28	-
Adjusted cash & cash equivalents at the beginning of the year	(412.79)	(144.52)
Adjusted cash & cash equivalents at the end of the year	(289.67)	(617.07)
Cash and Cash Equivalents comprise:		
Cash on hand	0.10	0.05
Cheques on hand	-	6.49
Balances with banks on current account	9.55	12.02
Others		
Deposit with original maturity less than three months	-	0.01
Cash credits at the end of the year	(299.32)	(635.64)
	(289.67)	(617.07)

Notes:

- The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows" considering the both continued and discontinued operations.
- During the previous year, the Group allotted 52,50,000 Equity Shares of face value ₹10 each on preferential basis to a promoter group entity by conversion of the existing 52,50,000 convertible warrants of ₹10 each issued at a premium of ₹165 each, on account of conversion option exercised by the promoter group entity.
- Cash flow of the discontinued operation for previous year disclosed as below:

Particulars	2018-2019
Cash Generated from Operations	439.28
Cash used in investing activities	(35.28)
Cash used in financing activities	(559.69)
	(155.69)

- The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: 30th July, 2020

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
As at 1 st April, 2018		137.34
Changes during the year	14 (a)	5.25
As at 31st March, 2019		142.59
Changes during the year	14 (a)	-
As at 31st March, 2020		142.59

B. Other equity

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant / subsidy	Capital reserve - amalgamation	Capital reserve - business combination	Capital Redemption Reserve	General reserve	Others ^	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 1 st April, 2019		-	801.27	0.40	2.91	41.51	3.59	224.00	7.31	(1,167.60)	56.28	(30.33)
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	(187.53)	-	(187.53)
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	-	(7.93)	(8.09)	(16.02)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	(195.46)	(8.09)	(203.55)
Issue of equity shares and warrants		-	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement [Note 40]		-	-	-	-	-	-	-	-	(81.76)	-	(81.76)
Transfer of losses pursuant to scheme of arrangement [Note 40(c)]		-	-	-	-	-	-	-	-	75.80	-	75.80
Transfer in equity	14 (b)	-	-	(0.25)	-	-	-	-	-	0.25	-	-
Balance as at 31st March, 2020		-	801.27	0.15	2.91	41.51	3.59	224.00	7.31	(1,368.77)	48.19	(239.84)

^ ^ refer note 14 (b).

Particulars	Notes	Share warrants	Securities Premium	Capital reserve - Development grant / subsidy	Capital reserve - amalgamation reserve	Capital reserve - business combination	Capital Redemption Reserve	General reserve	Others ^	Retained earnings	FVOCI - equity instruments	Total other equity
Balance at 1st April, 2018		82.69	714.64	0.40	2.91	41.51	3.59	224.00	7.31	(662.23)	(24.72)	390.10
Profit/(Loss) for the year		-	-	-	-	-	-	-	-	(363.32)	-	(363.32)
Other comprehensive income/(expense) [net of tax]		-	-	-	-	-	-	-	-	(0.54)	(60.51)	(61.05)
Total comprehensive income for the year		-	-	-	-	-	-	-	-	(363.86)	(60.51)	(424.37)
Issue of equity shares and warrants		(82.69)	86.63	-	-	-	-	-	-	-	-	3.94
Transfer pursuant to scheme of arrangement		-	-	-	-	-	-	-	-	-	-	-
Transfer in equity ^	14 (b)	-	-	-	-	-	-	-	-	(141.51)	141.51	-
Balance at 31st March, 2019		-	801.27	0.40	2.91	41.51	3.59	224.00	7.31	(1,167.60)	56.28	(30.33)

^ represents gain on sale of shares transferred from Fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings.

^ ^ refer note 14 (b).

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board

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

Manjushree Khaitan
Chairman

Abhijit Bandyopadhyay
Partner

Kaushik Biswas
Company Secretary

P. Radhakrishnan
Whole-time Director & CFO

Place: Kolkata
Date: 30th July, 2020

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

1. Group Information

The Consolidated financial statements comprises of the financial statements of Kesoram Industries Limited (the Holding Company) its joint venture and its subsidiary (collectively referred to as 'the Group'). The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements".

The consolidated financial statements as at 31st March, 2020 present the financial position of the Group.

The consolidated financial statements for the year ended 31st March, 2020 were approved by the Board of Directors and authorised for issue on 30th July, 2020.

2. Summary of significant accounting policies

2.1 Basis of preparation

(a) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Group adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is 1st April, 2016.

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entity controlled by the Group i.e. its subsidiary. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangement that are consolidated using the equity method of consolidation, as applicable.

Control is achieved when the Group is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiary and joint arrangement acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries and joint arrangements to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity.

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

2.4 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

2.5 Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

2.6 Property, plant and equipment

- a) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- b) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- c) Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.18 below] incurred during construction/installation period relating to items or projects in progress.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

- d) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.
- e) Depreciation methods, estimated useful lives and residual value
Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (in years)
Buildings	3-60 Years
Plant and Equipment	1-40 Years
Furniture and Fixtures	1-16 Years
Office Equipment	1-20 Years
Vehicles	8-10 Years
Railway Siding	15 Years

2.7 Intangible assets

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

Class of assets	Estimated useful life (in years)
Software	3 Years

2.8 Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Lease

Effective 1st April, 2019, the Group has adopted Ind AS 116 – Leases using the modified retrospective method. Under modified retrospective approach, the Group has recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17. The weighted average incremental borrowing rate for leases initially recognised upon the first-time application of Ind AS 116 was 13.21%. The Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The adoption of Ind AS 116 did not have any material impact on Statement of profit and loss and earnings per share.

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term. When the lease liability is remeasured due to change in contract terms, a corresponding change is made to the carrying amount of right-of-use asset, or is recorded in the profit and loss account if the carrying amount of right-of-use asset is reduced to zero.

As a lessor:

In respect of assets given on operating lease, the lease rental income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. There is no change in accounting as a lessor due to adoption of Ind AS 116 Leases.

2.10 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Group. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.11 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(ii) Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

(iii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

(v) Impairment of financial assets

The Group assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Group recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(vi) De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(iii) Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

(iv) De-recognition of financial liabilities

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

(v) Derivative financial instruments

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 Employee Benefits

(a) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

(b) Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

(c) Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

(d) Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendment require an entity to use updated assumptions to determine current service costs and net interest for the remainder of the period after a plan amendment, curtailment or settlement, and to recognize in the Statement of Profit and Loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The adoption of the standard did not have any material impact to the financial statements.

2.13 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

2.14 Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Provision for restoration and environmental costs

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

(ii) Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.15 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

2.16 Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Ind AS 12 – Income taxes – Appendix C, Uncertainty over Income Tax Treatments:-

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30th March, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1st April, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 12:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The adoption of the standard did not have any material impact to the financial statements. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to the taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as a part of dividend in accordance with Ind AS 12.

2.17 Revenue Recognition

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

(a) Sales of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements / arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(b) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

(c) Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(d) Rental income

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

(e) Unfulfilled performance obligations

The Group provides certain benefits to customers for purchasing products from the Group. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled/ disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

2.18 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.19 Foreign currency transactions and translations

(a) Functional and presentation currency

The consolidated financial statements of the Group are presented in Indian rupees (INR), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

(b) Transactions and balances

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

2.20 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

2.21 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors has been identified as the chief operating decision maker. Refer note 38 for segment information presented. The company accounts for intersegment sales and transfers at cost.

2.23 Use of estimates and critical accounting judgements

In preparation of the consolidated financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies, measurement of lease liability and Right to Use Asset.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Note 3: Property, plant and equipment

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	GROSS BLOCK - AT COST					DEPRECIATION				NET BLOCK		
	As at 1 st April 2019	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Transfer In** Refer Note V	Deletion during the Year	As at 31 st March, 2019	Upto 1 st April 2019	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year		Deletion during the Year	Upto 31 st March, 2019
Land:												
- Freehold	988.47	-	9.77	-	-	998.24	-	-	-	-	-	998.24
- Leasehold	2.63	-	-	-	-	2.63	0.11	-	0.06	-	0.17	2.46
Buildings	545.75	-	4.34	-	3.01	547.08	53.34	-	26.60	0.36	79.58	467.50
Plant and Equipments	1,576.95	-	25.66	-	13.24	1,589.37	211.01	-	118.77	7.47	322.31	1,267.06
Furniture and Fixtures	11.77	-	0.50	-	0.18	12.09	2.84	-	1.37	0.18	4.03	8.06
Office Equipment	8.37	-	0.38	-	0.64	8.11	3.90	-	1.59	0.58	4.91	3.20
Vehcles	20.79	-	1.00	-	2.54	19.25	5.54	-	2.90	1.28	7.16	12.09
Railway Siding	14.35	-	3.50	-	0.38	17.47	2.93	-	1.59	0.10	4.42	13.05
Bearer plant	0.10	-	-	-	-	0.10	-	-	-	-	-	0.10
Total	3,169.18	-	45.15	-	19.99	3,194.34	279.67	-	152.88	9.97	422.58	2,771.76

*Assets transferred pursuant to scheme of arrangement (refer note 40)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(i) Refer note 15 for Property, plant and equipment pledged as security. (All amounts in Rupees crores, unless otherwise stated)

(ii) Contractual obligations

Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) The above balances include:

Particulars	31 st March 2020 ₹/crores	31 st March 2019 ₹/crores
(i) Cost of assets lying with third parties	-	13.21

(iv) Leasehold Land worth ₹ 2.64 crores has been classified as Right to Use Asset on adoption of INDAS 116 in the current year. Opening Accumulated Depreciation amounting to ₹ 0.18 crores also has been reclassified.

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

Note: 3A Right to Use Asset

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

Note: 4 Other Intangible Asset

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

Particulars	GROSS BLOCK - AT COST					AMORTISATION				NET BLOCK	
	As at 1 st April 2018	Transfer Out pursuant to the scheme of arrangement*	Additions during the Year	Deletion during the Year	As at 31 st March 2019	Upto 1 st April 2018	Transfer Out pursuant to the scheme of arrangement*	Provided during the Year	Deletion during the Year	Upto 31 st March 2019	As at 31 st March 2019
Software	1.61	-	-	0.04	1.57	1.05	-	0.27	0.01	1.31	0.26
	1.61	-	-	0.04	1.57	1.05	-	0.27	0.01	1.31	0.26

* Assets transferred pursuant to scheme of arrangement (refer Note 40)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 5 Equity accounted investments

Joint venture:

- (i) The Group holds 45.46% of the total equity share capital and voting rights in Gondhkari Coal Mining Limited. The decisions in respect of activities which significantly affect the risks and rewards of these respective entities, however, require an unanimous consent of all the shareholders. These entities have therefore been accounted for as joint ventures.
- (ii) The Group has no material joint venture as at 31st March, 2020. The summarised financial information in respect of the Group's immaterial joint venture that is accounted for using the equity method is as below:

Particulars	31 st March, 2020	31 st March, 2019
Carrying value of the Group's interest in joint venture:	-	-

Particulars	31 st March, 2020	31 st March, 2019
Group's share of profit/(loss) in joint venture	-	-
Group's share of other comprehensive income in joint venture	-	-
Group's share of total comprehensive income in joint venture	-	-

- (iii) Share of unrecognised losses in respect of equity accounted joint venture amounted to ₹ 0.01 crores for the year ended 31st March, 2020 (2018-19: ₹ Nil). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at 31st March, 2020 is ₹ 0.56 crores (31st March, 2019: ₹ 0.55 crores).
- (iv) The Group has fully impaired its equity accounted joint ventures in the previous year

Financial Assets

Note: 6 Investments

Particulars	Face value	31 st March, 2020	31 st March, 2019
A. Investments carried at fair value through other comprehensive income:			
Investments in Equity shares			
(i) Quoted			
496,100 (31 st March, 2019: 496,100) shares of HGI Industries Ltd. \$	10	0.00*	0.00*
4,996,986 (31 st March, 2019: 4,996,986) shares of Kesoram Textile Mills Limited #	2	19.74	23.96
44,750 (31 st March, 2019: 44,750) shares of Vidula Chemicals & Manufacturing Industries Ltd	10	-	-
Nil (31 st March, 2019: 1,27,000) shares of Mangalam Cement Ltd ^ ^	10	-	3.40
Nil (31 st March, 2019: 6,53,462) shares of Mangalam Timber Products Ltd.	10	-	1.12
		19.74	28.48
(ii) Unquoted			
30,000 (31 st March, 2019: 30000) shares of Birla Buildings Ltd	10	46.38	47.76
10,000 (31 st March, 2019: 10,000) shares of Coromandel Stampings & Stones Ltd \$	10	0.00*	0.00*
143,000 (31 st March, 2019: 143,000) shares of Kesoram Insurance Broking Services Ltd	10	1.02	0.92

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Face value	31 st March, 2020	31 st March, 2019
10,455 (31 st March, 2019: 10,455) shares of Calcutta Stock Exchange Association Ltd	1	-	-
10 (31 st March, 2019: 10) shares of Meghdoot Co-operative Housing Society Ltd \$	100	0.00*	0.00*
7,231 (31 st March, 2019: 7,231) shares of Padmavati Investment Ltd	10	1.75	3.77
18,800 (31 st March, 2019: 18,800) shares of Vasavadatta Services Ltd	10	0.61	0.66
		49.76	53.11
B. Investments carried at amortised cost:			
NSC savings certificate ^		0.01	0.01
		0.01	0.01
Total Investments		69.51	81.60

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

(a) Quoted

Carrying value	19.74	28.48
Market value	19.74	28.48

(b) Unquoted

Carrying value	49.77	53.12
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market values in cases of some quoted investments are not available, hence the fair value has been considered as market values in such cases

\$ cost of these equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

^ pledged with govt authorities.

^^ investment in equity shares of Mangalam Cement Limited, have been pledged by the Subsidiary for loan availed by the Holding Company.

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

Note: 7 Loans

Particulars	31 st March, 2020	31 st March, 2019
A. Non-current		
Credit impaired		
(a) Loan to related parties	7.11	7.11
Less: Allowance for credit loss	(7.11)	(7.11)
	-	-
Unsecured, considered good		
(b) Loan to others	406.39	-
	406.39	-
B. Current		
Unsecured, considered good		
(a) Loan to employees	0.03	0.62
(b) Loan to others	46.64	10.16
	46.67	10.78

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 8 Other financial assets

Particulars	31 st March, 2020	31 st March, 2019
Non-current		
Deposit with original maturity for more than 12 months ^	7.99	7.69
Security deposits	3.92	12.85
Interest accrued on deposits	0.50	0.21
	12.41	20.75
Current		
Security deposits	4.05	9.64
Derivative asset	-	0.01
Balance with body corporates	10.63	10.63
Interest accrued on deposits	0.09	0.42
Others	6.44	4.34
	21.21	25.04

^ ₹ 3.97 crores (FY 2019-2020), ₹ 3.97 crores (FY 2018-2019), represents the deposits pledged for DSRA for secured borrowings (Refer note 15)

Note: 9 Other assets

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
Capital advances	5.18	22.39
Balance with statutory/government authorities	-	51.44
Prepaid expenses	0.63	1.16
Others	-	0.49
	5.81	75.48
Current		
Balance with statutory/government authorities	44.00	92.12
Prepaid expenses	5.55	6.99
Advance to vendors	44.58	95.46
Less: Allowances for doubtful advances	(31.42)	(27.92)
Others	6.94	40.34
Less: Allowances for doubtful advances	(1.35)	(30.94)
	68.30	176.05

Note: 10 Inventories

Particulars	31 st March, 2020	31 st March, 2019
Raw materials	18.94	97.37
Work-in-progress	20.82	47.72
Finished goods	53.90	103.85
Stock-in-trade	0.04	-
Stores and spare parts	68.52	102.57
	162.22	351.51
Included above, goods-in-transit:		
Raw materials	1.98	8.24
Finished goods	0.60	11.61
Stores and spare parts	2.04	5.42
	4.62	25.27

The Group has made provision of ₹ 3.41 crores (31st March, 2019: ₹ 3.48 crores) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note: 11 Trade receivables

Particulars	31 st March, 2020	31 st March, 2019
Current		
Trade Receivables		
(a) Secured, considered good	32.67	189.38
(b) Unsecured, considered good	164.19	397.40
(c) Credit impaired	8.37	170.82
	205.23	757.60
Allowance for credit losses	(8.37)	(170.82)
	196.86	586.78

Note: 12 Cash and cash equivalents

Particulars	31 st March, 2020	31 st March, 2019
Cash and cash equivalents		
Cash on hand	0.10	0.05
Cheques on hand	-	6.49
Balances with bank		
On Current accounts	9.55	12.02
Others		
Deposit with original maturity less than three months	-	0.01
	9.65	18.57

Note: 13 Other bank balances

Particulars	31 st March, 2020	31 st March, 2019
Deposit with original maturity for more than three months but less than twelve months	6.45	27.79
On unpaid dividend accounts	0.09	0.15
	6.54	27.94

Particulars	31 st March, 2020	31 st March, 2019
Deposits more than three months includes:-		
- Deposits pledged with the sales tax authorities	0.01	0.06
- Held as lien by bank against bank guarantees	6.32	17.53

Note 14: Equity share capital and other equity

Note 14 (a): Equity share capital

Authorised equity share capital

Particulars	31 st March, 2020	31 st March, 2019
55,00,00,000 Equity Shares of ₹ 10 each	550.00	550.00
1,50,00,000 Preference Shares of ₹ 100 each	150.00	150.00
	700.00	700.00

Issued, subscribed and paid-up equity share capital

Particulars	31 st March, 2020	31 st March, 2019
14,25,90,079 Equity Shares of ₹ 10 each fully paid up	142.59	142.59

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(i) Movement in equity share capital

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	142.59	137.34
Conversion of convertible warrants (a)	-	5.25
Closing balance	142.59	142.59

- (a) During the previous year, the Parent allotted 52,50,000 Equity Shares of face value ₹10 each on preferential basis to a promoter group entity by conversion of the existing 52,50,000 convertible warrants of ₹10 each issued at a premium of ₹165 each, on account of conversion option exercised by the promoter group entity.

Terms and rights attached to equity shares

The Group has equity shares having a par value of ₹ 10 per share. All equity shareholders are entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in the proportion to their shareholdings.

(ii) Details of shareholders holding more than 5% shares in the Group

Shareholder	31 st March, 2020		31 st March, 2019	
	Number of shares	% holding	Number of shares	% holding
Pilani Investments and Industries Corporation Limited	2,73,38,750	19.17%	2,73,38,750	19.17%
Manav Investment & Trading Co. Ltd	3,39,66,691	23.82%	3,39,59,679	23.82%
	6,13,05,441	42.99%	6,12,98,429	42.99%

Note 14 (b): Other Equity

Particulars	31 st March, 2020	31 st March, 2019
Securities Premium	801.27	801.27
Capital reserve		
(a) Development grant/subsidy	0.15	0.40
(b) Amalgamation reserve	2.91	2.91
(c) Capital reserve arising on business combination	41.51	41.51
Capital redemption reserve	3.59	3.59
General reserve	224.00	224.00
Fair value through other comprehensive income (FVOCI)- equity instruments	48.19	56.28
Others	7.31	7.31
Retained earnings	(1,368.77)	(1,167.60)
Total Reserves and Surplus	(239.84)	(30.33)

(i) Securities Premium

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	801.27	714.64
Increase/(decrease) during the year	-	86.63
Closing balance	801.27	801.27

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(ii) Capital reserve

(a) Development grant/subsidy

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	0.40	0.40
Transfer in equity	(0.25)	-
Closing balance	0.15	0.40

(b) Amalgamation reserve

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	2.91	2.91
Increase/(decrease) during the year	-	-
Closing balance	2.91	2.91

(c) Capital reserve arising on business combination

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	41.51	41.51
Increase/(decrease) during the year	-	-
Closing balance	41.51	41.51

(iii) Capital redemption reserve

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	3.59	3.59
Increase/(decrease) during the year	-	-
Closing balance	3.59	3.59

(iv) General reserve

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	224.00	224.00
Increase/(decrease) during the year	-	-
Closing balance	224.00	224.00

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	56.28	(24.72)
Change in fair value of FVOCI equity instruments	(8.09)	(60.51)
Transfer to equity	-	141.51
Closing balance	48.19	56.28

(vi) Other reserves

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	7.31	7.31
Increase/(decrease) during the year	-	-
Closing balance	7.31	7.31

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(vii) Retained earning

Particulars	31 st March, 2020	31 st March, 2019
Opening balance	(1,167.60)	(662.23)
Net profit/(loss) for the year	(187.53)	(363.32)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(7.93)	(0.54)
Transfer pursuant to scheme of arrangement [Note 40]	(81.76)	-
Transfer of losses pursuant to scheme of arrangement [Note 40(c)]	75.80	-
Transfer to equity	0.25	(141.51)
Closing balance	(1,368.77)	(1,167.60)

Nature and purpose of other reserves

(i) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

(ii) Capital reserve

- (a) Certain grants of capital nature had been credited to Capital Reserve.
- (b) The Company has recognised profit on account of amalgamation in capital reserve.
- (c) Capital reserve arising on business combination being gain on bargain purchase recognised directly in capital reserve.

(iii) Capital redemption reserve

Capital redemption reserve was created on account of reinstatement of certain investments and spares at cost.

(iv) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(v) Fair value through other comprehensive income (FVOCI)- equity instruments

The cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in FVOCI - equity instruments reserve. The balance of the reserve represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

(vi) Other reserves

Others primarily include:

- (a) Amounts appropriated out of profit or loss for doubtful debts and contingencies.
- (b) Share buyback reserve has been created as per the Companies Act, 1956.
- (c) Reserve which has arisen on forfeiture of shares.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Financial Liabilities

Note 15: Borrowings (measured at amortised cost)

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
Secured		
Term Loans:		
From Bank		
Indian rupee loan [Refer note (a) below]	1,353.41	2,036.38
From others		
Indian rupee loan [Refer note (b) below]	203.83	291.60
	1,557.24	2,327.98
Less: Current maturities of long term borrowings (Refer Note 16) [Note 2 below]	(171.20)	(196.43)
Add: Interest accrued on long term borrowings	28.09	11.85
	1,414.13	2,143.40
Current		
(a) Secured		
Working Capital Loan		
From Bank [Refer note (c) below]		
Indian rupee loan	-	81.18
Overdraft / Cash Credit	299.32	635.64
Working capital demand loan	290.08	68.79
(b) Unsecured		
Term Loan		
From Bank		
Indian rupee loan	-	32.00
From others		
Inter corporate deposit	6.79	3.00
Director	20.73	23.73
	616.92	844.34
Add: Interest accrued on short term borrowings	11.56	2.39
	628.48	846.73

Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 st March, 2020	31 st March, 2019
Cash and cash equivalents	9.65	18.57
Non-current borrowings	(1,414.13)	(2,143.40)
Current borrowings	(628.48)	(846.73)
Total	(2,032.96)	(2,971.56)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1st April, 2019	18.57	(2,143.40)	(846.73)	(2,971.56)
Cash flows	123.12	64.53	(154.62)	33.03
Transfer pursuant to the scheme of arrangement	204.28	715.37	45.38	965.03
Change in cash credit considered as cash and cash equivalent for statement of cash flows	(336.32)	-	336.32	-
Interest expenses	-	(241.13)	(102.50)	(343.63)
Interest paid	-	206.71	93.68	300.39
Changes in current maturities of long-term debt and interest accrued on them	-	(16.22)	-	(16.22)
Net debt as at 31st March, 2020	9.65	(1,414.13)	(628.48)	(2,032.96)

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1st April, 2018	76.18	(2,738.93)	(1,241.03)	(3,903.78)
Cash flows	(472.55)	530.38	814.41	872.24
Change in cash credit considered as cash and cash equivalent for statement of cash flows	414.94	-	(414.94)	-
Interest expenses	-	(262.60)	(249.76)	(512.36)
Interest paid	-	250.07	244.59	494.66
Changes in current maturities of long-term debt and interest accrued on them	-	77.68	-	77.68
Net debt as at 31st March, 2019	18.57	(2,143.40)	(846.73)	(2,971.56)

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	31 st March, 2020	31 st March, 2019	Nature of Security	Repayment terms
Axis Bank Ltd.	731.91	1,200.54	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 6 month MCLR plus 2.50% p.a.
ICICI Bank Ltd.	184.84	198.83	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 28 equal quarterly instalments commencing from the 39 th month from the date of disbursement. Interest is payable monthly @ ICICI Bank base rate plus 2.90% per annum with annual reset.
	916.75	1,399.37	Carried over	

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Bank	31 st March, 2020	31 st March, 2019	Nature of Security	Repayment terms
	916.75	1,399.37	Brought forward	
The South Indian Bank Ltd.	224.86	369.40	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.75% p.a.
The Karur Vysya Bank Ltd.	56.29	92.35	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 1.70% p.a.
The Lakshmi Vilas Bank Ltd.	56.31	92.35	First pari passu charge on all movable and immovable property, plant and equipment (both present and future) and second pari passu charge on all current assets of various units (excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur including Rayon assets) of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ 1 Year MCLR plus 0.65% p.a.
IndusInd Bank Ltd	41.75	82.91	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the Holding Company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments commencing from the 13 th month from the date of disbursement. Interest is payable monthly @ 1 year MCLR with annual reset.
IndusInd Bank Ltd	57.45	-	First pari passu charge on all fixed assets of Cement Division excluding assets relating to corporate office. Second pari passu charge on current assets of the company excluding assets relating to corporate office. Exclusive charge over land of Hindustan Heavy Chemicals & Kesoram Spun Pipes Foundries Division. Pledge of 1,45,63,787 shares of Kesoram Industries Ltd. held by Manav Investments & Trading Co. Ltd.	36 equal monthly instalments starting from 19 th June, 2019. Interest payable monthly @ IndusInd Bank 1 year MCLR plus 0.15% p.a.
	1,353.41	2,036.38		

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(b) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:

Financial Institution	31 st March, 2020	31 st March, 2019	Nature of Security	Repayment terms
West Bengal Infrastructure Development Finance Corporation Ltd.	56.30	92.35	First pari passu charge on all movable and immovable property, plant and equipment (both present and future, including property, plant and equipment of subsidiary of the holding company, excluding assets related to Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division and land at Solapur). Second pari passu charge on all current assets of the Holding Company.	Repayment in 40 unequal quarterly instalments starting from 30 th April, 2018 in the following manner: (a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Axis Bank 6 month MCLR plus 2.50% p.a.
West Bengal Infrastructure Development Finance Corporation Ltd.	25.97	49.82	First pari passu charge on all movable and immovable property, plant and equipment (including Solapur Land). Second pari passu charge on all current assets of the Holding company (excluding assets related to Corporate office, Hindustan Heavy Chemicals & Kesoram Spun Pipes & Foundries Division).	Repayment in 16 equal quarterly instalments starting from 30 th June, 2019. Interest payable monthly @ IndusInd Bank 1 year MCLR plus 1.25% p.a.
West Bengal Infrastructure Development Finance Corporation Ltd.	121.56	149.43	First pari-passu charge on all fixed assets of Cement and Tyre division of Holding Company excluding Hindustan Heavy Chemicals, Kesoram Spun Pipes and Foundries Division and corporate assets and first pari-passu charge on fixed assets of the Subsidiary. Second pari-passu charge on current assets of Holding Company excluding assets relating to Hindustan Heavy Chemicals, Kesoram Spun Pipes and Foundries division and Corporate assets.	By way of 16 equal quarterly instalments after moratorium of 1 year.
	203.83	291.60		

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

- 1 Secured by way of hypothecation, first pari passu charge on current assets of the Parent Company and second charge on movable and immovable property, plant and equipment, of the Parent Company. Pledge of 10% of promoter's shareholding i.e. 75,82,642 equity shares of the Parent Company in favour of Working Capital Consortium.
- 2 The cash credit and working capital demand loans are repayable on demand.

(d) Notes:

- 1 The Parent Company is in the process of executing new loan agreement with the banks / financial institutions. In the absence of the revised loan agreements, as on 31st March, 2020, financial covenants have been identified and tested by the parent's management based on the existing loan agreements and after reducing the amount of the borrowings transferred to the Resulting Company [Refer Note 40(d)].

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

As per Clause 4.2.11 of the Scheme, any encumbrance over the assets of the Resulting Company relating to any loans, borrowings or other debts which are not transferred to the Resulting Company shall be released and no longer be available as security in relation to such liabilities. The Parent Company is in the process of getting release on the encumbrance over such assets.

- 2 The Parent Company has applied and received the moratorium from most of the lenders as per the scheme of Reserve Bank of India. Accordingly, current maturities of long term borrowings have been restated to the extent of repayments falling due during the moratorium period. The Parent Company have considered existing loan agreements as the base since it is still in the process of executing the revised loan agreements with the respective lenders.

Note 16: Other financial liabilities

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
Security deposits	73.57	227.29
	73.57	227.29
Current		
Current maturities of long-term debt (Refer Note 15)	171.20	196.43
Capital creditors	4.04	23.17
Retention & Earnest deposits	9.71	16.28
Other payables	36.17	23.13
Security deposits	30.51	37.10
Unpaid dividends	0.09	0.15
Unpaid matured deposits and interest accrued thereon	0.05	0.05
	251.77	296.31

Note 17: Provisions

Particulars	31 st March, 2020	31 st March, 2019
Non-Current		
(a) Provision for employee benefits		
Provision for leave encashment (unfunded)	16.79	22.03
(b) Others		
Decommissioning obligations	9.28	8.34
Warranties	-	4.59
Total non-current provisions	26.07	34.96
Current		
(a) Provision for employee benefits		
Provision for gratuity (Refer Note 25)	12.93	7.14
Net of Advance Nil (31 st March, 2019 ₹ 0.13 crores)		
Provision for leave encashment (unfunded)	4.02	5.96
Others	0.20	0.29
(b) Others		
Warranties	-	16.10
Provision for contingencies	11.84	57.43
Provision for disputed statutory dues	22.63	22.63
Total current provisions	51.62	109.55

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(i) Movement in provisions

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

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

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

Particulars	Warranties	Decommissioning obligation	Provision for contingencies	Provision for disputed statutory dues
As at 1st April, 2018	20.43	7.50	100.09	11.68
Charged/(credited) to profit or loss:	-	-	-	-
Additional provision recognised	18.17	-	-	10.95
Unused amounts reversed	-	-	(4.22)	-
Amounts used during the year	(15.60)	-	(13.88)	-
Unwinding of discount	(2.31)	0.84	-	-
As at 31st March, 2019	20.69	8.34	81.99	22.63

Note 18: Deferred tax liabilities

Particulars	31 st March, 2020	31 st March, 2019
Deferred Tax Liabilities		
Timing Difference - Property, plant and equipment	347.18	479.75
Timing Difference - Investments	13.61	15.55
Other	2.13	2.75
Gross Deferred Tax Liability	362.92	498.05
Deferred Tax Assets		
Unabsorbed depreciation	17.07	107.69
Capital losses	34.05	1.21
Business losses	121.92	119.48
Items allowable for tax purpose on payment	22.69	40.07
Provisions	156.02	97.13
Others	11.17	132.47
Gross Deferred Tax Asset	362.92	498.05
Net Deferred Tax Liability	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 19: Other liabilities

Particulars	31 st March, 2020	31 st March, 2019
Non-current		
Advance received from Employees	1.36	1.37
	1.36	1.37
Current		
Deferred revenue	12.85	19.78
Advance from customers	33.22	24.08
Statutory dues	111.80	222.75
Other payables	13.07	12.09
	170.94	278.70

Note 20: Trade payables

Particulars	31 st March, 2020	31 st March, 2019
Current		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)	8.45	8.40
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	75.16	179.75
(ii) Others	513.76	645.41
(c) Employee benefits payable	25.78	39.55
	623.15	873.11

Note 21: Revenue from operations

Particulars	2019-2020	2018-2019
Revenue from contracts with customers #		
Sale of Products	2,638.60	2,890.71
Other operating revenue	7.04	13.20
	2,645.64	2,903.91

The entire revenue is being recorded at a point in time.

A. Revenue from contracts with customers disaggregated on the basis of geographical region and product lines is presented below:

Year ended 31st March, 2020

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

Year ended 31st March, 2019

Particulars	India	Outside India	Total
Cement	2,567.60	-	2,567.60
Rayon, TP and chemicals	309.58	13.54	323.11
	2,877.18	13.54	2,890.71

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

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

Particulars	2019-2020	2018-2019*
Contract liabilities – Deferred revenue	12.85	19.78
Contract liabilities - Advance from customers	33.22	24.08
	46.07	43.86

The change in Contract Liabilities are as follows:

Particulars	2019-2020	2018-2019*
Contract liabilities - Opening	43.46	61.98
Less: Transferred pursuant to the scheme of arrangement (Refer note 40)	(12.80)	-
Add: Additions during the year, excluding amounts recognised as revenue during the year	43.75	38.22
Less: Revenue recognised in the current year which was included in Contract Liabilities	(28.34)	(56.34)
Contract Liabilities - Closing	46.07	43.86

Particulars	2019-2020	2018-2019*
Trade Receivables- Gross	205.23	757.60
Less: Allowance for doubtful debt	(8.37)	(170.82)
	196.86	586.78

* Previous year figures include Tyre business

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were not satisfied in a prior year.

Particulars	2019-2020	2018-2019*
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
Contract liabilities – Deferred revenue	15.61	12.01
Contract liabilities - Advance from customers	12.73	44.34
	28.34	56.35

* Previous year figures include Tyre business

Note 22: Other Income

Particulars	2019-2020	2018-2019
Interest income:		
On financial instruments measured at amortised cost	28.51	33.80
On income tax refund	2.84	16.92
Dividend income	0.02	0.05
Miscellaneous Income	8.97	10.19
	40.34	60.96

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 23: Cost of Materials Consumed

Particulars	2019-2020	2018-2019*
Raw Material Consumed		
Opening inventory	97.37	96.91
Add: Purchases	223.00	251.34
Less: Inventory at the end of the year	18.94	97.37
Add: Lime stone raising cost	124.81	130.92
Less: Transferred pursuant to the scheme of arrangement	57.08	6.88
	369.16	374.92

* Opening Stock includes Tyre business figures.

Particulars	2019-2020	2018-2019
(a) Limestone raising cost include:		
Salaries, Wages, Bonus etc.	12.99	11.01
Contribution to Provident and other Funds	0.80	0.76
Contribution to Gratuity Fund (refer note 25)	0.77	0.36
Workmen and Staff welfare	0.33	0.44
Dead Rent, Royalty etc.	68.13	77.18
Power and Fuel	6.31	6.61
Stores and spares parts consumed	22.94	20.36
Machinery repairs	3.94	4.61
Other repairs	0.09	0.18
Rates and taxes	0.19	0.30
Insurance	0.01	0.03
Contractors-Transport	7.38	7.99
Miscellaneous	0.93	1.09
	124.81	130.92

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

Particulars	2019-2020	2018-2019
Inventories at the beginning of the year *		
- Work-in-progress	57.40	62.86
- Finished Goods	103.85	173.70
- Stock in trade	-	-
Less: Inventories at the end of the year		
- Work-in-progress	20.82	57.40
- Finished Goods	53.90	103.85
- Stock in trade	-	-
Less: Transferred to Capital Jobs	0.13	0.15
Less: Transferred pursuant to the scheme of arrangement	88.32	54.60
	(1.92)	20.56

* Opening Stock includes Tyre business figures.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 25: Employee benefits expense

Particulars	2019-2020	2018-2019
Salaries, wages and bonus **	190.00	171.83
Contribution to provident fund	13.94	15.71
Contribution to superannuation fund	0.09	0.10
Contribution to labour welfare fund	-	0.01
Gratuity	4.21	4.33
Contribution under Employees State Insurance Scheme	0.62	0.83
Staff welfare expenses	10.69	12.81
Total employee benefits expense	219.55	205.62

** During the year, the Parent received a grant from third party amounting to ₹ Nil (2018-19: 31.75 crores) which is netted off. The grant has been netted off with related cost for which it has been received.

During the year, the Parent recognised an amount of ₹ 7.80 crores (2018-19: ₹ 13.04 crores) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	2019-2020	2018-2019*
Short term employee benefits	7.21	12.79
Post employment benefits	0.59	0.25
Total employee benefits expense	7.80	13.04

* Previous year figures include Tyre business

(i) Compensated absences

The leave obligations cover the Group's liability for sick and earned leave.

(ii) Defined benefit plan

a) Gratuity

The Group operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service.

b) Provident fund

Provident fund for certain eligible employees is managed by the Group through the "B. K. Birla Group of Companies Provident Fund Institution" and "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Group or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Group has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India.

The Group also pays provident fund contributions to publically administered local fund as per the local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
as at 31 st March, 2019	230.32	303.21	72.89
as at 31 st March, 2020	242.05	241.58	(0.47)

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	31 st March, 2020	31 st March, 2019
Discount Rate (per annum)	8.50%	8.65%
Expected Rate of Return on Plan Assets (per annum)	8.90%	8.83%

The Group contributed ₹ 10.82 crores and ₹ 17.74 crores during the year ended 31st March, 2020 and 31st March, 2019 respectively to the fund.

The Group contributed ₹ Nil and ₹ 6.73 crores during the year ended 31st March, 2020 and 31st March, 2019 respectively to Government Fund.

(iii) Defined contribution plan

Superannuation Fund: The Company has defined contribution superannuation plan for the benefit of its eligible employees. Employees who are members of the defined contribution superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trust is maintained for employees covered and entitled to benefits. The Company contributes 15% of the eligible employees' salary or ₹ 1 lakh, whichever is lower, in case of NPS participating employees and 15% of the basic salary in case of Non NPS participating eligible employees to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The Group contributed ₹ 0.10 crores and ₹ 0.10 crores during the year ended 31st March, 2020 and 31st March, 2019 respectively.

(iv) Balance sheet recognition

a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 st April, 2019	105.17	97.90	7.27
Transferred pursuant to the scheme of arrangement	(29.75)	(27.74)	(2.01)
Current service cost	4.80	-	4.80
Interest expense/(income)	4.80	(4.61)	0.18
Total amount recognised in profit or loss	9.60	(4.61)	4.98
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(2.11)	2.11
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	5.58	-	5.58
Actuarial (gain)/loss from unexpected experience	0.24	-	0.24
Total amount recognised in other comprehensive income	5.82	(2.11)	7.93

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions/ premium paid	-	5.28	(5.28)
Benefit payments	5.30	5.30	-
Settlement Cost	-	-	-
Acquisition adjustment	-	-	-
31st March, 2020	85.56	72.63	12.93

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2018	100.85	87.86	12.99
Current service cost	6.12	-	6.12
Interest expense/(income)	7.21	(6.59)	0.62
Total amount recognised in profit or loss	13.33	(6.59)	6.74
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.46)	0.46
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	1.88	-	1.88
Actuarial (gain)/loss from unexpected experience	(1.80)	-	(1.80)
Total amount recognised in other comprehensive income	0.08	(0.46)	0.54
Employer contributions/ premium paid	-	13.00	(13.00)
Benefit payments	9.09	9.09	-
Settlement Cost	-	-	-
31st March, 2019	105.17	97.90	7.27

(v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 st March, 2020	31 st March, 2019
Discount rate	6.60%	7.50%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IALM 2006-2008 ULTIMATE	IALM 2006-2008 ULTIMATE

(vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 st March, 2020		31 st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	82.25	89.07	101.10	108.99
% change compared to base due to sensitivity	(4)%	4%	(4)%	4%
Salary growth rate (-/+ 0.5%)	89.09	82.21	109.05	101.03
% change compared to base due to sensitivity	4%	(4)%	4%	(4)%
Attrition rate (-/+ 0.5%)	85.66	85.45	105.05	104.81
% change compared to base due to sensitivity	0%	0%	0%	0%
Life expectancy/ mortality rate (-/+ 10%)	86.01	85.10	105.50	104.36
% change compared to base due to sensitivity	1%	(1)%	1%	(1)%

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) The major categories of plans assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(viii) Risk exposure

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31st March, 2020 is ₹ 18.83 crores.

The weighted average duration of the defined benefit obligation is 12 years (31st March, 2019 – 12 years).

Note 26: Depreciation and amortisation expense

Particulars	2019-2020	2018-2019
Depreciation on tangible assets	103.35	107.72
Amortisation of intangible & Right to use assets	9.26	0.27
	112.61	107.99

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 27: Finance cost

Particulars	2019-2020	2018-2019
Interest expenses	337.08	337.26
Interest on Lease Liabilities	2.33	-
Other borrowing costs	5.24	18.83
Applicable net gain/loss on foreign currency transactions and translation	-	1.35
	344.65	357.44
Less: Interest capitalised	(1.02)	(0.93)
	343.63	356.51

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowing during the year, in this case is 10.50%, (31st March, 2019: 10.50%)

Note 28: Other expenses

Particulars	2019-2020	2018-2019
Consumption of stores and spare parts	61.70	68.98
Power and fuel [refer Note (a) below]	694.96	727.24
Rent	8.86	14.36
Repairs and Maintenance [refer Note (b) below]		
Building	7.16	8.22
Plant and Machinery	49.73	52.18
Others	3.69	4.35
Insurance	5.23	5.32
Rates and Taxes	5.00	5.47
Brokerage and Discounts	21.49	25.70
Packing, Carriage and Shipping [refer Note (c) below]	826.36	922.60
Commission to selling agents	9.51	11.32
Sales Promotion	45.23	34.52
Directors' Fees	0.71	0.66
Debts/ Advances/ Deposits written off	0.13	2.32
Legal & Professional Expenses	13.77	29.43
Provision for doubtful debts	1.79	2.84
Provision for doubtful advances	0.09	9.32
Loss on property, plant and equipment sold/ discarded (net)	0.67	3.68
Payments to the auditor [refer Note (d) below]	3.94	3.21
Foreign currency translation loss (net)	(0.04)	7.79
Miscellaneous expenses [refer Note (e) below]	70.50	72.15
	1,830.48	2,011.66

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	2019-2020	2018-2019
(a) Power and Fuel includes consumption of stores and spares	663.35	608.09
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts	4.82	5.56
(ii) Salaries and wages	44.66	32.55
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts	68.25	61.61
(ii) Salaries and Wages	16.07	11.86
(d) Details of auditors' remuneration and out-of-pocket expenses are as below:		
Audit Fees (including Limited Reviews)	2.63	2.24
Tax Audit Fees	0.47	0.37
Fees for issuing various certificates	0.77	0.53
Reimbursement of Expenses	0.07	0.07
	3.94	3.21
(e) Miscellaneous expenses include		
(i) Consumption of stores and spares parts	2.39	1.90
(ii) Payment to cost auditor	0.07	0.07

Note 29: Income tax expense

This note provides an analysis of the Group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

Particulars	31 st March, 2020	31 st March, 2019
Current tax		
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
Decrease (increase) in deferred tax assets	135.12	3.36
(Decrease) increase in deferred tax liabilities	(135.12)	(3.36)
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-

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

Particulars	31 st March, 2020	31 st March, 2019
Profit before tax from Continuing Operations (A)	(187.53)	(112.39)
Profit before tax from Discontinued Operations (B)	-	(262.88)
Profit Before Tax (A+B)	(187.53)	(375.27)
Tax at the rate of 34.944% (2018-19 – 34.944%)	(65.53)	(131.13)
Deferred tax asset not recognised	54.20	126.21
Exempt income	(0.01)	(0.13)
Deductions claimed in tax	-	(2.15)
Weighted deductions available in tax	-	0.00*
Permanent differences	0.02	0.23
Others (including difference in tax rates)	11.32	6.97
Total income tax expense/(credit)	-	-

*Amount is below the rounding off norm adopted by the group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(c) Tax losses

Particulars	31 st March, 2020	31 st March, 2019
Unused tax losses for which no deferred tax has been recognised:		
Tax losses		
Business loss	525.85	1,248.24
Capital loss: Short term	117.95	252.93
Capital loss: Long term	-	4.37
Unabsorbed tax depreciation	985.92	969.41
Elimination Impact for Subsidiary	(387.12)	
Potential tax benefit @ 34.944% on Business loss (FY 2018-19 @34.944%)	528.27	774.93
Potential tax benefit @ 34.944% on Capital loss short term (FY 2018-19@34.944%)	-	39.73
Potential tax benefit @ 17.472% on Capital loss short term (FY 2018-19 @17.472%)	20.61	24.33
Potential tax benefit @ 11.648% on Capital loss long term (FY 2018-19 @11.648%)	-	0.50
Minimum alternate tax (MAT) credit entitlement	38.29	-
Elimination Impact for Subsidiary	(135.28)	38.29
Total	451.89	877.78

- (a) Unabsorbed depreciation does not have any expiry period.
- (b) Business losses/Capital losses have an expiry ranging from 1 to 8 years as at the reporting date.
- (c) MAT credit entitlement has an expiry period of 5 to 12 years as at the reporting date.

Note 30: Earnings per share

Particulars		2019-2020	2018-2019
I Basic			
Number of equity shares at the beginning of the year		14,25,90,079	13,73,40,079
Number of equity shares at the end of the year		14,25,90,079	14,25,90,079
Weighted average number of equity shares outstanding during the year	(A)	14,25,90,079	14,25,18,161
Nominal value of each equity Share (₹)		10	10
Profit / (Loss) for the year (₹ in crores)- Continuing Operation	(B)	(187.53)	(100.43)
Profit / (Loss) for the year (₹ in crores)- Discontinued Operation		-	(262.88)
Earnings per share (Basic) (₹)- Continuing Operation	(B/A)	(13.15)	(7.05)
Earnings per share (Basic) (₹)- Discontinued Operation		-	(18.45)
Earnings per share (Basic) (₹)- Continuing and Discontinued Operation		(13.15)	(25.49)
II Diluted			
Weighted average number of equity shares outstanding during the year		14,25,90,079	14,25,90,079
Earnings per share (Diluted) (₹)- Continuing Operation		(13.15)	(7.05)
Earnings per share (Diluted) (₹)- Discontinued Operation		-	(18.45)
Earnings per share (Diluted) (₹)- Continuing and Discontinued Operation		(13.15)	(25.49)

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 31: Contingent liabilities

Particulars	31 st March, 2020	31 st March, 2019
(a) Guarantees given -		
(i) to excise authorities	0.06	0.06
(ii) by Banks on behalf of subsidiary and others	-	5.40
(b) Claims against the Group not acknowledged as debts:		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	201.78	428.05*
(ii) Others	0.01	-
(c) Income Tax matters	15.54	15.05
	217.39	448.56

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

* Previous Year included claims pertaining to Tyre division ₹ 270.78 crores

Note 32: Capital and other commitments

Particulars	31 st March, 2020	31 st March, 2019*
Capital Commitments		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 0.83 crores (31 st March, 2019: ₹ 16.96 crores)]	4.73	50.33
TOTAL	4.73	50.33

* Previous Year included capital commitment pertaining to Tyre business ₹ 45.85 crores [net of advances ₹ 12.95 crores].

Note 33: The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 st March, 2020	31 st March, 2019*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8.42	8.22
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.03	0.18
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.05	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

* Previous Year included principle outstanding pertaining to Tyre division ₹ 5.87 crores and interest ₹ 0.18 crores.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 34: Lease Disclosure

1. The following is the break-up of current and non-current lease liabilities as at 31st March, 2020.

Particulars	31 st March, 2020
Current Lease Liability	11.31
Non Current Lease Liability	11.93
	23.24

2. The following is the movement in lease liabilities during the year ended 31st March, 2020:

Particulars	2019-2020
Balance as on transition to IND AS 116	6.21
Additions during the year	22.59
Finance cost accrued during the period	2.33
Deletions	-
Payment of lease liabilities	7.88
Balance as at 31st March, 2020	23.25

Particulars	31 st March, 2020
3. Expense pertaining to leases which has been identified as Short Term	6.65
4. Expense pertaining to leases which has been identified as Low Value	0.07

5. Contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis:

Particulars	31 st March, 2020
Less than one year	12.83
One to five years	12.56
More than five years	7.51

Note 35: Capital management

(a) Risk management

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Group which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity.

The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

Note 36: Fair value measurements

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Financial instruments by category

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

Particulars	31 st March, 2019 *			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	18.57	18.57	18.57
Other bank balances	-	-	27.94	27.94	27.94
Trade receivables	-	-	586.78	586.78	586.78
Derivative asset	0.01	-	-	0.01	0.01
Loans	-	-	10.78	10.78	10.78
Investments	-	81.59	0.01	81.60	81.60
Other financial assets	-	-	45.78	45.78	45.78
Total financial assets	0.01	81.59	689.86	771.46	771.46
Financial liabilities					
Borrowings	-	-	3,186.56	3,186.56	3,186.56
Trade and other payables	-	-	873.11	873.11	873.11
Lease Liability	-	-	-	-	-
Other financial liabilities	-	-	327.17	327.17	327.17
Total financial liabilities	-	-	4,386.84	4,386.84	4,386.84

* Previous year figures include Tyre business

(i) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities,

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Group's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

Particulars	31 st March, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	-	-	69.50	69.50
	-	-	69.50	69.50

Particulars	31 st March, 2019 *			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	4.52	-	77.08	81.60
Derivative financial asset	-	0.01	-	0.01
	4.52	0.01	77.08	81.61

* Previous year figures include Tyre business

(ii) Valuation technique used to determine fair value

- Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Group has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.
- The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

Note 37: Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Credit risk

The Group takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum exposure to credit risk of the Group has been listed below:

Particulars	31 st March, 2020	31 st March, 2019*
Trade receivables	196.86	586.78
Loan	453.06	10.78
Other financial assets	33.62	45.79
Total	683.54	643.35

* Previous year figures include Tyre business

Other receivables as stated above are due from the parties under normal course of the business and as such the Group believes exposure to credit risk to be minimal.

i) Trade and other receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Group's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31st March, 2020 and 31st March, 2019.

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

Particulars	2019-2020	2018-2019 *
Opening balance	170.82	172.25
Acquired in business combination	-	-
Charge/(Release) to statement of profit and loss	1.79	4.95
Transferred pursuant to the scheme of arrangement [Refer Note 40]	(163.38)	-
Utilised during the year	(0.86)	(6.38)
Closing balance	8.37	170.82

* Previous year figures include Tyre business

(B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The Parent has defaulted in repayment of letter of credit, its working capital facilities and interest payable to lenders aggregating to ₹ 272.77 crores in respect of its term loans and working capital facilities as on 31st March, 2020. The default is primarily caused to due to liquidity mismatch, while the Group has continued to generate positive cash flow from its business operations.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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

Contractual maturities of financial liabilities 31 st March, 2019 *	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Non-derivatives					
Non Convertible Debentures					-
Borrowings	1,285.66	927.03	819.83	1,416.06	4,448.58
Other financial liabilities	99.88	-	-	227.29	327.17
Trade payables	873.11	-	-	-	873.11
Total non-derivative financial liabilities	2,258.65	927.03	819.83	1,643.35	5,648.86

* Previous year figures include Tyre business

(C) Market risk

(i) Foreign currency risk

The group deals with foreign currency loan, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

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

Foreign currency risk exposure

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

As at 31st March, 2020

	USD (in crores)		EUR (in crores)		GBP (in crores)		JPY (in crores)	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	0.01	0.96	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.05	3.39	0.00*	0.05	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	(0.04)	(2.43)	(0.00)*	(0.05)	-	-	-	-

*Amount is below the rounding off norm adopted by the group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

As at 31st March, 2019*

	USD (in crores)		EUR (in crores)		GBP (in crores)		JPY (in crores)	
	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency	Amount in foreign currency	Amount in local currency
Financial assets								
Trade receivables	2.60	17.97	-	-	-	-	-	-
Financial liabilities								
Trade payables	0.29	1.99	0.05	0.41	0.00**	0.00**	0.01**	0.00**
Borrowings	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	2.31	15.98	(0.05)	(0.41)	(0.00)	(0.00)	(0.01)	(0.00)

* Previous year figures include Tyre business

** Amount is below the rounding off norm adopted by the Group

Sensitivity

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

Particulars	Impact on profit before tax/equity	
	31 st March, 2020	31 st March, 2019
USD sensitivity		
INR/USD appreciates by 5% (31 st March, 2019 - 5%)@	0.12	(0.80)
INR/USD depreciates by 5% (31 st March, 2019 - 5%)@	(0.12)	0.80
EUR sensitivity		
INR/EUR appreciates by 5% (31 st March, 2019 - 5%)@	0.00**	0.02
INR/EUR depreciates by 5% (31 st March, 2019 - 5%)@	(0.00)**	(0.02)
GBP sensitivity		
INR/GBP appreciates by 5% (31 st March, 2019 - 5%)@	-	0.00**
INR/GBP depreciates by 5% (31 st March, 2019 - 5%)@	-	(0.00)**
JPY sensitivity		
INR/JPY appreciates by 5% (31 st March, 2019 - 5%)@	-	-
INR/JPY depreciates by 5% (31 st March, 2019 - 5%)@	-	-

@ Holding all other variables constant

** Amount is below the rounding off norm adopted by the Group

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31st March, 2020 and 31st March, 2019, the Group's borrowings at variable rate were mainly denominated in INR.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(a) Interest rate risk exposure

On Financial Liabilities:

The exposure of the Group's financial liabilities to interest rate risk is as follows:

Particulars	31 st March, 2020	31 st March, 2019*
Variable rate borrowings	2,180.16	3,204.88
Fixed rate borrowings	27.52	26.73
Total borrowings	2,207.68	3,231.61

* Previous year figures include Tyre business

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31 st March, 2020	31 st March, 2019
Interest expense rates – increase by 50 basis points (50 bps)#	(10.90)	(16.02)
Interest expense rates – decrease by 50 basis points (50 bps)#	10.90	16.02

Holding all other variables constant

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. In general, these investments are not held for trading purposes.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Group's equity.

Particulars	Impact on equity	
	31 st March, 2020	31 st March, 2019
Share price - Increase 5%	3.48	4.08
Share price - Decrease 5%	(3.48)	(4.08)

Note 38: Segment reporting

The Group's organizational structure and governance processes are designed to support effective management of Cement and Rayon, TP and chemicals, the two business segments of the Group, with equal focus on all. The three Segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors which is the Chief Operating Decision Maker (CODM).

The Scheme of Demerger between the Company and Birla Tyres Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 8th November, 2019 and on filing of the scheme with Registrar of Companies, the Scheme became effective on 4th December, 2019. Pursuant to the Scheme becoming effective, the Tyre business undertaking is demerged from the Company and transferred to and vested in the Resulting Company with effect from 1st January, 2019 i.e. the Appointed Date.

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs / income, non – operating expenses and exceptional items are not allocated to individual segment.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangibles, non-current investments, inventories,

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

The reporting segments of the Group post demerger of the tyre business are as below:

Cement: This covers the sale of cement. The Group operates its cement business under the name, 'Birla Shakti Cement'.

Rayon, TP and chemicals: This covers sale of rayon, transparent paper and filament yarn. The Group operates this business under the name, 'Kesoram Rayon'.

Summary of the segmental information for the year ended and as of 31st March, 2020 is as follows:

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

Summary of the segmental information for the year ended and as of 31st March, 2019 is as follows:

Particulars	Cement	Rayon, TP and chemicals	Total
Segment Revenue			
Revenue	2,580.56	323.35	2,903.91
	2,580.56	323.35	2,903.91
Segment Results [Profit/(Loss) before interest and tax]	218.42	5.49	223.91
Finance cost			(336.30)
Profit/(Loss) Before Tax			(112.39)
Segment Assets	2,493.93	644.17	3,138.10
Segment Liabilities	2,733.36	298.44	3,031.80
Segment Capital Expenditure	26.44	9.57	36.01
Segment Depreciation and amortisation	87.92	20.07	107.99
Non cash expenditure other than depreciation and amortisation included in segment expense			0.97

Information related to discontinued operations

Particulars	For the year ended 31 st March, 2019
A. Segment Revenue (Net Sales /Income from Operations)	1,298.10
B. Segment Results (Loss before Interest & Tax)	(107.02)
C. Finance Cost	155.86
D. Total Loss before tax	(262.88)
E. Segment Assets	1,832.00
F. Segment Liabilities	1,826.04

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Geographical information

(a) Revenue from external customers:

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
India	2,631.30	2,748.07
Others	14.34	155.84
	2,645.64	2,903.91

None of the customers of the Group accounts for more than 10% of the revenues as at 31st March, 2020 and 31st March, 2019.

Note 39: Related party transactions

List of Related Parties and relationship

A) Joint Venture

Gondkhari Coal Mining Limited

B) Post Retirement Benefit Plan

B.K. Birla Group of Companies Provident Fund Institution.

Birla Industries Provident Fund Institution.

KICM Gratuity Fund

Kesoram Superannuation Fund

D) Key Management Personnel

Smt. Manjushree Khaitan

Mr. P Radhakrishnan

Mr. Kaushik Biswas

Mr. Amitabha Ghosh

Mr. Lee Seow Chuan

Ms. Jikyeong Kang

Mr. Siddhartha Mohanty

Mr. Kashi Prasad Khandelwal

Mr. Sudip Banerjee

E) Others

A. Entity Controlled, Joint Control by Key Management Personnel

MSK Travels and Tours Ltd

Aditya Marketing & Mfg Ltd

Arbela Trading and Services Private Limited

Usinara Trading and Services Private Limited

B. One entity is an associate of the other entity (or an associate of a group of which the other entity is a member)

Manav Investment & Trading Co Ltd & its subsidiaries

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(A) The following transactions were carried out with the related parties in the ordinary course of business.

Nature of Transaction/ Relationship	2019-2020	2018-2019
Rent Received:		
Others	-	0.00*
Provident Fund Contribution		
Post Retirement Benefit Plan	17.47	17.74
Gratuity Claimed		
Post Retirement Benefit Plan	6.11	9.09
Gratuity Contribution		
Post Retirement Benefit Plan	6.08	13.00
Superannuation Contribution		
Post Retirement Benefit Plan	0.02	0.05
Upkeep, Rent, Electricity, Generator facility		
Others	0.40	0.46
Tour & Travel Services		
Others	11.78	5.51
Loan Taken		
Others	7.10	-
Loan Repaid		
Others	3.30	-
Receipt of ICD		
Others	-	5.25
Repayment of ICD		
Others	-	5.26
Interest Expense		
Others	0.33	-
Interest Payment		
Others	-	0.01
Expenditure-Other Services		
Others	8.17	11.95

(B) Outstanding balances

Nature of Transaction/ Relationship	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Payable:		
Others	2.36	2.57
Post Retirement Benefit Plan	14.66	6.55
Loan Payable:		
Others	3.80	-
Interest Payable:		
Others	0.32	-
Loan Receivable		
Joint Venture	6.17	6.17
Interest Receivable		
Joint Venture	0.62	0.62
Advance Receivable		
Joint Venture	0.32	0.32
Receivable		
Others	-	0.00*

*Amount is below the rounding off norm adopted by the group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

(C) Compensation of KMP of the Company

- (i) The following transactions were carried out with the KMP in the ordinary course of business.

The details of remuneration paid to key management personnel is provided in Note 25.

Particulars	2019-2020	2018-2019
Sitting fees to Director	0.71	0.66
Reimbursement of Expenses	0.08	0.13
Loan from Director	-	-

- (ii) Outstanding balances

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Remuneration	0.39	1.20
Loan from Director	20.73	23.73

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

Note 40: Demerged Operations

The Scheme of Demerger between the Company and Birla Tyres Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") was approved by the Hon'ble National Company Law Tribunal ('NCLT') on 8th November, 2019 and on filing of the scheme with Registrar of Companies, the Scheme became effective on 4th December, 2019. Pursuant to the Scheme becoming effective, the Tyre business undertaking is demerged from the Company and transferred to and vested in the Resulting Company with effect from 1st January, 2019 i.e. the Appointed Date.

The details of assets and liabilities transferred to the Resulting Company are as under:

Particulars	Tyres Unit
I ASSETS	
(1) Non Current Assets	
(a) Fixed Assets	
(i) Property, Plant and Equipment	560.79
(ii) Capital work-in-progress	770.50
(iii) Other intangible assets	0.03
(b) Financial assets	
(i) Other financial assets	7.97
(c) Deferred tax assets (net)	
(d) Other Non Current Assets	71.10
	1,410.39
(2) Current Assets	
(a) Inventories	200.42
(b) Financial assets	
(i) Trade receivables	213.86
(ii) Cash and cash equivalents	33.85
(ii) Bank balances other than (ii) above	10.11
(iv) Other financial assets	1.25
(v) Loans	0.31
(c) Other Current Assets	66.75
	526.55
Total Assets	1,936.94

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Particulars	Tyres Unit
II LIABILITIES	
(1) Non current liabilities	
(a) Financial liabilities	
(i) Borrowings	726.03
(ii) Other Financial Liabilities	162.28
(b) Long term provisions	6.40
	894.71
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	266.75
(ii) Trade payables	548.60
(ii) Other financial liabilities	25.16
(b) Employee benefit obligation	8.92
(c) Other current liabilities	52.09
(d) Short-term provisions	58.95
	960.47
Total Liabilities	1,855.18
Net Assets Transferred	81.76

Notes:

- The Company has recognised the effect of demerger and the difference of ₹ 81.76 crores i.e. excess of the value of transferred assets over the transferred liabilities pertaining to the demerged undertaking pursuant to the Scheme has been debited to the Retained earnings of the Company. Further, general or multipurpose borrowings of the Company transferred to the Resulting Company in the ratio of the value of assets transferred bears to the total value of the assets of the Company immediately before the appointed date in terms of the said scheme. The operations of the Tyre business (demerged undertaking) has been re-presented for all previous periods as discontinued operations.
- Upon the effectiveness of this Scheme, the Resulting Company has issued and allotted to each shareholder of the Company, whose name is recorded in the register of members and records of the depository as members of the Company, on the Record Date, (1) one equity share of ₹ 10 (Rupees Ten) each of the Resulting Company credited as fully paid up for every equity share of ₹ 10 (Rupees Ten) each held by such shareholder in the Company such that the shareholding in the Resulting Company on such issuance of shares is the mirror image of the shareholding in the Company.
- The Company transferred its assets and liabilities to Birla Tyres Limited pursuant to scheme of arrangement. The appointed date of the scheme is 1st January, 2019 as approved by the NCLT. Therefore, all transactions from 1st January, 2019 to 31st March, 2019 of the Tyre division were carried on behalf of Birla Tyres Limited and the same is recorded as receivable or payable on account of demerger from Birla Tyres Limited as at 1st April, 2019. Further the losses for the period 1st January, to 31st March, 2019 of the Tyre division has been transferred to Birla Tyres Limited amounting to ₹ 75.80 crores.
- Further, general or multipurpose borrowings of the Company transferred to the Resulting Company in the ratio of the value of assets transferred bears to the total value of the assets of the Company immediately before the appointed date in terms of the said scheme. The amount of borrowings transferred has been given in the above table. The banks are in the process of splitting the loan as per the order.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 41: Loss information for Discontinued Operation

Given below is the financial information for the discontinued operations of the tyre segment from 1st April, 2018 to 31st March, 2019.

Particulars	2018-2019
I Revenue from operations	1,298.10
II Other income	27.44
III Total Income (I+II)	1,325.54
IV Expenses:	
(a) Cost of materials consumed	793.29
(b) Purchases of stock-in-trade	89.15
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	54.60
(d) Employee benefit expense	149.95
(e) Depreciation and amortisation expense	45.16
(f) Finance costs	155.86
(g) Other expenses	300.41
Total Expenses	1,588.42
V Loss before exceptional items and tax (III-IV)	(262.88)
VI Exceptional Items	
VII Profit/(Loss) before tax (V+VI)	(262.88)
VIII Tax expense:	
(1) Current tax charge / (credit)	-
(2) Deferred tax charge / (credit)	-
IX Loss for the year (VII-VIII)	(262.88)

Note 42: The Group had losses during the previous year and has continued to incur losses during the current year, primarily due to lower volumes and finance costs which has resulted in contraction in net worth during the year and as at 31st March, 2020. The net current liabilities as at 31st March, 2020 were ₹ 1,270.53 crores. Further, the Parent has not complied with certain financial debt covenants and also defaulted in repayment of letter of credit, its working capital facilities and interest payable to lenders in respect of its term loans and working capital facilities as on 31st March, 2020 [refer Note 37 (B)]. The default is primarily caused due to liquidity mismatch, while the company has continued to generate positive cash flow from its business operations.

The Board of Directors has evaluated these conditions and has advised management to take measures to improve the liquidity condition of the Group. The Parent is working towards a resolution plan with the lenders and has signed a non-binding term sheet with a potential investor, which will enable the Group to scale up its operations and meet the remaining financial obligations. The management is expecting to get the necessary approval of the stakeholders. The Group's ability to continue as a going concern is dependent on successful outcome of the above mentioned management plans. In addition, the Promoter Group, has consistently demonstrated its financial commitment in the Company and would continue with that support in future as and when necessary. Accordingly, these financial information have been prepared on the basis that the Company will continue as a going concern.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

(All amounts in Rupees crores, unless otherwise stated)

Note 43: Statement of net assets, and profit or loss attributable to owners and non-controlling interest

Name of the entity	2019-2020							
	Net Assets	As a % of consolidated net assets	Net Profit / (Loss)	As a % of consolidated net Profit / (Loss)	Other comprehensive income	As a % of consolidated other comprehensive income	Total comprehensive income	As a % of consolidated total comprehensive income
Holding Company	27.36	-28.13%	(485.50)	258.90%	(11.37)	70.97%	(496.87)	244.11%
Kesoram Industries Limited								
Subsidiary	(81.68)	83.99%	(89.14)	47.54%	(4.65)	29.03%	293.33	-144.11%
Cygnat Industries Limited								
Total Eliminations	(42.93)	44.14%	387.12	-206.43%	-	0.00%	-	0.00%
Total	(97.25)	100.00%	(187.53)	100.00%	(16.02)	100.00%	(203.55)	100.00%

Name of the entity	2018-2019 *							
	Net Assets	As a % of consolidated net assets	Net Profit / (Loss)	As a % of consolidated net Profit / (Loss)	Other comprehensive income	As a % of consolidated other comprehensive income	Total comprehensive income	As a % of consolidated total comprehensive income
Holding Company	530.19	472.31%	(254.25)	69.98%	1.55	-2.54%	(252.70)	59.55%
Kesoram Industries Limited								
Subsidiary	12.12	10.80%	(109.07)	30.02%	(62.60)	102.54%	(171.67)	40.45%
Cygnat Industries Limited								
Total Eliminations	(430.05)	-383.10%	-	0.00%	-	0.00%	-	0.00%
Total	112.26	100.00%	(363.32)	100.00%	(61.05)	100.00%	(424.37)	100.00%

* Previous year figures include Tyre business

Note - Since there is no non-controlling interest in the subsidiary company, hence the disclosures are not applicable.

Note 44: The appearance of COVID-19 in January, 2020 and its global expansion has caused the viral outbreak to be classified as a pandemic on 11st March, 2020 by the World Health Organisation. Since then measures are being adopted to combat the virus which is having a significant impact not only on people but economic activity in general. As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the operations of the Group were impacted, due to shutdown of all plants and offices (from 24th March, 2020 to 3rd May, 2020) following nationwide lockdown by the Government of India. The Group has resumed operations in a phased manner as per directives from the Government of India. The Management has considered the possible effects, if any, that may result from of the pandemic on the business and carrying amounts of current assets and liabilities after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results. Given the uncertainties associated with pandemic's nature and duration, the actuals may differ from the estimates considered in these financial results. The Group continues to closely monitor the rapidly changing situation in order to successfully address possible financial and non-financial impact on the Group.

Notes to Consolidated Financial Statements for the year ended 31st March, 2020

Note 45: Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

In terms of our report attached

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

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: 30th July, 2020

Kaushik Biswas
Company Secretary

For and on behalf of the Board

Manjushree Khaitan
Chairman

P. Radhakrishnan
Whole-time Director & CFO



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